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The allocation of people as Human Capital Resources across global teams within MNEs

A Multiple Case Study

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Abstract

This multiple case study investigates the strategic allocation of human capital across global teams within multinational enterprises (MNEs), a critical yet underexplored area in international business research. Extensive literature exists on both global team dynamics and human capital management; however, the specific processes through which MNEs deploy human resources across international borders have not been thoroughly examined. This study delves into the mechanisms of how these enterprises manage and strategically allocate human capital with the goal to enhance global operations, with a focus on aligning organizational objectives with individual employee capabilities.

Employing a qualitative research methodology enriched with a microfoundational perspective, this research encompasses a detailed examination of several multinational firms. This approach allows for a deep dive into the nuanced decision-making processes that guide the allocation of human capital, emphasizing the importance of individual actions and decisions that collectively impact organizational outcomes. The analysis demonstrates the critical intersection of strategic business needs with the diverse skills and competencies of individuals who are positioned to significantly influence the effectiveness of global teams and the overall success of the organization.

Key findings indicate that factors such as internal organizational networks, cultural adaptability, technological proficiency, and strategic alignment are essential for optimizing the global allocation of human capital. These elements are crucial for MNEs aiming to leverage their workforce effectively and maintain a competitive edge in the global market.

By providing a comprehensive understanding of these strategic processes, the study bridges critical gaps in the academic discourse, advancing the body of knowledge on human capital management within global teams and international business. This research not only enriches the existing literature but also paves the way for further scholarly exploration in this vital area. Moreover, the insights from this study offer practical implications for multinational enterprises, suggesting that a more informed and flexible approach to human capital management, grounded in micro foundational insights, can lead to improved strategic outcomes and organizational performance.

Keywords: Allocation of Human Capital, Global Teams, Microfoundations, MNEs

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1. Introduction

1.1. Background

Two concepts are crucial for this study: human capital resources and global teams. These are foundational in understanding how multinational enterprises (MNEs) navigate and achieve success in the global marketplace.

1.1.1. Human Capital Resources within MNEs

In the realm of International Business, the scholarly discourse on Human Capital Resources in multinational enterprises (MNEs) is multifaceted, encompassing both the tangible skills and the intangible aspects of employee knowledge and abilities. The extensive reach of Multinational Enterprises (MNEs), extending across varied markets and cultural landscapes, highlights the significance of comprehending human capital resources. Grounded in the Resource-Based View (RBV), as introduced by Barney (1991), firms can, when they possess and control resources that are valuable, rare, inimitable, and non-substitutable, obtain a sustained competitive advantage. Although the RBV does not handle human capital resources in the best way, due to their dynamic and evolving nature (Kraaijenbrink, 2011, p.219), this idea of valuable, rare, inimitable, and non-substitutable resources along with the more nuanced description by Kraaijenbrink (2011, p.219) positions these resources as essential elements within the strategic framework of multinational enterprises. This perspective underscores the complex nature of human capital as a key driver of competitive advantage, particularly in the global context where the dynamism and adaptability of HRM practices become crucial.

The intricate interplay of global perspectives, cultural insights, and local market intelligence, encapsulated within the human capital, underscores the significance of adeptly organizing these resources for persistent success. This perspective underscores the complex nature of human capital as a key driver of competitive advantage, particularly in the global context where the dynamism and adaptability of HRM practices become crucial.

It is the essential nature of these resources - the collective pool of individuals' knowledge, skills, abilities, and other characteristics (KSAO) (Ployhart and Moliterno, 2011, p.145),

which positions human capital resources as critical for organizational success - particularly in the context of global team management. The unit-level performance will depend on this pool of individuals' KSAOs (ibid., 2011, p.146), which ultimately impacts the success of an MNE. Inherent in human capital resources are tacit capabilities, extending the complexity of KSAOs as characterized by Ployhart and Moliterno (2011, p.127). The unique characteristics of tacit capabilities in human capital, its intrinsic, personal nature and the inherent difficulties in its transmission and quantification (Hafeez and Abdelmeguid, 2003, p.1-2), complicates the behavior of MNEs.. Tacit capabilities are embedded deeply within individuals, shaped by their experiences and insights (ibid., 2003, p.154), making it a subtle yet vital component of an organization's competitive edge (ibid., 2003, p.162).

1.1.2. Global teams within MNEs

The origin of global teams took place approximately a quarter-century ago, when scholars initiated inquiries into multinational teams, initially composed of members from at least two nationalities who interacted face-to-face (Butler, Minbaeva, Mäkelä, Maloney, Nardon, Paunova, & Zimmermann, 2018, p.3). More recently, there has been a notable shift in nomenclature towards the term "global team", which better encapsulates the evolving nature of multinational teams. Unlike the previous delineation between face-to-face interactions in traditional multinational teams, the term "global team" acknowledges that work modes may vary among members and evolve over time. This term also encompasses teams operating in a dispersed work environment spanning the globe, where members collaborate across different locations and time zones. Additionally, global teams are characterized by heterogeneity across various dimensions, including cultural, linguistic, and professional backgrounds (Zander, Mockaitis, & Butler, 2012, p.592; Maloney & Zellmer-Bruhn, 2006, p.1)

Most recent decades have been characterized by significant technological advancements, leading to the emergence of a new phenomenon, known as global virtual teams (GVTs) (Davis & Bryant, 2003, p.1). Unlike traditional multinational teams, which were primarily characterized by face-to-face interactions among members from different nationalities, GVTs consist of individuals from diverse national backgrounds and predominantly operate virtually.

Despite virtual teams (VTs) existing for more than two decades (Jarvenpaa & Leidner, 1999, p.791-815), the pandemic of the Coronavirus disease 2019 (Covid-19) has triggered a widespread shift towards virtual teamwork (Chamakiotis, P., Panteli, N., & Davison, R. M.

2021, p.2). The onset of Covid-19 in late 2019 disrupted the previously stable status quo of the companies, leading to significant transformations in organizational structures. This global event compelled a substantial portion of the workforce to shift to a virtual, home-based work environment which, in comparison to earlier virtual teams, is more localized, as highlighted by Ancona, Bresman, and Mortensen (2020). The adoption of virtual teams became imperative for organizational continuity and survival, rather than a discretionary choice (Richter A. 2020).

This transformative shift in team composition and mode of operation has redefined the landscape of international collaboration, introducing both opportunities and challenges for organizations navigating the complexities of global teamwork in a digital age.

As technological advancements continue to reshape the landscape of international collaboration, understanding the strategic imperatives behind the formation of global teams becomes essential. By examining the rationale and objectives driving organizations to adopt global team structures, we gain insights into the opportunities and challenges inherent in this mode of operation, setting the stage for a deeper exploration of the intricacies surrounding global teamwork in the digital age.

1.1.3. The Motivation behind developing global teams

There can be several motivations behind the formation of global teams within companies, aiming to collaborate internationally and interdependently towards shared objectives. These teams are often established with the dual purpose of developing overarching global strategies and executing localized initiatives to support these strategies (Gluesing, J. C., & Gibson, C. B. 2003, p.2). The creation of global teams is driven by the recognition of the interconnectedness of markets and the need for a cohesive approach to address diverse challenges and opportunities across borders. By assembling individuals with diverse expertise, perspectives, and cultural backgrounds, global teams can leverage collective insights to formulate comprehensive strategies that align with the overarching goals of the organization. Furthermore, global teams facilitate the seamless execution of these strategies by bridging geographical and cultural barriers, enabling localized implementation while maintaining alignment with global objectives. This strategic approach ensures that companies can effectively navigate the complexities of the global business landscape, capitalizing on

opportunities and optimizing resources to drive sustainable growth and competitiveness on a global scale.

Multinational enterprises frequently establish global research and development teams to capitalize on site-specific scientific expertise dispersed across the globe. By leveraging the diverse knowledge and capabilities available in various locations, these teams can access specialized skills and insights that may not be readily available in a single location (Gluesing, J. C., & Gibson, C. B, 2003, p.2). By harnessing the collective expertise and resources of global teams, companies can enhance their competitive advantage and adaptability in the ever-evolving global marketplace, ultimately driving innovation and delivering value to customers worldwide.

1.1.3.1. The concept of Microfoundations in the Context of Global Teams and MNEs

Going deeper into what constitutes a global team, other than the obvious connection to human capital i.e., the capabilities of the team members, necessitates the introduction of microfoundations. Aligning with Foss and Pedersen (2019, p.1594), these microfoundations are within this study considered to be individuals and those individuals' interactions and actions. Microfoundations refer to the examination and understanding of macro-level phenomena through the lens of individual-level behaviors and interactions within an organization (ibid., p. 1594) or system Kertzer (2017, p. 367). This concept highlights the necessity of analyzing how the actions and decisions of individuals contribute to larger outcomes in complex organizational or systemic structures.

1.2. Problem Discussion

Within the field of international business studies, neither the body of academic literature on Human Capital Resources nor the one on Global Teams can be considered insignificant. In fact, both these academic avenues have been extensively explored due to their critical role in shaping the strategies and operational effectiveness of multinational enterprises (MNEs).

However, before diving deeper into why these areas are problematic on their own and combined, it is important to note that recent global events, such as the Covid-19 pandemic, have significantly impacted business operations, including the mobility of people in the international arena (Alon, 2020, p.2). This shift underscores a critical gap in the existing

academic literature within international business. The transformation of the global landscape necessitates a reevaluation and an update of foundational concepts across various academic fields, particularly in the previously underexplored areas of how MNEs allocate human capital to global teams. This evolving context highlights the need for contemporary research that addresses the current realities facing multinational enterprises.

Human capital, defined as the knowledge, skills, and capabilities of employees that contribute to organizational performance, is a foundational pillar for competitive advantage in global markets (Kraaijenbrink, 2011, p.218; Wright & McMahan, 2011, p.93). However, multinational enterprises (MNEs) face significant challenges in strategically allocating human capital across diverse international markets. Human capital, essential for driving organizational success, consists of finite resources imbued with tacit knowledge crucial for operational and strategic excellence (Hafeez & Abdelmeguid, 2003, p.1-2; Ployhart, 2021, p.2). The effective management of these resources is paramount, particularly as MNEs seek to optimize their operations globally. However, there remains a considerable gap in fully understanding how these resources can be managed and allocated most effectively to align with global strategic objectives. This gap underscores the need for deeper explorations into the policies and practices that can enhance the utilization and integration of human capital in multinational settings.

Global Teams represent critical components within MNEs, acting as conduits for executing corporate strategies across borders (Ployhart, 2021, p.2; Paul, Drake, & Liang, 2016, p.186). While their role is undeniably critical, existing literature often centers on the management of existing global teams, e.g., global team leadership (Zander, Mockaitis, & Butler, 2012, p.592; Kayworth & Leidner, 2002, p.7), professionalism (Zaidman, 2021, p.329), team performance (Paul, Drake, & Liang, 2016, p.186), coordination (Montoya-Weiss, Massey, & Song, 2001, p.1251) and so on. This emphasis frequently overlooks the nuanced challenges and strategic opportunities that arise during the formation, management, and optimization of these teams, when the focus is tilted toward the management of individuals, i.e., human capital resources, and how these are adhered to in the global team setting and combined when allocated to global teams. What is also notably absent in the scholarly discourse on global teams – and teams in general – is a profound understanding of the nuances through which networks influence team formation. While existing literature frequently explores how networks function once teams are operational, there is a significant gap concerning their role during the

formation phase (Henttonen, Janhonen, & Johanson, 2013, p.618). This lack of insight extends to the influence of networks on the allocation of human capital to and across global teams simply because this is what happens in team formation. Therefore, a more nuanced understanding of global team management is critical for MNEs striving to effectively leverage human capital resources and sustain competitive advantages in diverse markets.

The concept of microfoundations, i.e., the understanding of how individual behaviors and interactions at the micro-level influence broader organizational outcomes (Foss & Pedersen, 2019, p. 1594), provides a valuable lens for examining these gaps in existing literature discussed above. On the topic of existing literature, it often emphasizes macro-level phenomena, such as organizational structures and international business strategies, yet frequently neglects the nuanced individual-level processes that drive these broader outcomes. Aligning with arguments from other authors, such as that individual decisions and psychological processes play a critical role in political outcomes (Kertzer, 2017, p. 81), but also in international relations (McGinley, 2014, p. 367), emphasizes this need too. Further, the examination of micro-level factors in strategic management is not just about recognizing individual contributions but also about understanding how these contributions are integrated and leveraged within the organizational framework. The concept of microfoundations also stipulates the unit of analysis within this study, i.e., it is the individual contribution of how human capital is allocated across global teams which are of interest.

Incorporating microfoundational analysis into the study of global teams and the allocation of human capital not only fills a significant gap in the literature but also provides a more comprehensive understanding of how MNEs can strategically leverage individual talents and interactions to sustain competitive advantages in the global market. These gaps identified in the academic literature underscore the importance of qualitative research in the field of international business, as noted by Fortwengel, Gutierrez Huerter, & Kostova (2023, p.6). The absence of robust scholarly discourse significantly constrains our ability to comprehensively understand complex phenomena (ibid., 2023, p.6; Cuervo-Cazurra, Andersson, Brannen, Nielsen, and Reuber, 2020, p.122-123), such as the management and allocation of human capital by multinational enterprises (MNEs) to and across global teams.

1.3. Overall purpose and research questions

The overarching purpose of this research is to unravel and comprehend the methods and strategies employed by MNEs in the allocation of people as knowledge and talent, i.e., human capital, to and across global teams. The research will also look into different factors that influence the process of allocation of human capital, in the context of global teams. In pursuit of this aim, the study will explore the following research questions:

1. How do multinational enterprises (MNEs) allocate people as human capital resources towards and across global teams?
 - 1.1. What factors at MNEs influence the allocation of people as human capital towards and across global teams?

1.4. Delimitation

This thesis focuses on a relatively underexplored aspect of international business and human resource management: the allocation of human capital to and across global teams. Despite the extensive body of research on global teams and management strategies, the specific dynamics of how organizations strategically place people – or view them as human capital – to and within these teams has not been thoroughly examined. This gap presents both a challenge and an opportunity for this research.

The body of research into global teams generally discusses operational strategies, communication effectiveness, and cultural impacts on team performance. However, the nuanced process of how exactly human capital is allocated to and managed across these teams is lacking in the literature on global teams. This aspect is crucial because it influences not only the effectiveness of the teams but also the broader organizational capability to leverage global talent effectively.

2. Literature Review

2.1. Role of HRM in MNEs

2.1.1. Definition of HRM

Human Resource Management (HRM) has been defined by many scholars over the time and its definition has changed from time to time. In the early 1980s, Beer, Spector, Lawrence, Mills, & Walton (1984, p.1) defined Human Resource Management (HRM) as encompassing all management decisions and actions that influence the nature of the relationship between the organization and its employees. This definition highlights the holistic approach of HRM, which goes beyond mere administrative tasks to encompass strategic decisions that shape the employee experience, engagement, and contribution to organizational goals. Similarly in the late 1980s, Miller (1987, p.1) defined Human Resource Management (HRM) as encompassing "those decisions and actions which concern the management of employees at all levels in the business and which are related to the implementation of strategies directed towards creating and sustaining competitive advantage." This definition emphasizes the strategic role of HRM in aligning HR practices with the organization's broader business strategies to achieve a sustainable competitive advantage. It underscores the importance of effectively managing employees at all levels to drive organizational success and maintain competitiveness in the marketplace.

According to Alam & Mukherjee (2014, p.1) Human Resources Management (HRM) encompasses a comprehensive set of practices and strategies implemented by businesses to ensure the effective management of their workforce in order to meet operational needs and organizational objectives. The primary objective of Human Resources (HR) is to maximize the return on investment from the organization's human capital while minimizing financial risk. Human resource managers are entrusted with the responsibility of conducting HR activities in a manner that is effective, legal, fair, and consistent (Alam & Mukherjee, 2014, p.2). This entails various functions such as recruitment, training, performance management, compensation, employee relations, and compliance with relevant laws and regulations. By optimizing the utilization of human capital and ensuring compliance with legal requirements, HR contributes to the overall success and sustainability of the organization. Additionally, HR

plays a critical role in fostering a positive work environment, promoting employee engagement, and aligning HR practices with the strategic goals of the organization. Through these efforts, HR managers strive to enhance organizational performance, productivity, and competitiveness while safeguarding the well-being and rights of employees.

While there may not be a consensus on the definition or specific characteristics of Human Resource Management (HRM), it is evident from the above definitions that HRM encompasses a combination of people-oriented management practices. This approach views employees as valuable assets rather than mere costs to the organization (Alam & Mukherjee, 2014, p.2). The primary objective of HRM is to create and maintain a skilled and committed workforce that contributes to the organization's competitive advantage. By emphasizing the strategic management of human capital and aligning HR practices with organizational goals, HRM aims to optimize employee performance, foster innovation, and enhance organizational effectiveness (Alam & Mukherjee, 2014, p.2).

2.1.2. Recent literature findings on role of HRM in MNEs

The theoretical work on the resource-based view of the firm, as originally articulated by Barney (1991), provides support for the idea that Human Resource Management (HRM) can be a significant source of competitive advantage. Barney argues that resources within a firm contribute to sustainable competitive advantages when they possess certain characteristics. These characteristics include being valuable, rare, inimitable, and non-substitutable (VRIN). Human Resource Management (HRM) actions within an organizational framework play a pivotal role as a crucial resource for organizational development. These HRM resources are not only valuable but also sporadic, making them challenging for industry competitors to replicate or substitute in the market environment (Li, Du, Tang, Boadu, & Xue, 2019, p.3). They serve as a strategic tool, providing firms with a competitive edge to effectively pursue and achieve strategic goals (Wernerfelt, 1984 p.1).

The relevance of Human Resource Management (HRM) as a support of competitive advantage has garnered attention from both practitioners and academics alike (Porter, M.E., 1985, p.1). While traditional sources of value such as technology, natural resources, and economies of scale can create value, the resource-based theory posits that these sources are becoming increasingly available and easily replicable. In contrast, complex social systems like human resource systems are more difficult to imitate, making them potentially stronger

sources of sustainable competitive advantage (Ulrich, 1993). Several authors (e.g., Pfeffer, 1994; Youndt, Snell, Dean, & Lepak, 1996; Wright and McMahan, 1992) have argued that human resource systems may serve as a better source of core competencies, which are essential for achieving sustainable competitive advantage. This perspective is in line with the notion that core competencies are typically embodied in people's skills and capabilities (Prahalad and Hamel, 1994, p.232), emphasizing the critical role of HRM in developing and nurturing these competencies within organizations. As such, the recognition of human resource systems as a key source of competitive advantage underscores the strategic importance of HRM in driving organizational success in today's competitive business landscape.

2.2. Theoretical Framework

2.2.1. Motives of developing global teams in MNEs

The formation of global teams is motivated by the acknowledgment of the interconnectedness of markets and the necessity for a unified approach in tackling diverse challenges and opportunities across borders (Gluesing & Gibson, 2003, p.2). In today's interconnected world, traditional organizational structures, leadership roles, and management practices must evolve to adapt to changing times. The increasing interconnectedness of global markets, facilitated by rapid technological advancements and electronic-based communication, requires organizations to embrace flexibility and agility (Mockaitis, Zander, De Ceiri, 2018, p.3). This interconnectedness enables organizations to respond swiftly to evolving trends and demands, expanding their global reach and enhancing collaboration across geographical boundaries. Consequently, organizations must adopt flexible approaches to talent management, seeking out and leveraging the skills and capabilities of the best leaders and employees from diverse locations. By embracing diversity and inclusivity, organizations can stay integrated, responsive, and resilient in the face of constant change, thereby maintaining their competitive edge in today's dynamic business landscape (ibid., 2018, p.3).

Organizing work within global teams has become the standard operating procedure in multinational organizations (Zander, Zettinig, & Mäkelä, 2013, p.1). The formation of global teams is driven by the recognition of the interconnectedness of markets and the imperative for a unified approach to tackle diverse challenges and opportunities across borders. (Gluesing &

Gibson, 2003, p.2). These teams are characterized by their global dispersion and heterogeneity across multiple dimensions (Maloney & Zellmer-Bruhn, 2006; Zander, Mockaitis, & Butler, 2012, p.1). Operating across multiple countries, time zones, cultures, and languages, global teams often rely predominantly on communication technologies rather than face-to-face interactions. Whether they are collocated, virtual, or a blend of both, global teams are catalysts for new organizational forms, challenging traditional conceptions about organizational boundaries (Gibbs & Boyraz, 2015, p.1; Schweiger et.al., 2003; Zander, Butler, Mockaitis, Herbert, Luring, Mäkelä, Zettinig, 2015, p.1). The dynamic nature of global teams, coupled with their heavy reliance on technology, is redefining how work is organized and executed, ushering in a new era of global collaboration and innovation within multinational organizations. These teams embrace agility and flexibility, adapting quickly to changing market conditions and business priorities across diverse geographical locations.

2.2.2. Benefits of global teams

Team-based structures in organizations have been gaining increased attention in recent times, with a particular focus on the implications of project-based work (Mockaitis, Zander, De Ceiri, 2018, p.1). Project-based work emphasizes the formation of temporary teams or task forces, bringing together individuals with diverse skills and expertise to address specific challenges or opportunities. Among the many strengths/advantages of global teams are their abilities to integrate specialized and globally dispersed capabilities, to understand local needs and demands, and to leverage cultural diversity in terms of values, beliefs, attitudes, perspectives, and experiences among team members (ibid., 2018, p.4). One of the primary challenges faced by global teams, which operate across multiple boundaries and comprise members from diverse cultural and linguistic backgrounds, is the establishment of a supportive and inclusive environment that embraces diversity within the team (Zander et al., 2015, p.1). Global teams have the potential to facilitate the creation of an inclusive climate of diversity within organizations. By harnessing the diverse values, expertise, cultures, knowledge, and skills of their workforce, organizations can derive benefits from instilling a culture of cross-border collaboration (Mockaitis et.al., 2018, p.5).

Organizations can also benefit from the unlimited access to global talent. By leveraging highly specialized professionals, experts, and consultants with diverse backgrounds, education, experience, and expertise, organizations can bring them together to form a global

team (Simpson, 2017, p.7). This diversity can facilitate sharing and transferring knowledge (Pinjani, Palvia, 2013; Klitmoeller, Luring, 2013; Alsharo, Gregg, Ramirez, 2017) and enhance creativity and innovative thinking, resulting in benefits at both the organizational and individual levels (Simpson D, 2017, p.7).

Another advantage of global teams is that members of the global team engage in continuous negotiation, idea and knowledge sharing, conflict resolution, and trust-building. Through these interactions, they generate novel team-based solutions and knowledge, facilitating mutual learning and the development of global business expertise among team members (Distefano & Maznevski, 2000, p.1). Global teams can also serve as a significant resource in their own right, facilitating the flow of information and knowledge and fostering lateral connections throughout the organization (Mockaitis et.al., 2018, p.7). Distefano & Maznevski (2000, p.1) also emphasize that the novel knowledge generated by global teams can offer distinctive resources and competitive advantages for the organization.

2.2.3. Challenges within global teams

While Global teams offer numerous advantages, they also face several challenges and drawbacks. Some of the challenges that global teams face are inherent, one such challenge is diversity issues stemming from the cultural, linguistic, and professional differences among team members (Jonsen, Maznevski, & Davison, 2012, p.1). Other inherent challenges could be related to team leadership, process and outcomes (Stahl, Mäkelä, Zander, & Maznevski, 2010, p.1; Stahl, Maznevski, Voigt, & Jonsen, 2010, p.1; Zander et al., 2012, p.1).

According to Stahl et al. (2010, p.1) diversity has both positive and negative effects on global teams. On one hand diversity in global teams can lead to innovations by bringing together a wide range of perspectives, and ideas but on the other hand diversity can also result in interpersonal conflict, as team members with different cultural norms, communication styles, and work preferences may struggle to understand and collaborate effectively with one another. These conflicts can hinder team cohesion and productivity, leading to reduced interaction and communication among team members (Schweiger et al., 2003, p.1). Challenges arising from the diverse values, views, and expectations of team members can be intensified by difficulties in effective communication, especially when there is a linguistic distance between team members (Mockaitis et.al., 2018, p.7).

2.2.4. Networks and global teams

A network, within the context of MNEs and global teams, is a system of interconnected individuals or entities that exchange information, resources, and support within an organizational setting. This study defines a network as 'a collection of actors and the ties representing some relationship, or lack of relationship, between these nodes' (Borgatti and Foster, 2003, p.992), emphasizing the importance of connections and non-connections in understanding the complexities of network dynamics.

Networks are pivotal for facilitating collaboration, coordination, and knowledge sharing within teams, enhancing efficiency in areas such as knowledge transfer (Henttonen, Janhonen, & Johanson, 2013, p.618; Reagans & McEvily, 2003, p.261; Cross, Borgatti, & Parker, 2001, p.106). These networks provide team members access to diverse perspectives, expertise, and resources, thus boosting the team's ability to tackle complex problems, drive innovation, and achieve strategic goals (Henttonen et al., 2013, p.616).

Furthermore, networks within MNEs are instrumental in disseminating best practices and fostering a culture of continuous learning and improvement. They facilitate rapid response to market changes by leveraging global insights and localized knowledge, thereby improving organizational agility (Tsai, 2002, p.189). Networks also play a crucial role in talent development by creating avenues for mentorship, collaboration, and skill enhancement (Feeney, M. K., & Bozeman, 2008, p.1651-1652).

2.3. The process of allocation of Human Capital to and across global teams

2.4. Distance and locality

For many decades distance and locality or proximity have been focal points in research (O'Leary and Mortensen, 2010, p.4). As an example, physical closeness influences communication, collaboration, and social interactions across various environments. Research indicates that varying degrees of dispersion among team members can impact team dynamics and effectiveness. Specifically, teams with unequal numbers of members across different locations tend to perform less effectively than those with a more balanced dispersion of team

members (ibid., 2010, p.17). Adding to this, cultural distance, defined as the cultural differences between individuals, groups, or organizations, has often been explored with a focus on differences and the problems they may lead to (Drogendijk and Zander, 2010, p.13), and often negatively impacting team performance more than positively (Stahl, Mäkelä, Zander, and Maznevski, 2010, p.2). Supporting this is the argument that suggests that greater geographical distances can amplify cultural differences, making it more challenging to understand foreign environments (Drogendijk and Zander, 2010, p.4; Johansson and Wahlne, 1977, p.1). Moreover, the costs and risks associated with managing teams across diverse nationalities and regions are likely to increase due to these dissimilarities (Shenkar, 2001, p.2-4).

With that said, a more nuanced view of cultural differences has revealed that while there are potential “boundaries” which can hinder team performance there are also several benefits which can increase it. E.g., team members and or managers with local knowledge can serve as cultural bridges, improving the integration of global business strategies with local practices (Harzing & Noorderhaven, 2006, p.175). A larger variety of ideas and options is also a source of cultural distance’s positive impact on team performance (Drogendijk and Zander, 2010, p.13-14). These conflicting positive and negative impacts of cultural distance lead to what is known as the cultural distance paradox, highlighting the inherently complex and multifaceted nature of cultural interactions (ibid., 2010, p.3).

2.5. Experience vs New Talent

Managing a global workforce, much like managing any workforce, involves certain challenges. However, since MNEs do operate globally they have access to a global pool of talent, even if this also entails certain challenges (Collins, Mellahi, and Cascio, 2019, p.2). More precisely key challenges include (1) efficiently deploying the appropriate skills in the necessary quantities to the locations where they are most needed; (2) disseminating current knowledge and practices across the multinational enterprise (MNE), irrespective of their origin; and (3) recognizing and cultivating talent on a global scale (Tarique & Schuler, 2010, p.2; Roberts, Kossek, and Ozeki, 1998, p.2). Building on this, it involves strategical decisions whether to retain seasoned professionals or to choose emerging talents. Contrary to the historical formation, a notable trend within the global workforce is that today's employees are more receptive to external opportunities (Cappelli and Keller, 2014, p.12), which is largely

attributed to evolving employer preferences (ibid., 2014, p.12; Bidwell Briscoe, Fernandez-Mateo, and Sterling, 2013, p.76). Additionally, it is important to remember that forecasting human capital needs gets all more challenging when uncertainty in demand increases (Cappelli and Keller, 2014, p.9).

On the one hand, we have experienced professionals who bring a wealth of expertise to the table. Experience, defined through deliberate practice over time, plays a crucial role in the development of expertise (Ericsson, 2006a, p.2; Ericsson, 2006b, p.3). This focus on sustained, concentrated efforts to refine specific skills is what distinguishes experts from novices and those with less experience (ibid., 2006b, p.3). From an organizational perspective, this expertise includes a deep understanding of company or organizational processes, which significantly enhances stability and consistency in team performance. Furthermore, it's important to note that over the past few centuries, the relationship between master and apprentice, a foundational element of skill transmission and professional development, has undergone several significant changes (ibid., 2006b, p.9). Compared to centuries ago when experience was primarily linked to craftsmanship (ibid., 2006b, p.9), individuals today have easier access to information, and thus broader possibilities to develop experience, due to technological and educational advancements (ibid., 2006c, p.69-84). Nonetheless, it is still the commitment to deliberate practice over time that distinguishes experienced individuals from those with less experience.

On the other hand, we have new talent that notably have less experience related to those specific areas which distinguishes them from experienced professionals. When new talent is hired, there is typically a need for alignment with organizational guidelines or the task at hand (Ericsson, 2006a, p.2), however, this new (Erickson and Gratton, 2007, p.1), or emerging (Lyons and Kuron, 2013, p.2-3) talent can introduce innovative ideas and cutting-edge skills, which are crucial for driving change and facilitating adaptation in dynamic global markets.

What is also relevant when considering new talent, or at least emerging/younger talents, is their increased independent nature and pursuit of personal fulfillment. Employers who address these individuals' growth needs can gain a competitive edge in attracting and retaining them. To stay adaptable, employers should offer flexible, transactional employment options or tailor work conditions to satisfy the varied preferences of different generations. (ibid., 2013, p.12)

2.6. Constrains

As outlined by Gluesing and Gibson (2017, p.199), the design and functioning of global teams are influenced by several dimensions of complexity, including task, context, people, time, and technology, each contributing uniquely to the challenges and constraints of operating globally.

2.6.1. Task Complexity

The complexity of tasks faced by global teams can be categorized along a continuum, which is influenced by workflow interdependence, task environment, and the degrees of external and internal coupling (ibid., 2017, p.200). Tasks range from those requiring minimal interaction among team members to those demanding intense collaborative efforts and simultaneous problem-solving. For instance, at the lower end of complexity, tasks may involve independent activities that culminate in a collective output without necessitating ongoing interaction. In contrast, at the higher end, tasks may require continuous, dynamic interplay among team members, who must negotiate, integrate diverse viewpoints, and make decisions in real-time. A highly interdependent workflow, where tasks are intricately linked and actions of one team member directly impact the work of others, typifies complex global team environments. Such environments are common in sectors like technology and product development, where rapid market and technological changes demand that teams adapt their strategies frequently and efficiently. (ibid., 2017, p.201-202)

Additionally, the task environment may vary from static, with predictable and stable conditions, to dynamic, filled with uncertainties that directly influence the team's effectiveness and necessitate constant vigilance and adaptability. (ibid., 2017, p.201-202)

2.6.2. Contextual Differences

This has already been brought up when conceptualizing global and locality related aspects, thus, it's an add-on related to the previous theory presented.

Navigating the complexities of various geographical and cultural contexts presents substantial challenges. Global teams must manage the differing business conditions, regulatory environments, and cultural norms, which can lead to potential conflicts and misalignments. (ibid., 2017, p.202) Developing a shared understanding or a "hybrid" context is essential.

This involves creating an inclusive environment that respects and integrates diverse cultural perspectives into a cohesive operational approach, thereby enhancing teamwork and productivity. The effort to align these diverse contexts demands robust cross-cultural communication strategies and consistent engagement from all team members to ensure successful integration and implementation of team objectives. (ibid., 2017, p.202-203)

2.6.3. Human Elements

The internal diversity of global teams, including varied expertise, perspectives, and professional backgrounds, adds layers of complexity to team operations. Differences in motivation and commitment levels can lead to inconsistent contributions and priorities, potentially disrupting team cohesion and effectiveness. Global team leaders must cultivate an understanding of these diverse backgrounds and implement strategies that motivate and engage all members. This includes recognizing individual contributions, aligning them with the team's goals, and fostering an environment where diverse talents and skills are seen as assets. Addressing these human elements effectively requires thoughtful leadership and a commitment to fostering an inclusive culture that leverages diversity for greater innovation and problem-solving capacity (ibid., 2017, p.204-206)

2.6.4. Time Constraints

Global teams often face constraints related to time, particularly due to differences in time zones that limit real-time interactions, complicating synchronous communication and extending project durations (ibid., 2017, p. 205). Accelerated project timelines in competitive global markets exacerbate these challenges by compressing critical work phases and increasing the pressure to deliver quickly, which can result in oversights or errors (ibid., 2017, p.205).

Effective temporal coordination is crucial in managing these challenges. Global teams must develop schedules that respect various time zones while aligning with project milestones, often necessitating overlapping work hours or rotating meeting times for inclusivity. Additionally, the variable duration of global teams' life cycle affects performance; shorter-term teams may struggle to establish effective working relationships, whereas longer-term teams might face difficulties in maintaining motivation and adaptability over extended periods of time. (ibid., 2017, p.205-206)

The fluid membership in global teams further complicates time management, as new members need quick integration and departures must not disrupt ongoing projects. Strategies to mitigate time constraints include leveraging asynchronous communication technologies, maintaining thorough and accessible documentation, and establishing clear norms for time management, all of which enhance team effectiveness and cohesion. (ibid., 2017, p.206)

2.6.5. Technological Barriers

While technology enables remote collaboration, disparities in technology access and proficiency can create significant barriers. Selecting appropriate technologies that align with the team's needs and the specific demands of their tasks is crucial. As tasks grow in complexity and interdependence, the need for sophisticated, real-time collaborative tools increases. (ibid., 2017, p.206) Effective teams adapt their technology use to enhance communication and ensure that all members can contribute meaningfully, regardless of their geographical location. Early in the project, it may be necessary to invest time in training and familiarization with new tools to build a solid foundation for future interactions. (ibid., 2017, p.207)

3. Methodology

This chapter outlines the methodology employed in this study, detailing the procedures undertaken to address the research question. It will begin with an overview of the research objectives, followed by an explanation of the research approach and strategy. Subsequently, the data collection method will be described, along with the process of sample selection and data analysis. Lastly, this chapter will conclude with a discussion on the quality standards adhered to in this thesis.

3.1. Research Approach

To ensure the successful execution of this study, it is imperative to carefully deliberate on the choice of method and research approach, ensuring they align with our objective of deepening our understanding of how MNC allocate human capital to global teams.

Given the exploratory nature of our inquiry, a qualitative method is deemed most suitable. A qualitative research approach is typically characterized by the analysis of words rather than numerical data. It lends itself well to describing phenomena, often from a holistic viewpoint, with researchers aiming to identify patterns of behavior (Denscombe, 2004, p.272-273). Unlike quantitative approaches, qualitative studies prioritize the interpretation of words over numerical data, aligning well with our aim to construct theory from our research findings rather than imposing preconceived notions onto the data (Bell, Bryman & Harley, 2019, p.355-356). The advantages of qualitative research lie in the richness of data it provides, allowing for the exploration of complex phenomena and emphasizing the significance of interpretation (ibid).

3.1.1. Inductive approach

The decision to employ an inductive research approach, which in our study relied on collecting empirical data from our eight case companies and then generalizing this data to formulate a theory (Bell et al., 2019, p. 23-24), was a deviation from our original research plan. Initially, the intended logic of this study was to adopt an abductive approach, which in ways is more nuanced and allows for a flexible integration of theory and empirical data.

An abductive approach differs significantly from the inductive method as it involves an iterative process that systematically combines theoretical and empirical insights in a non-linear fashion. This approach enables ongoing adjustments to the theoretical framework based on emerging empirical evidence, fostering a richer understanding and dynamic interaction between theory and practice (Dubois & Gadde, 2002, p. 555-556; Eriksson & Kovalainen, 2015, p. 24). Ideally, abduction allows researchers to refine their theoretical lens continuously as they delve deeper into the empirical world, making it particularly suitable for areas where existing theories may fall short or need substantial empirical enhancement.

However, due to the constraints presented by the existing body of research and the specific requirements of our study, the logic behind the study instead shifted toward an inductive approach. Inductive research is fundamentally observation-driven, starting from specific data to identify patterns which then lead to broader generalizations and theoretical propositions (Bell et al., 2019, p. 67). This method is apt for our research as it allows for a direct analysis of the collected data, facilitating the development of theories that are deeply grounded in the observed realities of multinational enterprises. It is important to note that without a clearly articulated research question, there is a risk of the study becoming unfocused, which can dilute the effectiveness of the inductive approach (ibid., 2019, p. 55).

By mainly applying an inductive approach, we focused on systematically extracting insights from our empirical data, which proved essential given the exploratory nature of our study and the limitations in previous research. This approach enabled us to build a robust theoretical framework that is empirically substantiated and tailored to the nuances of our specific research inquiry. While the inductive method may lack the flexibility of abductive reasoning, it offers a structured and reliable means of theory development that is particularly suitable for this study. It ensured that our theoretical contributions were both valid and reliable, rooted firmly in the data provided by the participating companies, thus strengthening the overall impact and applicability of our research findings within the field of international business and human resource management.

However, stating that this study solely relies on inductive logic would be somewhat misleading. As in many cases of research there are instances where a combination of logics can be found (ibid., 2019, p.69). In this study aspects of an abductive approach can be found, however, not to the full extent of what would be assessed as the usage of a complete abductive logic.

3.1.2. Multiple Case Study

The multiple case study approach is highly suitable for qualitative research that aims to answer "how" and "why" questions within complex, real-world contexts, where direct control over behavioral events is not necessary (Yin 1989, p.28; Yin, 2003, p.6-7). Being able to capture the studied phenomenon in its natural context (ibid., 2003, p.13), in this case multinational enterprises which utilize global teams, is an established phenomenon (see 2.2.1. *Motives of developing global teams in MNEs*), and how these enterprises allocate people as human capital across these global teams, makes the multiple case study the appropriate research approach. Likewise, each case provides unique insights into how they handle this phenomenon that, when synthesized, lead to a more comprehensive understanding of the underlying patterns and principles. For instance, analyzing multiple firms might reveal both common strategies and distinct challenges, allowing for comprehensive comparisons among the studied cases, providing a richer more holistic analytical perspective, making a multiple case study the suitable research approach (Bell et.al., 2019, p.67). In this study, the use of a multiple case study approach facilitated a more comprehensive understanding of how multinational enterprises allocate people as human capital across global teams.

According to Bell et al. (2019, p.68-70), case studies are particularly effective in business research, offering detailed insights into organizational settings. Since the usage of global teams is deeply rooted in the organizational structure of multinational enterprises (see 1.1.2. *Global Teams*) this approach enhances the study's robustness by allowing an in-depth exploration across different instances, thereby strengthening the evidence and findings (ibid., 2019, p.64).

Additionally, by employing a multiple case study, the research not only underscores the diversity and complexity inherent in global team management but also ensures that the findings are grounded in empirical data (Eisenhardt, 1989, p.547), thus increasing the generalizability and applicability of the conclusions drawn. This approach is supported by Yin (2003, p.53-54), who argues that multiple case designs enhance the study's robustness and the potential for generalizing findings beyond the immediate cases. Furthermore, Eisenhardt (1989, p.546) highlights that multiple case studies provide a stronger base for theory building, where each case serves as a distinct experiment that confirms or contradicts

the emerging theory, thereby ensuring that conclusions are both reliable and applicable across varied settings (ibid., 1989, p.546-547).

3.1.3. Sampling

The sampling strategy of this study was intricately executed across three phases, ultimately aligning with the qualitative research framework that emphasizes strategic case selection post the formation of research questions (Miles and Huberman, 1994, p.29). The study opted to first find relevant case companies and later dive into sampling of relevant individuals. However, this showed to be problematic and instead the study dived into sampling for individuals, who encompass relevant positions at MNEs, which resulted in a combined sampling process where relevant individuals, dependent on characteristics of relevant MNEs (case companies) was included in the study. This would indicate a possible shift from a positive sampling process (theoretical sampling i.e., case selection has its basis in theory (Bell et al., 2019, p.391-394), in this multiple case study the theoretical insights of global teams within multinational team were seen as the appropriate setting), it really encompasses a combination of relevant sampling strategies to enable the study to retain relevant cases to study (ibid., 2019, p.400-401).

Initially, the study sought to delve deeply into a few multinational enterprises (MNEs), using personal networks to identify suitable cases. This phase aimed at in-depth exploration of selected MNEs, intending to conduct multiple interviews within each organization to understand their global team dynamics comprehensively. However, due to unforeseen late withdrawals by the two initially interested MNEs, which either deemed the study too extensive or they faced time constraints, the strategy pivoted towards expanding the number of cases while narrowing the depth of each case's exploration. Later it facilitated the connection to one of the participating MNEs (*see 4.2. Case Company 2, Table 1*).

Subsequently, the study employed online newspapers focusing on Human Capital Management to broaden the sampling frame (ibid., 2019, p.399-400). Although this phase provided limited direct data, it facilitated the connection to one of the participating MNEs (*see 4.3. Case Company 3; Table 1*), showcasing the utility of diverse data sources in qualitative sampling (ibid., 2019, p.399-400). As the study progressed under time limitations, online social networking platforms, specifically LinkedIn (LinkedIn Retriever), were utilized to identify and recruit further participants. Due to the restrictions related to specifications

surrounding the participants employers (MNEs with global team integrated in their operations) method continued on the purposive sampling agenda, since this in combination with specific roles within MNEs, such as HR Managers and Department Leaders, were targeted to gather insights on global team management practices (Denscombe, 2004, p.34-35; Bell et.al., 2019, p.391-394). This approach aligns with theoretical sampling where the selection is driven by the potential to provide insights relevant to the study’s research questions (Eisenhardt, 1989, p.533).

This multiphase sampling process culminated in the selection of eight individuals situated at eight separate MNEs that utilize global teams, allowing for a robust comparative analysis and enhancement of the study’s generalizability. By integrating multiple sampling methods and adapting to challenges, the study not only navigated through initial setbacks but also ensured a rich collection of data, reinforcing the findings' credibility and relevance (Yin, 2003, p.5).

| Case Companies | Company Name | Interviewee | Mode of Interview | Time of Interview |
|-----------------------|---------------------------|-------------------------------------|--|--|
| Case Company 1 | Anonymous | Upper senior management | Interview 1→ Physical Interview 2→ Online via Teams | Interview 1→ 60 minutes Interview 2→ 30 minutes |
| Case Company 2 | Anonymous | Upper senior management | Interview 1→ Online via Teams Interview 2→ Online via Teams | Interview 1→ 45 minutes Interview 2→ 45 minutes |
| Case Company 3 | Deel | Head of expansion for Nordic Region | Interview 1→ Online via Teams Interview 2→ Online via Teams | Interview 1→ 60 minutes Interview 2→ 25 minutes |
| Case Company 4 | Future for Work Institute | Co-Founder | Interview 1→ Online via Teams | Interview 1→ 75 minutes |
| Case Company 5 | Anonymous | Upper senior management (HR) | Interview 1→ Online via Teams Interview 2→ Online via Teams | Interview 1→ 60 minutes Interview 2→ 30 minutes |
| Case Company 6 | Anonymous | Upper Senior Management (HR) | Interview 1→ Online via Teams | Interview 1→ 60 minutes |
| Case Company 7 | Essity | HR Director | Interview 1→ Online via Teams | Interview 1→ 60 minutes |

| Case Companies | Company Name | Interviewee | Mode of Interview | Time of Interview |
|-----------------------|---------------------|-------------------------|--|--|
| Case Company 8 | Anonymous | Upper Senior Management | Interview 1→ Online via Teams Interview 2→ Online via Teams | Interview 1→ 60 minutes Interview 2→ 60 minutes |

Table 1: Sample overview, table compiled by the authors

3.2. Empirical Data Collection

3.2.1. Data Collection

For our qualitative study, the primary data was gathered using semi-structured interviews, a method recognized for its effectiveness in capturing deep insights in case study research (Bell et.al., 2019, p.63-65). Semi-structured interviews are particularly advantageous as they provide the flexibility needed to explore the nuances of respondents' experiences and perspectives. This interview format aligns well with an inductive approach to research, where theories and concepts are expected to emerge organically from the data rather than being strictly predefined (Bell et al., 2019, p.57).

The flexibility inherent in semi-structured interviews allows researchers to adapt their questioning in real-time. This adaptability not only enables a deeper investigation of topics as they arise during the conversation but also permits the introduction of new questions that may be prompted by interviewee responses. Such a dynamic approach is conducive to uncovering rich, detailed insights and facilitates a more comprehensive understanding of the subject matter (ibid., 2019, p.436-437). Additionally, this method encourages interviewees to express their thoughts freely, thereby enhancing the breadth and depth of information gathered (Denscombe, 2004, p.141-142).

Interviews were primarily conducted via video calls on Microsoft Teams, with one exception being a face-to-face session. This setup allowed for the observation of non-verbal cues and body language, which are crucial for fully interpreting and understanding respondents' answers (Bell et.al., 2019, p.452-453). To ensure accuracy and reliability in data collection, all interviews were audio-recorded, adhering to the standard practice of capturing interview data to minimize errors and facilitate accurate analysis (Denscombe, 2004, p.176; Bell et al., 2019, p.217).

By employing this method, our study remained open to exploring various topics and issues as they emerged, staying true to the inductive nature of our theoretical framework (ibid., 2019, p.57). This approach not only aligned with our research objectives but also ensured that our conceptualizations were genuinely grounded in empirical observations, allowing for a robust theoretical development based on real-world insights.

The interview guide can be found in Appendix 1.

3.3. Data Analysis

In alignment with our qualitative research methodology, the data analysis process in this study adheres to systematic approaches as outlined in the literature on qualitative methods in business research (ibid., 2019, p.517). Following the collection of primary data through semi-structured interviews, the analysis was conducted using thematic analysis, a method well-suited for identifying, analyzing, and reporting patterns within complex datasets (ibid., 2019, p.517-518).

The thematic analysis in this study began with the transcription of interviews, converting spoken language into written text to allow for detailed examination and coding. This process not only preserves the richness of the data but also lays a foundational framework for subsequent analytical layers (ibid., 2019, p.518). By following the longitudinal data approach, it allowed for Each transcript to be read multiple times to ensure a deep familiarity with the content, a crucial step for the next phase.

The thematic analysis in this study began with the transcription of interviews, converting spoken language into written text to allow for detailed examination and coding. This process not only preserves the richness of the data but also lays a foundational framework for subsequent analytical layers (ibid., 2019, p.518). By following this longitudinal data approach, it allowed the distinct patterns inherent in each case to surface naturally. This method is beneficial as it provides a thorough understanding of each case before making any attempts to identify common themes across different cases (Eisenhardt, 1989, p.540). Since also, each transcript was read multiple times to ensure a deep familiarity with the content, a crucial step for the next phase, it later enabled more effective cross-case analyses due to increased familiarity with the nuances and specifics of each case.

Coding was conducted iteratively; initial codes were generated to identify features of the data systematically related to the research question. These codes were then collated into potential themes, gathering all data relevant to each potential theme. This stage is critical as it involves a constant moving back and forth between dataset, codes, and emerging themes, ensuring that these themes reflect the meanings evident in the data (Bell et.al., 2019, p.518). However, since qualitative research builds on an open-minded flexible approach when coding for relevant themes, there was a risk to embrace too many emerging, and possibly unrelated, theoretical patterns and themes, which could render the analysis superficial. To account for this, the themes were structured around the research question. Following this, themes were reviewed and refined, which involved a two-level process: first, checking if the themes worked in relation to the coded extracts (level one) and the entire dataset (level two), a process that Bell et al. describe as essential for thematic analysis (2019, p.518). This refining ensures that each theme is coherent, consistent, and distinctively represents a pattern in the data relevant to the research question.

The final stage of thematic analysis involved defining and naming themes. This not only provides the final analytical output but also involves a further analysis to determine the essence of what each theme is about and what aspect of the data each theme captures. This stage is critical as it transitions the analysis from a phase of exploration to reporting, where the themes are transformed into an analytic narrative that accurately reflects the dataset and addresses the research question. (ibid., 2019, p.519)

3.4. Research quality

When gathering and analyzing vast amounts of qualitative data it remains paramount to ensure the quality of said data, not only to validate the findings but also to maintain the rigor and trustworthiness of the study (ibid., 2019, p.363).

3.4.1. Credibility

As emphasized by numerous scholars, such as Guba (1981, p.83) and Bell et al. (2019, p.363), credibility in qualitative research is crucial for producing findings that are believable and plausible. The focus on various interpretations of the account at hand is fundamental to the trustworthiness of research findings. The credibility and thus the acceptability of a researcher's conclusions depend on their adherence to established research practices and the

confirmation of these findings by the members of the social world being studied, ensuring the researcher has accurately captured their perspectives (Bell et al., 2019, p.363).

Given the methodological constraints faced in this study – such as the exclusiveness of data, initial challenges in engaging willing case companies, which lead to a compressed timeframe and limited opportunities to meet respondents in person – ensuring the credibility of our qualitative research was particularly challenging. The awareness of these limitations and the potential negative implications they might have for the study meant that several measures to reinforce credibility were implemented. Despite the difficulties, data triangulation was prioritized, verifying information from interviews against available secondary data such as corporate websites or other available resources such as digital management newspapers (e.g., HR-Nytt). This not only provided a check against selective perception but also minimized the risk of erroneous conclusions (Guba, 1981, p.83). Additionally, the research team engaged in member checking by revisiting the data with participants. This involved summarizing and confirming findings with respondents to ensure our interpretations aligned with their intentions and realities (ibid., 1981, p.85).

To further mitigate potential biases and enhance interpretative validity, the research team engaged in regular discussions and cross-verification of each case's empirical data, ensuring coherence among the members of the research team and consistency across the study (ibid., 1981, p.85). Lastly, to further detach the study from potential biases and enhance credibility, a peer debriefing with the respondent (Santiago Garcia), co-founder of Future for Work Institute, was conducted. This session enabled a critical evaluation and refinement of the methodology and findings, but it was also instrumental in facilitating necessary adjustments to the research approach (ibid., 1981, p.85).

3.4.2. Transferability

To enhance the transferability of the findings, this study provides descriptions of the contexts and settings of the case companies, following recommendations by Bell et al. (2019, p.365) and Guba (1981, p.80-81). Such descriptions cover the physical, economic, cultural, and organizational dynamics within which the companies operate, offering researchers an inclusive understanding of the conditions under which data was collected (ibid., 1981, p.81). This was done to enable other researchers to evaluate the applicability of the findings to similar contexts, thus broadening the study's utility (ibid., 2019, p.365). Both Bell et al.

(2019, p.365) and Guba (1981, p.81) highlight the importance of detailed contextualization in qualitative research to facilitate knowledge transfer across different settings. By documenting the rationale behind the selection of each case company and their operational backgrounds, the study equips readers to make informed comparisons and potentially extend these insights to comparable environments.

3.4.3. Dependability

Ensuring dependability in qualitative research requires demonstrating that the research process is consistent, stable, and auditable. Following the guidelines set by Guba (1981, p.86), each step of the study, from design decisions to execution and analysis, has been meticulously documented. This comprehensive documentation facilitates auditing, providing a transparent view of the methodologies employed and enhancing the dependability of the research (Bell et.al., 2019, p.365).

As described in section 3.1.1. *Inductive Approach*, the study predominantly employs an inductive approach with elements of abductive reasoning, which in one way lets the empirics talk more freely, but in another way creates a distance to a theoretical foundation (Guba, 1981, p.86). To account for this structure, detailed accounts of the methodology, including the rationale behind the multiple case study design, case selection, and data collection strategies, have been provided to ensure clarity and facilitate replication (ibid., 1981, p.86-87). Furthermore, the data analysis process is explicitly described, illustrating how key insights were derived, thereby reinforcing the study's reliability (Bell et.al., 2019, p.365).

3.4.4. Confirmability

To ensure the confirmability of this study, records of all data, processes, and decisions were maintained throughout the research, aligning with essential elements of confirmability (Bell et.al., 2019, p.365-366). This documentation created a robust audit trail that supports the study's ethical integrity and confirmability, allowing verification that findings are derived from data rather than researcher bias. Employing triangulation, in the ways that were possible, by utilizing the available data resources further minimized biases, enhancing confirmability – a strategy supported by Guba (1981, p.86). Also, except from regular and extensive discussions about the theoretical framework, case analyses, and findings, the academic seminars, orchestrated by doctor Johan Jacobsson, with other master thesis groups

were particularly crucial, given that the research team mainly worked in a remote setting. Collectively, these strategies ensured that the study's conclusions are robust, verifiable, and reflective of the empirical evidence, free from the influence of the researchers (ibid., 1981, p.86).

3.5. Ethical considerations

Ensuring ethical integrity in our qualitative research was paramount, and our approach was guided by the principles outlined by Bell et al. (2019). Throughout the study, we aimed to address and uphold the major ethical concerns associated with qualitative research methodologies.

Thus, central to our ethical approach was obtaining informed consent from all participants. We opted to provide participants with comprehensive details about the study's purpose, procedures, their right to withdraw at any time, and the use of their data. If any participant wanted more information, it was given. This process ensured participants were fully aware and agreed to their involvement voluntarily, which is fundamental in respecting their autonomy and agency. (ibid., 2019, p.118-123)

Even more critical was our approach to ensure the confidentiality and anonymity of our participants, with special concerns if this was in the interest of the participant. All identifiable information was securely stored and accessible only to the research team, and all public data was anonymized. This safeguarded the privacy of participants and protected them from potential social or professional harm. (ibid., 2019, p.114) However, as some companies wanted to be mentioned through the thesis they are revealed. On this note, the study was designed to avoid physical, psychological, and social harm. This was particularly crucial given the sensitive nature of the subjects discussed in the interviews. Careful interview techniques were employed to ensure that discussions did not lead to distress or discomfort, reinforcing our commitment to participant well-being. (ibid., 2019, p.115)

Ultimately, following the recommendation by Bell et.al. (2019, p.156 & p.186), reflexivity was a continuous element of our research process. The authors regularly reflected on personal biases and the impact of these on the research process and outcomes. This self-awareness was crucial for maintaining scientific integrity and ethical standards, ensuring that the findings were a result of unbiased engagements with the data.

4. Empirical Chapter

4.1. Case Company 1

4.1.1. Setting of the Interview

We conducted two different interviews with the interviewee, the first interview was conducted at the interviewee's office while the second interview was conducted online via Teams. The interviewee was very open and answered every question with enthusiasm and with good explanation.

4.1.2. Introduction

Case company 1 is a big Swedish multinational that has presence in over 190 markets and has production facilities in 18 countries and employs more than 100,000 people. The company has Swedish origins but the people working in the company are from all over the world making it a truly global firm. The company believes that their true strength is its talented employees and how they manage those employees in order to achieve excellence.

We had the opportunity to interview one of the senior level managers in the company. The focus of this functional unit within the company is to develop both educational and practical training for the employees in order to boost their efficiency and performance within their specific line of work.

During the initial part of the interview, the interviewee introduced himself and his current role in the company. The interviewee has been with the Company for six years, with 1.5 years spent in his current role as the head of the functional unit. He explained the functional unit as a global learning function comprising approximately 100 employees worldwide with offices situated in Gothenburg, Greensboro (US), Bangalore (India), and Lyon (France).

4.1.3. Global Teams

The interviewee underscores the pivotal role of global teams within their organization, emphasizing their diversity and adaptability in the face of global challenges. The onset of the pandemic catalyzed a profound shift towards digital collaboration, prompting the organization to leapfrog into the realm of virtual teamwork. Despite physical barriers, this

transition proved remarkably seamless, empowering global teams to operate efficiently and effectively. With team members hailing from multiple countries, including Sweden, France, India, and the US, their management team epitomizes cultural diversity and by involving individuals from different locations in decision-making processes, they ensure that global solutions are not just effective but culturally relevant worldwide.

It is pivotal for the success of their internal projects (i.e employee training) to have the right people designing it and working on it.

4.1.4. Finding the right people

During the discussion on global teams, the interviewee mentioned the importance of assigning the right people to global teams for better collaboration and results. The interviewee mentioned that it is always hard to keep track of the skills and capabilities of every single individual in a company that has more than 20, 000 employees. The company employs a network base strategy in order to find the right people for their global teams. The interviewee explained that they have networks across all their functions and subsidiaries and they use these networks in order to identify the right people to be part of their global teams.

“The Company relies heavily on global networks for various training, including health and safety training. These networks consist of specialists who can provide the necessary connections in different countries. When creating a training, they reach out to these networks to identify the appropriate contacts. This approach ensures that the training is tailored to work effectively in diverse locations”

He also mentions that usually they have one point of contact in these networks and then that point of contact knows many potential candidates/people who might be good for the job. The interviewee underscored the significance of leveraging global networks in order to identify and engage the right individuals for global teams within the company. He also discussed how the organization relies on these networks to connect with specialists across different regions and topics, facilitating collaboration and knowledge-sharing.

4.1.5. Factors influencing the allocation of people into global teams

During the discussion on global teams, the interviewee mentioned some important factors that influence the decision making process around the allocation of people into global teams.

4.1.5.1. Distance and Locality

The first factor that the interviewee mentioned which influences the allocation of people into global teams is distance and locality. The interviewee reflected on the significance of incorporating local perspectives within global teams, emphasizing the value of having individuals who actually live in the regions they represent.

“The Company emphasizes the importance of having local representatives who truly understand the culture and environment of their respective regions. This local presence is preferred over having someone from a different location trying to represent another region, as direct experience and cultural familiarity are crucial.”

Drawing from their recent experience in India, the interviewee highlighted the distinction between visiting a country briefly and actually living there, asserting that genuine cultural insight stems from immersion in the local context. While acknowledging the practical challenges of always having local representatives, the interviewee stressed on the importance of adding diverse perspectives to discussions, even if it means representing a locality from a distance. This approach, the interviewee argued, is crucial for ensuring a comprehensive understanding of global issues and their local implications. The interviewee introduces the concept of being "globally aligned yet locally authentic," underscoring the organization's commitment to balancing global standards with local nuances. They explain that while certain principles are globally applicable, their implementation must be adapted to suit the unique cultural and regulatory landscapes of different countries. This approach fosters flexibility, recognizing that the degree of localization varies depending on the topic at hand.

4.1.5.2. Experience vs Talent

The interviewee talked about two different types of human resources that are available to be utilized in global teams. On one hand you have the experienced individuals that have worked together in global teams before and have smooth coordination with each other. On the other hand there are new and talented individuals with advanced technological knowledge and have fresh and new perspectives. The interviewee highlighted the nuanced approach to team composition based on project requirements, noting that while consistency in team members typically facilitates smoother coordination, it ultimately depends on the nature of the project. The interviewee provided an illustrative example, suggesting that for projects in relatively stable fields like healthcare, maintaining a consistent team composition is often preferred for

continuity and efficiency. However, for projects in rapidly evolving domains like AI, introducing new team members or forming entirely new teams periodically is necessary to infuse fresh perspectives and keep pace with industry advancements. However, the interviewee also emphasized the value of continuous development and growth mindset, suggesting that experienced individuals who actively evolve themselves and gain new knowledge relevant to the field may still be suitable for long-term roles in the evolving context of global teams. This approach ensures that the team remains agile and adaptable to changes within the dynamic landscape of the subject matter. Overall, the interviewee emphasizes the importance of aligning team composition with project needs, balancing stability with the imperative for innovation and diverse perspectives in tackling complex challenges.

4.1.5.3. Constraints

The interviewee addresses time constraints by discussing the challenges of organizing meetings with teams composed of members from various nationalities. The interviewee noted that scheduling such meetings can be time-consuming and may require significant coordination efforts, potentially taking team members away from their families for extended periods. This highlights the logistical complexities associated with global team collaboration and the need to balance efficient communication with respect for individuals' personal lives.

Regarding cost constraints, the interviewee mentioned the financial implications of organizing international meetings, emphasizing that such gatherings can incur significant expenses. Bringing together team members from different countries for meetings can be costly due to travel, accommodation, and other related expenses. This underscores the need for organizations to carefully consider the financial implications of global team collaboration and explore alternative approaches to ensure effective communication and collaboration while minimizing costs.

Despite these challenges, the interviewee emphasized the importance of global collaboration and the unique insights it offers, and suggested that while managing global teams may be complex, it remains a valuable endeavor for achieving organizational goals.

4.1.6. Decision Makers

The project manager/global team leader is the one who decides on the people that he/she/they want in the team. The interviewee explained that at the beginning of any team forming, the company chooses a team leader or project head and then it is the leader who decides on the sort of capabilities and people are required to take part in the project and be part of the global team. As mentioned earlier, the team leader then uses the company network to try and find the right people that can become a part of the global team.

The interviewee also explained that it is not always the case that the project leader can get the exact asset/person that he/she/they wants for his team. It is the decision of the person who the team leader is trying to get onboard to whether he/she/they wants to be part of the team. The interviewee also mentioned that even if both the involved parties (project leader and the asset/person) agree to be part of the global team, it is always the Line manager of the needed asset/person to make the final decision.

“The decision to involve an individual in global teams or projects often falls to the line manager. This is because participation in such activities requires prioritizing these tasks over others. The line manager needs to understand the consequences and make a judgment on whether the involvement is feasible, especially if the individual is also part of a critical team elsewhere. Thus, the line manager usually makes the final call on such decisions.”

In case the asset/person is super critical for the project and the line manager does not allow the person to leave his current responsibilities and become part of another project/team, the project/global team leader can escalate the matter to the Global HR team and then the Global HR team try to resolve the issue by either finding another asset/person for the project/global team or convincing the line manager of the asset/person to allow the asset/person to leave his current role or reduce his current responsibilities and become part of the new project/global team.

4.2. Case Company 2

4.2.1. Setting of the Interview

We conducted two interviews with the interviewee, both were conducted online via Teams. Initially the interviewee was a little hesitant to explain things in detail due to company secrets but we agreed to not disclose the company name. Once this understanding was established the interviewee started to open up and answered every question with proper elaboration.

4.2.2. Introduction

Case company 2 is a medium-sized Swedish multinational, founded in 1981. The company has emerged as a global leader in customer journey management solutions, boasting over 40 years of experience in the field. With offices strategically located in Sweden, United States, Germany, Dubai, France, Netherlands, Spain, and Belgium, the company operates on a worldwide scale. The company's impact is profound, with over 65,000 systems deployed across various industries globally, managing more than 2 billion customer journeys annually.

Beyond its innovative solutions, The company strength lies in its extensive partner network, comprising over 130 companies spanning 120 countries, all united in the pursuit of delivering exceptional customer experiences. Through relentless innovation and a steadfast commitment to excellence, the company continues to redefine the standards of customer journey management on a global scale.

We conducted interviews with one of the senior level managers at the company, who had extensive experience of working in and leading global teams.

4.2.3. Global Teams

The company operates on a Business to Business model and sells their digital products/solutions to their partners that spans over 120 countries. In order to manage these partners and to cater their products to the needs of each partner, the company always ends up making global teams that coordinate with each other regularly to provide their partners with the best digital products/solutions.

The company has partner group committees that have people from different nationalities and are from different organizational parts that work together to find new opportunities in the

market and to also look for issues and open ended questions on the partner side. They also have a product council which is also a global team that works towards developing new features or functions in the product or developing new product solutions. In order to satisfy the needs of their partners, the company always makes efficient and effective teams with the right people in place.

4.2.4. Finding the right people

The Internal Network plays a very important role in finding the right people for the global teams. The interviewee explained that in order to identify the right people for a global project/team across their subsidiaries, they use a network based approach where the global team leader gets in contact with the manager of the organizational function where the expertise is needed from and ask for a relevant person/resource. The manager who knows his colleagues better than anyone else in the organization then recommends someone who can be a best fit for the global project/team.

The interviewee also mentioned that their first choice is always the managers and they want them to be part of the global team rather than assigning someone else to the global team.

4.2.5. Factors influencing the allocation of people into global teams

According to the interviewee there are some important factors that influence the allocation of people into global teams

4.2.5.1. Distance and Locality

The interviewee emphasized the critical importance of locality in team dynamics, particularly within the context of global business operations. The interviewee underscored the necessity of having personnel who are deeply attuned to local cultures and customs, especially in roles that are responsible for overseeing partnerships in specific regions.

“Having a channel director or global team leader who understands and respects local culture is crucial for maintaining strong relationships with partners and clients. This person should ideally be local or, at the very least, deeply familiar with the local culture. Misunderstanding cultural nuances can severely damage relationships. Building and maintaining these relationships is vital, as business success is often based on long-term connections.”

The interviewee also advocated for a nuanced approach that blends respect for local customs with adherence to global processes and standards, recognizing that success in global business hinges on effectively navigating the complexities of diverse cultural contexts.

4.2.5.2. Experience vs Talent

The interviewee was reluctant to have the same team across different global projects/teams as the advantage is that the team will most likely be in sync from day one and there will be no process of onboarding or developing coordination. But the interviewee also mentioned that sometimes it is important to change the team members in a global team in order to bring creativity and new talent and perspectives to the teams.

4.2.5.3. Constraints

The interviewee briefly mentioned time and cost as constraints to assembling a global team by mentioning that companies always look into the amount of financial resources available and the amount of time available before making the decision on assigning people to a global team

4.2.6. Decision makers

The project/team leader is always the one who decides on the people that he/she wants to onboard on the team. The interviewee mentioned that there are a lot of triggers that initiate a project and it is usually the top level managers who take action and decide on what project to work on. Once the project is decided and finalized then the company chooses a project leader who then uses the internal network and tries to find the right people across all the subsidiaries that the project is concerned with in order to build a team that can initiate the project.

“The process begins with senior leadership or C-level management, who identify the need for a project and then delegate the responsibility to a project manager. This project manager is selected by a senior leader and is responsible for assembling the global project team. The decision-making process is top-down, with project assignments coming from the top and then being delegated to appropriate managers and team members.”

The interviewee also mentioned that the project/team leader usually contact the manager of a certain region or organizational part and ask for certain type of asset/person and the it is

usually the manager of that region or organizational part that makes the decision of assigning a certain asset/person to the global project/team.

In case of a dispute on a certain asset/person between the project/team leader and the manager, the issue is escalated to the top level managers rather than the HR. The interviewee mentioned that HR does not play a role in assigning the people to the global teams.

4.3. Case Company 3

4.3.1. Setting of the Interview

Two separate interviews were conducted with the interviewee, both online via Teams. The first interview was the main interview, where the interviewee answered all the questions with accurate examples. The second interview was a short follow up interview where certain topics were discussed for further elaboration.

4.3.2. Introduction

Case company 3 is an American multinational company and is an all-in-one HR and payroll platform for global teams. The company was formed in 2019 and it currently operates in over 100 different countries and has more than 2000 team members around the world. The company has 15000+ customers including some of the big brands such as Nike, Shopify and Cloudflare.

At case company 3, we interviewed the Head of expansion for the Nordic region. He was the first employee of the company in the Nordic region and helped the company expand in the Nordic region. Currently he leads a team of over 70 people in the Nordic region.

4.3.3. Global teams

The company operates completely virtually and does not have a headquarters or offices. The interviewee discussed the unique organizational structure of the company, highlighting its virtual operating model and mentioned that the company has no centralized headquarters or physical offices.

The interviewee elaborated on the company's approach to global teams, explaining that while they function as cohesive units, they are not confined to one specific physical space. Instead,

these global teams are dispersed across the globe, leveraging digital technologies and remote collaboration tools to seamlessly work together despite geographical distances. This decentralized model allows the company to tap into diverse talent pools worldwide and foster a culture of flexibility and adaptability.

The interviewee underscored the company's philosophy of decentralization and shed light on the innovative approach taken by the company to embrace remote work and leverage technology to create a cohesive global workforce without the constraints of traditional office-based structures.

4.3.4. Finding the right people

The company uses two different methods in order to find the right people for the right job and to build a truly global team.

The first method that the company uses is networking and internal referrals. The interviewee emphasized the significance of networking in recruitment, noting that about a third of all the employees in the company came through internal referrals. While discussing the benefits of internal reference, the interviewee also mentioned the challenge of potential bias in relying heavily on internal references, which may lead to hiring a homogeneous workforce and overlooking stronger candidates from the market. The interviewee suggested the importance of testing the waters beyond internal referrals to ensure exposure to the full capacity of potential candidates.

“Networking is deemed crucial at the company, with about a third of all our employees coming from internal referrals. However, relying solely on networking can lead to biases and a tendency towards homogeneity in hiring practices. This bias can prevent exposure to a broader talent pool, potentially missing out on stronger candidates who are not part of the network.”

The second method that the company uses is proactive talent scouting. The company has a scouting team that actively looks for candidates who may be a good fit for specific roles within the global team.

The interviewee also discussed the challenges of recruiting top talent, particularly for senior roles, noting that many top candidates may not be actively seeking job opportunities and may need to be approached through other means such as direct outreach or referrals.

4.3.5. Factors influencing the allocation of people into global teams

Some of the important factors that were discussed during the interview that influence the allocation of people into global teams were:

4.3.5.1. Distance and Locality

While discussing the importance of locality and distance, the interviewee started by saying that, historically, there has been a mindset that proximity to clients, especially for big clients, is crucial for fostering strong relationships and facilitating in-person meetings. However, the interviewee challenged this notion, suggesting that the significance of locality diminishes as projects grow in scale. He argued that in today's globalized business environment, where clients themselves are dispersed across different locations, physical proximity becomes less essential. In fact, many large companies prefer remote interactions due to the complexities of coordinating meetings with geographically dispersed teams.

“The significance of physical proximity diminishes with larger projects, as the focus shifts towards effective project management rather than geographical closeness to clients. While there may be benefits to being local and meeting clients face-to-face, the dispersed nature of large companies often means that physical meetings become impractical.”

The interviewee pointed out that mixed meetings, where some participants are in a room while others are remote, often result in inefficiencies and disengagement among remote participants. As a result, it is much better to embrace remote collaboration to ensure inclusivity and equal participation among team members, regardless of their location.

4.3.5.2. PHD (Purpose, Heart, Desire) over Experience vs Talent

During the discussion on the importance of experience and talent in global teams, the interviewee emphasized that there are factors that are even more important than experience and talent such as purpose, heart, and desire. He articulated that beyond technical skills and experience, he prioritizes evaluating candidates based on their attitude, mindset, and

motivation, asserting that while technical skills can be taught, it is much more challenging to instill qualities such as drive and determination in individuals. The interviewee believed that individuals with the right attitude and mindset are more likely to thrive in a remote and dynamic work environment.

The interviewee shared his personal philosophy of hiring for attitude and mindset, using the metaphor of the "Fox's team" to represent the qualities he values in team members. The Fox's team embodies attributes such as drive, resilience, and resourcefulness, qualities essential for navigating challenges and achieving success in a global context.

Furthermore, The interviewee discussed the importance of aligning individuals' work setups and preferences with the nature of the role and the company's remote work culture. Candidates need to reflect on whether the remote work setup is suitable for them, as it directly impacts their satisfaction and productivity.

4.3.5.3. Constraints

Managing global teams can present a complex array of constraints, particularly in terms of talent and compensation normalization, as well as the logistical difficulties associated with team relocations and promotions. Global teams also need to deal with time-zone differences.

The interviewee outlined the intricate process of talent normalization, which involves assessing and standardizing skill levels across various regions to maintain consistency in hiring and team composition. This task is compounded by the diverse contexts in which these skills are applied, making uniform assessment challenging.

"While certain methods, such as coding sessions, can help establish baseline skills, it remains challenging to gauge talent uniformly across diverse contexts."

Compensation normalization adds another layer of complexity. The organization grapples with whether to base pay solely on merit or also consider geographic factors such as cost of living. Acknowledging the disparity in living costs, the company strives to devise compensation strategies that align with both organizational goals and employee expectations.

"This entails striking a balance between fair compensation for employees irrespective of location and ensuring that salaries remain competitive in different regions."

Decisions to move personnel, whether due to promotions or better alignment of skills with team needs, involve navigating several challenges. Each move prompts a series of questions about role continuity and compensation adjustments across regions, guided by policies that limit salary increases to maintain equity, yet potentially create disparities among employees.

"It may be that a person's skills are better suited to another team, or it may be that you move because of a promotion."

"Often it is the case that you have several people who want to move on to something, but you may only have one position, it can be challenging."

The psychological impact on employees who do not receive desired positions and the operational challenges of filling new gaps are significant.

The interviewee also discussed the practical challenges of coordinating across time zones, which can affect team cohesion and operational timing with clients, illustrating the logistical difficulties in a global team setup.

"If everyone is in Europe, it is normally not a problem, but if you have people from the US and Asia at the same time, it is not as easy, ..."

4.3.6. Decision Makers

The decision-making process for moving personnel between teams involves collaboration between the current manager (sender) and the prospective new manager (receiver), along with necessary approvals from higher management levels. The initiation of such transfers can come from either side but approvals for these moves must come from one or two levels up the management chain, ensuring that transfers align with broader organizational goals and the professional development of the individual involved.

"Decisions to move personnel between teams can be initiated by both the sender and the receiver, ..."

"Since everyone hired within the company must be approved by two mandates, i.e., one or two levels up in the company, there is obviously a mandate that must be passed."

No matter who initiates the transfer, the sender or receiver, it is important that they communicate and that a balance can be found since it depends not only on the receiving manager's need to fill a position but also on the sending manager's ability to backfill the role, maintaining team capacity. This balance is crucial in the company's flexible approach, which adapts to the familiarity and performance of individuals involved in internal transfers.

"The sales team needs to close their open headcount; they are losing money every day on this. So it is about finding a balance between the sender and the receiver."

Ultimately, all such personnel moves must receive the green light from higher up in the organization, underscoring the strategic considerations that govern internal mobility. This ensures that each move is beneficial both for the individual's career trajectory and the company's strategic objectives.

4.4. Case Company 4

4.4.1. Setting of the Interview

A single interview was conducted through Teams with case company 4. The interviewee was very interested in the research topic and answered every question very clearly. The interviewee also helped improve our research by suggesting some good research papers relevant to our study.

4.4.2. Introduction

Case company 4, is based in Spain and is an independent research institute focusing on global workforce trends and cutting-edge research, particularly in the field of human resource management and organizational behavior, and serves a wide array of large corporations. The company employs a significant number of experts across various international locations.

We had the opportunity to discuss these themes with one of the co-founders and head of one of their strategic units. The interviewee leads efforts centered on developing a skill-based organizational framework that responds dynamically to the evolving needs of global teams, both physical and virtual.

During the initial discussion, the interviewee outlined the unit's approach to leveraging technology to enhance the identification and management of skills across the workforce. Adding to this, since case company 4 is an institute, the discussion revolved around trends connected to our work which the institute had uncovered.

4.4.3. Global Teams

Surrounding global teams, the discussion tilted toward what trends the institute had recognized in the last couple of years. First, the interviewee emphasized a pivotal shift toward skill-based organizational frameworks. These frameworks are designed to align human capital swiftly with the fluctuating demands of the global market, highlighting the critical role of technological advancements in facilitating this alignment. Second, the institute has spotlighted the rise of internal talent marketplaces as a significant trend. These marketplaces enable flexible and strategic placement of skills across global teams, often on a project-specific basis, leveraging the widespread adoption of remote work. This approach minimizes the complexities and costs traditionally associated with forming global teams, making international collaboration more accessible and effective.

“Internal talent marketplaces enable companies to match employees with job opportunities based on their skills and interests, enhancing career development and talent utilization.”

Third, the interviewee underlined the trend of increased importance of cross-cultural training and the establishing of psychologically safe workplaces. These practices ensure that diverse teams can communicate openly and collaborate effectively, integrating a wide range of perspectives into organizational decision-making processes.

Through their research, case company 4 is guiding organizations on how to optimize the deployment of international human capital. They advocate for a model that prioritizes flexibility, inclusivity, and strategic use of technology to enhance the efficacy and cohesion of global teams.

4.4.4. Finding the Right People for Global Teams

Also this area of the interview tilted toward trends the institute had uncovered. Case company four's research into global work and human capital trends has shed light on innovative

strategies for assembling the right personnel for global teams. A significant trend is the integration of AI-driven platforms and data analytics into the talent selection process. These technologies help organizations optimize the diversity and effectiveness of their teams by matching specific project requirements with the unique skills of employees distributed globally.

The institute has also observed a growing reliance on skill-based assessments over traditional role-based assignments. This shift allows companies to dynamically assign individuals to projects where their specific competencies can be most effectively utilized, irrespective of their formal position within the organization.

"Organizations use skilled-based assessment to identify and match employee skills with organizational needs, facilitating better talent utilization and adaptation to evolving challenges."

This trend is facilitated by the use of internal talent marketplaces, which as mentioned not only list available opportunities but also recommend assignments to individuals based on an algorithmic analysis of their skills and past performance.

Furthermore, case company 4 highlights the importance of managerial input in the selection process. The interviewee emphasized the importance of managers, with their deep understanding of their team's capabilities and professional development. They play a crucial role in recommending the right individuals for global assignments. This approach ensures that team compositions are not only aligned with strategic objectives but are also conducive to the personal and professional growth of the team members involved.

The interviewee described the overall approach to finding the right people for global teams as increasingly data-driven and flexible, allowing for rapid adaptation to new challenges and opportunities in the global market.

4.4.5. Factors Influencing the Allocation of People into Global Teams

During the discussion the interviewee mentioned some important factors that play an important role in allocation of people into teams, with the notation that these are trends which the institute had observed.

4.4.5.1. Distance and Locality

The interviewee underscored the critical importance of locality in determining the composition of global teams at both case company 4 and its clients. The ability to navigate local cultures, understand regional market dynamics, and comply with local regulations is crucial, especially for team members who manage or collaborate closely with regional partners.

"It's important to have local talent for their market-specific knowledge, but a diversity of perspectives enriches problem-solving, especially when companies face unprecedented challenges."

Moreover, the institute points to the role of advanced technology in mitigating the challenges posed by distance, allowing team members to communicate and collaborate effectively across global locations.

4.4.5.2. Experience vs Talent

In their research, case company 4 highlights the ongoing debate between leveraging experienced team members versus infusing new talent into global teams. While experienced members bring a deep understanding of the company's processes and a proven ability to synchronize efficiently, new talents introduce fresh ideas and perspectives that can drive innovation. The decision often depends on the specific goals and the nature of the project, balancing the need for stability with the desire for creative solutions.

4.4.5.3. Constraints

Operational constraints are a significant consideration for case company 4 when forming global teams. Time zone differences, budget limitations, and the availability of resources dictate how teams are assembled. These factors require careful planning to ensure that teams are not only effective but also cost-efficient and timely in their delivery of project outcomes.

4.4.6. Decision Makers

According to the interviewee, the process of allocating individuals to global teams involves a collaborative decision-making strategy that mirrors industry trends highlighted by the institute's research. The company has identified project or team leaders as the primary

decision-makers who initiate the staffing process for global teams. These leaders are typically selected based on their expertise and their strategic understanding of the project's requirements.

4.5. Case Company 5

4.5.1. Setting of the Interview

The interviewee was very open to communication, had a good grip on our research topic and explained the strategies the company uses with good explanation and examples. We conducted two interviews via Teams in order to get all the necessary information.

4.5.2. Introduction

Case company 5 is an Irish multinational that excels in designing and developing softwares and manufacturing hardware solutions to ensure a safer, environment friendly and a more connected future of mobility. The company has more than 200,000 employees dispersed across 50 countries and has 138 manufacturing facilities and 11 technical centers.

The person we interviewed is one of the senior level HR managers at the company for Sweden and has been part of the company for almost two and a half years. She supports over 30 managers locally and almost the same amount globally. She handles all perspectives related to HR people's agenda and supports both local and global parts of the business in Sweden.

4.5.3. Global Teams

The interviewee emphasized that the formation of global teams within their organization is primarily driven by business needs and competence rather than being a deliberate strategy. The Interviewee highlighted the diverse backgrounds and nationalities present within their team, with individuals from various countries, approximately 20, contributing their skills and expertise.

While acknowledging the importance of geographic representation in global teams, the interviewee underscored the primary focus on competence profiles, ensuring that each team member brings valuable skills to the table. Furthermore, she noted that the integration of

people with diverse backgrounds is a consideration worth exploring further, indicating a potential area for improvement in team dynamics.

Ultimately, the interviewee emphasized the importance of assembling the right people for the right job, regardless of their background, leading to the natural formation of effective global teams.

4.5.4. Finding the right people

The interviewee outlined the process of finding the right people for the right job within their organization, particularly focusing on global teams. She described how teams are structured based on functional areas like sensing function teams for vehicle cameras, which are established in different regions such as Asia, Europe, the Middle East, Africa, and North America.

Local managers play a crucial role in identifying candidates who fit specific roles within these teams, often promoting individuals who have demonstrated aptitude in their local contexts to take on assignments in other regions or globally. HR also plays a significant part in this process, acting as a liaison between the business and employees, monitoring developments, and providing support for organizational movements and initiatives. The interviewee highlighted the collaborative effort between the business and HR to manage this process effectively, acknowledging that it requires strong relations and coordination between various teams and stakeholders.

The interviewee also mentioned that they have a human resource information system and although they have the ability to find people through their HR system, the current business model does not rely on this method for finding resources. However, the interviewee acknowledged the powerful potential of such systems, suggesting that if they were to require a specific skill set, like an algorithm developer, they could utilize the HR system to find suitable candidates.

4.5.5. Factors influencing the allocation of people into global teams

The interviewee mentioned some important factors that play an important role in allocation of people into teams.

4.5.5.1. Distance and Locality

The interviewee emphasized the perceived importance of locality and proximity in facilitating successful team dynamics and operations. While acknowledging the absence of scientific evidence on her part, she expressed a strong belief in the significance of having someone local to moderate, facilitate, or drive initiatives within a team. The interviewee drew parallels between this notion and the importance of physical proximity between managers and their teams, suggesting that being physically close can enhance communication and collaboration.

"I believe strongly in the significance of local presence, although I don't have scientific data to back it up. It's more of a gut feeling, you know? Just like how it's crucial for a manager to be physically close to their team, I think the same goes for being close to customers or events. It's all about that proximity, that connection. I can't pinpoint specific evidence, but it's something I've observed and feel strongly about."

The interviewee highlighted the potential challenges that arise when reporting to someone outside of one's immediate location, implying that geographical distance can create barriers in effective management and communication. Despite lacking empirical evidence on her part, the interviewee underscored her intuitive sense that proximity to the customer or event is crucial for optimal performance, emphasizing the value of physical presence in certain contexts.

4.5.5.2. Experience vs Talent

The interviewee discussed how business projects, particularly within the automotive industry, are approached and managed in response to customer awards. The Interviewee highlighted the dynamic nature of project scopes, which necessitates a tailored approach for each new endeavor. Upon receiving a customer award, the team must assess the scope of the project and determine who will be responsible for overseeing it.

Depending on the size and complexity of the scope, different levels of expertise are required. For projects involving rapidly evolving technologies or innovative solutions, there is often a need to integrate young professionals who possess the latest skills and knowledge in the field. On the other hand, for projects with more established or traditional requirements, the

interviewee suggests the inclusion of experienced professionals with deep industry knowledge and a proven track record of success.

The composition of the team is organically built around the specific demands of the project, with the aim of involving as many people as necessary at different stages of the project's life cycle. This approach ensures that the team remains flexible and adaptable to evolving project requirements over time.

4.5.5.3. Constraints

At case company 5, time and competence related constraints emerged as the predominant factors which impacts the allocation of personnel to global teams. It is essentially the process of aligning the availability of suitable human capital with the immediate needs of teams and projects that presents a significant challenge, as emphasized by the interviewee.

"The time factor is a constraint because from the time you think you have a potential deal in a project until you actually have it, there is a quite long cycle."

This delay makes it challenging to match resources precisely when they are most needed. The dynamic nature of project demands often requires rapid mobilization of resources, which is not always feasible given the lead times involved in confirming projects and securing deals. Also competence was critical, where the company tries its best to match competence, global teams, and projects but faces the problem related to rapid market development available competence.

"The supply does not keep pace with demand. Competence often exists, but do we have it? Is it available now?"

While financial constraints are also a consideration, they are secondary to time and competence since the impact of financial constraints are contingent on the strategic decisions made about project funding and resource allocation.

"Of course, there are financial difficulties as well, which always depend on having a deal. But it's more about time and competence. Rapid ramp-ups means you try to match supply and demand but you also have to build the teams while working."

To mitigate these constraints, case company 5 occasionally adopts, among other strategies, a strategy of overstaffing since it allows the company to buffer against the unpredictability of project demands and competence availability, ensuring that teams can be rapidly assembled and adjusted according to evolving project needs.

4.5.6. Decision Makers

At case company 5, the decision-making process regarding the allocation of human capital to various projects and teams is multi-tiered and involves both high-level strategic decisions and more granular operational decisions. Decisions about project initiation, especially those that involve significant financial implications or strategic shifts, are made at the highest levels of the organization. Already, certain competencies are decided upon and teams are formed.

"Decisions about buying or selling are made very high up in the organization, at least at the director level. At the same time as these decisions are taken, initial decisions about which resources should participate in and, for example, which teams should be created are also made. After a project is secured, additional decisions may be made, possibly at a lower level."

Once a project is approved, the specific decisions about role assignments and team formations are made. This part of the decision-making process tends to be more ad-hoc and dynamic, depending on the immediate needs of the project. This flexibility is important and allows case company 5 to adapt quickly to project requirements and ensure that the right mix of skills and competencies is available.

"Suppose we need expertise from India and say Poland, ... Then roles are assigned based on what the project needs."

Middle managers (the technical competence sorted by domains) play a crucial role in the operational aspect of team assignments. They are responsible for interpreting high-level decisions and implementing them within their specific domains. This level of decision-making involves managing the day-to-day allocation of resources and adjusting team compositions as projects evolve.

Communication becomes vital here since then the manager goes through an approval chain to get the needed resources (human capital and other). Hopefully the technical needs match the

business scope and available competences. The interviewee also emphasized the importance of aligning with the individual being assigned and ensuring their agreement and understanding of the move. This highlights the need for careful consideration and communication when reassigning individuals within the organization.

4.6. Case Company 6

4.6.1. Setting of the Interview

A single interview was conducted through Teams with case company 6. The interviewee elaborated on every single topic seemingly being relaxed when doing it, and talked about their experience with global teams and the strategies that the company employs in order to assign people to the global teams.

4.6.2. Introduction

Case company 6 is a significant player in the energy sector with a specialized focus on sustainable energy solutions. The company has operations in Sweden, Norway, and Denmark, primarily operating under one brand, but it also manages several smaller brands. The company's operations in the Nordic region alone boast approximately 3,200 employees, while globally, the company's workforce exceeds 75,000 across three main divisions: Network, Customer Solutions, and EV chargers and Energy Infrastructure Solutions.

In our interview, the interviewee, one of the senior level HR managers for the company in the Nordics, provided insights into the company's strategic operations and management philosophies. With a background in business administration and extensive experience as a management consultant with prominent consulting firms, the interviewee brings deep knowledge to his current role.

4.6.3. Global Teams

Case company 6 manages its global operations through international or global teams, emphasizing cross-border collaboration and expertise sharing to address diverse market demands. The company employs a matrix organizational structure that enhances flexibility and integrates diverse skills across geographical locations. This structure supports their operations in energy distribution and customer solutions by promoting collaborative

environments for project-based tasks in multiple countries. The company has increased its emphasis on functional steering to align global strategies with local market needs without compromising local team autonomy. Drawing on the interviewee's experiences with firms like PWC and IBM, which had clear distinctions between market-focused teams and centralized functions, case company 6 is still adjusting its balance to maintain strategic oversight while engaging effectively with local markets.

Additionally, the company's approach to standardizing operations across regions, such as in Germany where it runs multiple businesses, some in partnership with municipalities, reflects the need for a flexible yet standardized operational model to effectively cater to varying market conditions. It is the interviewee's belief that this strategy ensures that the company can adapt its global strategies to local nuances, maintaining efficiency and market relevance.

4.6.4. Finding the Right People

At case company 6, the process of assembling the right talent for global teams is highly strategic and leverages internal networks to optimize team composition. The company utilizes a sophisticated internal platform, similar to professional social networks, which plays a crucial role in identifying and deploying the appropriate personnel for global projects. This platform not only matches employee profiles with specific project needs based on skills and experience but also facilitates quicker team assembly and more efficient project initiation.

The interviewee highlighted the importance of this digital tool in enhancing internal mobility and ensuring that project leaders can easily access a pool of candidates across the company's global operations. This system allows for a dynamic matching process, where potential team members are identified not just for their current role compatibility but for their ability to contribute to cross-border initiatives that require diverse expertise. However, this system is still new and not 100 percent rolled out in the organization, as support for this the organization falls back to a more network-based approach where department managers have a crucial role. The network-based approach is mainly used when the purpose of assembling a global team is for a short term project.

"For temporary assignments, ranging from six to eighteen months, organizations increasingly rely on informal networks and a more democratized approach to recruitment."

Moreover, the platform aids in maintaining direct communication between global team leaders and the managers of various organizational functions. When specific expertise is required, team leaders can directly contact relevant department managers who are familiar with their team members' skills and capabilities. These managers are instrumental in recommending the right individuals who not only fit the technical needs of the project but also align with the collaborative and cultural dynamics of the global team.

According to the interviewee this approach of having a digital platform to assist in the global operations but still not losing out on the importance of good department or line managers to value the softer maybe more delicate aspects, which is hard to transfer digitally, ensures that global teams at case company 6 are not only equipped with the right expertise but are also poised to efficiently address the diverse challenges presented by international projects. This system streamlines the selection process and supports the company's objectives of integrating global insights with local action, thereby enhancing overall operational effectiveness in a complex, multi-market environment.

4.6.5. Factors Influencing the Allocation of People into Global Teams

At case company 6, several key factors play a critical role in determining the composition and allocation of personnel within global teams. These factors are essential in ensuring that the teams are effective and well-suited to the company's broad geographical and operational scope.

4.6.5.1. Distance and Locality

The interviewee stressed the importance of understanding local market nuances and regulatory environments, especially when operating in energy sectors across various countries. Case company 6 values having team members who are not only familiar with but also sensitive to the local contexts in which they operate.

"Despite the rise of virtual teams and global mobility, understanding and leveraging local competencies remains crucial for addressing market-specific challenges and ensuring regulatory compliance."

This understanding helps in navigating complex local regulations and cultural nuances, which is particularly important in the energy sector where local conditions can significantly impact

project execution and success. Operating across different countries, the company must adhere to diverse legal and regulatory frameworks, which can vary significantly from one region to another. The interviewee especially highlighted the importance of having team members who not only understand these complexities but can also navigate them effectively to ensure compliance and avoid legal risks. This necessity often dictates the selection of personnel who possess specific knowledge or expertise in relevant regulatory areas.

4.6.5.2. Experience vs. Talent

The balance between experience and bringing in new talent is a significant consideration at case company 6. While experience ensures that team members can hit the ground running and manage projects with a clear understanding of the company's operational standards, new talent provides fresh perspectives and innovative ideas, which are crucial for creative problem-solving and adapting to the rapidly changing energy market. The company's internal platform aids in this by identifying not only the most experienced candidates for a role but also those whose fresh perspectives can drive innovation. But since the company is dependent on local regulations, some aspects of projects and global teams are more open to people with this experience or knowledge.

4.6.5.3. Constraints

Time and cost are notable constraints influencing the formation of global teams. The interviewee pointed out that strategic decisions regarding team composition mainly consider the availability of financial and time resources. Efficient project management and the ability to meet deadlines are prioritized, with the company often weighing the benefits of deploying global resources against the costs and logistical challenges involved. This balancing act is crucial in maintaining competitiveness and operational efficiency in a global setting within the energy sector.

4.6.6. Decision Makers

At case company 6, the allocation of personnel to global teams is determined by a combination of project-specific needs and strategic organizational leadership. The process begins at the top, where senior managers or the management board identify and approve global projects based on the company's strategic goals and market opportunities.

Once a project is greenlit, a project or team leader is appointed. This leader is primarily responsible for the team composition and is pivotal in selecting the right individuals for the project. The leader utilizes the company's sophisticated internal platform, which acts like a professional network, to identify potential team members across different regions and functions.

Project leaders work closely with regional and functional managers who have a deep understanding of their teams' skills and capabilities. These managers play a crucial role in recommending the personnel best suited for the project's specific requirements. They are responsible for the final decision on which individuals from their teams will participate in the global project, ensuring that the selected members align with both the strategic needs of the project and the operational capacities of their respective regions or functions.

"Convincing stakeholders and managers to let go of key players for broader organizational development is crucial, as retaining talent in one area may hinder their growth and lead to potential attrition."

In instances where there is a disagreement between the project leader and a regional or functional manager regarding personnel selection, the issue is typically escalated to top-level management rather than HR, however the interviewee also emphasizes that the individual also greatly influences the outcome. This approach underscores the strategic nature of these decisions, which are seen as integral to the business's operational success rather than merely HR functions. Top-level managers are therefore involved in resolving disputes to align team compositions with the overarching goals of the project and the organization.

4.7. Case Company 7

4.7.1. Setting of the Interview

We conducted a single interview where the interviewee answered all over questions with clarity and showed a high interest in the topic. The interview was conducted online through Teams.

4.7.2. Introduction

Case company 7 is a substantial global entity, organized into three business units: Professional Hygiene, Consumer Goods, and Health and Medical, alongside three global units including Global Supply Chain, Global Business Innovation and Sustainability, and Global Digital and Business Services. This structure supports its widespread operations across various international markets.

We had the opportunity to interview a senior HR director from the Global Digital and Business Services unit, who has been instrumental in fostering an inclusive and effective work environment. The company prides itself on its extensive and diverse workforce, Only within the unit which our interviewee supports employs nearly 2,000 individuals across Europe and the Americas, with its employees representing an impressive range of 77 nationalities, truly reflecting its global presence.

4.7.3. Global Teams

At case company 7 the global setup for managing global teams is composed of multiple units that collaborate across geographical boundaries to enhance service delivery and operational efficiency. The global teams at case company 7 typically work in a hybrid model – both physically and virtually – which allows them to operate across different time zones and locations effectively.

This highlights a significant aspect of their global teamwork, digital collaboration tools, which became particularly crucial during the COVID-19 pandemic, and has since then maintained its strategic position within the organization strategy on global teams. This period also accelerated the company's transition towards more functionally oriented, rather than regionally restricted, team structures. The company leverages technology to ensure seamless communication and collaboration among team members, irrespective of their physical locations.

The interviewee also mentioned that these global teams are often assembled based on skills and competencies rather than geographical or national considerations.

“When recruiting, we prioritize competencies and capabilities to find the best fit, rather than focusing on the candidate's country of origin or location.”

This approach ensures that the right talents are aligned with the right projects, optimizing the company's human capital resources in alignment with strategic objectives. The focus on competencies allows the company to respond more dynamically to changing market needs and project requirements.

Furthermore, case company 7 supports the idea of physical meetings for relationship building and strategic alignment, despite their strong digital communication framework. These occasional in-person interactions are seen as valuable for fostering team cohesion and ensuring that the social elements of teamwork, which are often lost in remote settings, are maintained. According to the interviewee this also helps with the vast diversity their global teams are facing, enabling the company to foster a wide range of perspectives and innovative approaches to business challenges.

4.7.4. Finding the right people

At case company 7, the process of identifying the right individuals for global teams is highly collaborative and the integration of the HR function plays a crucial role. The interviewee explained that HR partners actively collaborate with line managers across various units to understand specific project needs and identify individuals who possess the required skills and potential for growth.

“And then we have the HR community where I belong, which is more like HR partners to the business. And we should of course, even if it's a, you know, complex matrix, collaborate with the rest of the units in the company.”

“I mean, we have, uh, from HR we are driving a process like a talent management process where, uh, all line managers uh yearly, they go through their team, their organization and flag the people, the employees where they see, you know, a potential.”

This partnership allows the company to effectively scout talent from a diverse employee pool spread across numerous geographical locations and cultural backgrounds, ensuring a rich mix of perspectives and expertise.

“I mean, you get a much more diverse team, uh you get uh viewpoints that could be, you know, um uh a lot more enriching and dynamic, it can actually lead to much better solutions in the end.”

Processes such as the ones mentioned are key elements in this process of how the enterprise tracks and manages the career development of employees. It helps HR and line managers identify potential candidates for global teams by providing detailed insights into each employee's skills, experiences, and career aspirations. The system is part of a broader HR strategy aimed at aligning employee development with the company's strategic goals.

Furthermore, the company values the direct input of line managers who are intimately aware of their team members' capabilities and performance (see citation above). These managers play a critical role in recommending employees whose skills, experience, and temperaments fit the unique demands of global projects. This approach ensures that team compositions are not only based on professional qualifications but also on the ability of team members to collaborate effectively across cultural and regional divides. This proactive approach allows case company 7 to adapt quickly to emerging business needs and maintain a competitive edge in a dynamic global market.

4.7.5. Factors Influencing the Allocation of People into Global Teams

To ensure that global teams are well-suited for the company and effective, case company 7 evaluates several key factors which play critical roles in determining the composition and allocation of personnel across their divisions.

4.7.5.1. Distance and Locality

The most localized teams are found within the production facilities of case company 7. With few exceptions, the rest of the teams are widely dispersed across Europe and the Americas. Thanks to the use of digital tools, geographical distance poses no significant challenge. However, this does not mean that distance and locality are not important considerations. On the contrary, when assigning members to global teams, the necessity of spanning multiple time zones and regions is a key consideration.

“When structuring global teams, we strategically place team members across different time zones to ensure comprehensive coverage and support, while also considering the work-life balance of our employees.”

As an example the interviewee highlighted the deliberate placement of team members throughout Europe and the Americas, ensuring that service desks and operational teams can deliver continuous and effective support across these areas. This strategy underscores the significance of local presence in enhancing the company’s global operations, allowing the team to efficiently cater to the needs of an international customer base.

The interviewee also brought up cultural and linguistic diversity of potential team members, when discussing aspects of locality, which in case of company 7 is key in creating well-functioning global teams. The interviewee highlighted the importance of having team members who can navigate various cultural contexts and communicate effectively across language barriers. This diversity is crucial for the company, which operates on a global scale and needs to manage complex interactions across different cultural and regulatory environments. The HR practices at case company 7 aim to leverage this diversity to enhance team performance and drive global business success.

4.7.5.2. Experience vs Talent

Case company 7 places a strong emphasis on the competencies and skills of its team members when forming global teams. The interviewee emphasized that while experience is valuable, the company also prioritizes the diversity of talent and perspectives that new team members can bring. This approach supports innovation and adaptability within teams.

“When recruiting for global teams, essential capabilities that we consider are remote work experience, and the ability to manage people across different locations, which brings new perspectives and enhances team dynamics.”

The HR director specifically noted that global teams are not just formed based on geographical or national lines but are more functionally driven, focusing on aligning the right skills with specific project requirements. This method facilitates the infusion of fresh ideas and new approaches, essential for continuous improvement and staying competitive in global markets.

4.7.5.3. Constraints

Time and resource allocation are significant factors considered by case company 7 when assembling global teams. The interviewee noted the strategic use of digital tools and remote work arrangements, which have become particularly prominent during the COVID-19 pandemic. These tools help mitigate the constraints of physical distances and reduce the need for travel and reallocation, thus saving time and resources.

4.7.6. Decision Makers

When it comes to global teams at case company 7 there are two sections where the first, even if the usage of this configuration is very low, teams such as these still exist, is teams which are fully assigned. Members of such a team could be considered owned by the project to 100 percent. The other situation is more dynamic and much more used, where people are part of several teams at the same time.

When it comes to decision making at case company 7, the process of allocating individuals to global teams involves multiple layers of decision-making, reflecting the company's complex and matrixed organizational structure. The primary decision makers in this process are the HR partners and the respective line managers, who work collaboratively to align team compositions with the strategic needs of various projects and functions.

The interviewee elaborated that HR plays a crucial role in coordinating with business units to understand their requirements and help identify the right talent for each global team. This process is largely driven by the need to match competencies and skills with specific project demands, rather than merely filling positions based on availability.

“HR partners play a crucial role in talent coordination, aligning competencies with project needs.”

HR partners typically engage with line managers to scout for potential team members across the organization's global network. As hinted at, line managers have significant input in this process, especially in identifying and recommending team members who possess the necessary skills and have shown potential for development.

“Line managers are essential in identifying and recommending team members for their skills and development potential.”

These managers are usually in direct contact with the individuals within their teams and are thus well-positioned to understand their capabilities and career aspirations.

In scenarios where there are disputes or disagreements regarding team allocation, the matter is typically resolved through discussions within the leadership teams, rather than escalating it directly to top management. This collaborative approach ensures that allocations are made in the best interest of both the projects and the employees, balancing strategic goals with individual career paths.

Overall, the allocation of people to global teams at case company 7 is a strategic decision that involves HR partners, line managers, and occasionally, higher management, all working together to ensure that the teams are well-equipped to handle the challenges of global operations.

4.8. Case Company 8

4.8.1. Setting of the Interview

Two interviews were conducted with interviewee at two different times through Teams with case company 8. Both interviews were of same length and in depth discussions were carried out relevant to the research topic. The interviewee was very interested in the research topic and answered every question with clarity and with proper explanations.

4.8.2. Introduction

Case company 8 is a Swedish multinational that aims to shape the future of sustainable transport. The company operates in more than 130 countries and has 2200 service points for their customers. The company has approximately 11,500 employees and has assembly units in 12 different countries.

We conducted two different interviews with one of the senior level managers at company 8. The interviewee has more than 20 years of experience and is part of company 8 from the last 4 years.

4.8.3. Global Teams

During the discussion around global teams, the interviewee explained that in their current role, the organization does not operate with a deliberate focus on forming global teams. Instead, their approach revolves around identifying the necessary capabilities for specific roles and embracing diversity in all its forms, including nationality and background diversity. While diversity is valued, the primary objective is not to assemble global teams but rather to select the best-suited individuals for each role.

The interviewee explained that team sourcing is based on various criteria such as capabilities and background, with a preference for hiring both locally in Sweden and globally when possible. This approach prioritizes finding the most suitable candidates for each position rather than aiming to create global teams for the sake of diversity or geographic representation.

While finding the best and suitable candidate is a priority, it is not always the case that such talent will be identified and hired only locally and as a consequence global teams are eventually formed.

4.8.4. Finding the right people

The interviewee provided insights into their organization's hiring practices for global teams, underscoring the commitment to fairness and transparency. Their approach is centered around posting job openings internally, allowing individuals to apply based on their capabilities and interests. Internal job postings are accessible to all employees, ensuring that opportunities are openly advertised within the company. This approach fosters an inclusive environment where individuals are encouraged to explore career advancement within the organization.

Moreover, the interviewee mentioned the existence of talent identification initiatives aimed at recognizing and nurturing employees' potential. In these processes, individuals with promising skills and capabilities are proactively approached and encouraged to apply for relevant positions. This targeted approach not only acknowledges the value of internal talent but also demonstrates the organization's investment in the growth and development of its workforce.

“While the majority of jobs are posted externally to ensure fairness and transparency, internal talent processes also play a significant role. Employees identified as having talent may be approached directly and encouraged to apply for specific roles. However, they still undergo the same application process as external candidates.”

Additionally, the interviewee expressed caution regarding hiring individuals for global teams, especially when considering international moves. They emphasized the importance of having background information or references for candidates to mitigate the risks associated with such hires.

4.8.5. Factors Influencing the Allocation of People into Global Teams

At case company 8, the following factors were mentioned that influence the allocation of people into global teams.

4.8.5.1. Distance and Locality

By integrating individuals who possess a deep understanding of local cultures into leadership roles, the organization aims to bridge cultural gaps and facilitate effective collaboration across geographically dispersed teams. This deliberate choice reflects an awareness of the importance of locality and proximity in managing global teams effectively.

Additionally, the interviewee expressed caution regarding the risks associated with relocating individuals across countries within global teams. Acknowledging the potential challenges of cultural adaptation and organizational assimilation, particularly in countries with distinct business practices, the interviewee underscored the importance of considering locality, distance and cultural context when making such decisions.

4.8.5.2. Experience vs Talent

The interviewee emphasized the nuanced decision-making process involved in choosing between retaining existing team members or bringing in new talent for projects. They noted that experienced managers might prefer sticking with familiar team members to avoid the challenges of onboarding new individuals and disrupting project timelines.

“Managers may prefer to work with familiar team members to avoid the challenges of onboarding and ensure project continuity.”

However, the decision ultimately depends on the nature of the project. For large-scale implementations like rolling out IT systems across different countries, continuity with the existing team may be preferred to maintain project stability and meet tight deadlines. In such cases, the interviewee highlighted the significance of minimizing disruptions and leveraging the familiarity and expertise of the current team.

“For large-scale implementations, maintaining consistency with the existing team may be beneficial.”

Conversely, for projects focused on innovation and creativity, introducing new perspectives and fresh talent may be beneficial. The interviewee acknowledged the value of diversity in thought and the potential for new team members to bring innovative ideas to the table.

4.8.5.3. Constraints

The interviewee highlighted several key constraints to consider when forming global teams. Time zones emerged as a significant factor, with experiences of managing teams spanning countries like Australia and the US being described as challenging due to the logistical complications.

Language proficiency also emerged as a crucial consideration, particularly in teams where English is not the native language for all members. Communication issues can arise, especially when certain individuals dominate discussions due to their mastery of the language, potentially marginalizing others.

The interviewee also mentioned cost as a constraint in the context of forming global teams. It's common for organizations to consider cost implications when establishing and managing teams, especially when dealing with distributed teams across different geographical locations.

4.8.6. Decision Makers

The interviewee discussed the complexities of decision-making when it comes to resource/personnel allocation for global teams. While acknowledging the importance of

negotiation and collaboration in securing resources/personnel, they highlighted instances where escalation becomes necessary to prioritize their project over others.

Escalation involves reaching out to higher authorities or decision-makers to emphasize the critical nature of the project and the need for specific resources/personnel. Despite the potential challenges in obtaining the desired outcome, the interviewee stressed the importance of advocating for their project and escalating when needed to ensure their concerns are heard.

“You sometimes need to appeal to higher authorities to prioritize your project over others.”

However, the interviewee clarified that decision-making authority ultimately lies with those who have the mandate to allocate resources, which may not always be the HR team. While HR may play a supportive role in the process, the final call typically rests with individuals or teams responsible for strategic resource management and project prioritization.

4.9. Table of Key Empirical Results

| Case Companies | Finding right people | Locality and Distance | Experience vs Talent | Constraints | Final Decision Makers |
|-----------------------|--|------------------------------|--|--|------------------------------|
| Case Company 1 | Use of Internal Networks | Very Important | Depends on Nature of project | Cost & Time | Line Manager of the personal |
| Case Company 2 | Use of Internal Networks | Important | Reluctant to keep experience members | Cost & Time | Line Manager of personal |
| Case Company 3 | Use of Internal Networks & Proactive talent scouting | Not Important | Purpose, Heart & Desire is more important | Talent Normalization & Compensation Normalization | Top level Management |
| Case Company 4 | Skill mapping AI based platform & Internal Managerial referral | Very Important | Depends on Nature of project | Time zone differences, budget limitations, and the availability of resources | Global team leader |
| Case Company 5 | Use of Internal Network & Human resource information system | Very Important | Depends on the Scope & Demand of Project | Time & Competence | Top & Middle level Managers |
| Case Company 6 | Use of Internal Network & Internal Digital Platform | Very Important | Experienced candidates are preferred | Cost & Time | Top-level Management |
| Case Company 7 | Use of Internal Network & Active HR scouting | Important | Depends on Project needs but new talents is usually explored | Time & Resource Allocation | HR Partners & Line Managers |
| Case Company 8 | Internal Job Postings & Internal talent scouting | Very Important | Depends on Nature of Project but experienced individuals are preferred | Different Time Zones, Language Proficiency & Cost | Top-level Managers |

Table 2. Key empirical findings, table compiled by the authors

5. Analysis

When analyzing these case companies it is essential to highlight the importance of human capital with a focus on the individual aspect of it. Across the board individual human capital is essential in various forms. When this analysis mentions human capital, it references knowledge within a singular individual.

5.1. Fundamental approaches for the allocation of human capital

5.1.1. Network-Based Approaches and Local Managerial Discretion

To some extent, all case companies within this study's sample employ a network-based approach when identifying relevant and suitable human capital within their respective organization for the allocation to global teams. However, as said, there are differences in what extent this approach is used but essential for all companies is that human capital, across all organizations, is used to identify human capital for global teams.

Case Company 1, Case Company 2, and Case Company 3 most heavily rely on a network-based approach where the reliance on local human capital is fundamental for identifying available resources. At Case Company 1, local line managers, informed by internal networks, make the final decisions on team allocations, with the global HR team available to mitigate and resolve any disputes. This reflects the theories discussed by Harzing and Noorderhaven (2006), where local managers act as cultural bridges, facilitating the adaptation of global strategies to local contexts. Similarly, at Case Company 2, function managers determine the appropriate human capital for global teams, with top-level managers involved in escalations, underscoring the importance of localized knowledge in global team dynamics.

In contrast, Case Company 3 approach, while also network-based, incorporates a specific team focusing on external talent, blending internal expertise with external recruitment to optimize team composition. This hybrid approach reflects the evolving nature of global team formation strategies where companies seek to balance internal insights with external talent pools to enhance team capabilities and innovation potential.

5.1.2. Digital Solutions and Managerial Input

Case Company 4 highlighted a trend towards relying alt more on digital solutions in global team management. The role of internal marketplaces was especially emphasized in identifying suitable candidates for global teams, stressing the crucial role of managerial input in these selections. This approach aligns with Ployhart and Moliterno's (2011) unit-level theory, suggesting that the integration of technology can enhance the strategic management of human capital by providing a more dynamic alignment of skills with global project needs.

Case Company 5, Case Company 6, and Case Company 7 all showcase this trend, who all use a hybrid approach. Organizational networks typically dominate, but digital solutions aid in identifying relevant talents, often with HR acting as a liaison. These three enterprises argued for the effectiveness of digital solutions but highlighted that tacit knowledge can't be transferred this way, thus a network-based approach is needed for the understanding and deployment of tacit human capital resources across global teams.

5.1.3. Distinctive Approach

Case Company 8 stands out with its primary reliance on job postings and talent identification initiatives, which do not specifically revolve around forming global teams but rather respond to demand. This approach is somewhat distinct from the others, as it underscores a more reactive than strategic approach to global team formation, focusing on immediate needs rather than long-term strategic alignment of human capital. However, as demand was mentioned as a force driving team creation by other enterprises as well, and since job postings at Case Company 8 are supported by human capital in the form of recruitment specialists and/or upper management, it showcases that human capital in one way or another, across all organizations, is used to identify human capital for global teams.

5.2. Distance and Locality

The strategic allocation of human capital in multinational enterprises (MNEs) certainly confronts the enduring challenges of "distance and locality." The empirics make it evident that these concepts are addressed over a broad spectrum of approaches, which underlines the complex dynamics of global teams within MNEs. Thus, we opt for analyzing these enterprises through the lens of how locally bounded an enterprise is and how much does the

locality aspect impact the decision making process while allocating human capital to global teams.

In examining the strategies of all eight case companies, a common theme emerges regarding the importance of considering locality and proximity in managing global teams effectively, resonating with the literature on distance and locality (O'Leary and Mortensen, 2010, p.4). Case Companies 1, 4, 5, 6, 7, and 8 all emphasize the critical role of understanding local cultures, market dynamics, and regulatory environments in their respective industries. They recognize that having team members who are familiar with and sensitive to local contexts is essential for navigating complex regulations and cultural nuances, ultimately contributing to project execution and success. This aligns with the literature's findings that cultural differences can impact team dynamics and effectiveness. Moreover, these companies leverage digital tools to mitigate the challenges posed by geographical distance, ensuring effective communication and collaboration across global locations.

Furthermore, Case Company 7 and Case Company 8 highlight deliberate efforts to integrate individuals with deep understanding of local cultures into leadership roles, aiming to bridge cultural gaps and facilitate effective collaboration across dispersed teams while also facilitating the integration of global business strategies with local practices (Harzing & Noorderhaven, 2006, p. 175). This deliberate choice reflects an awareness of the importance of locality and proximity in enhancing global operations.

Case Company 2 stands out with its emphasis on team dynamics within the context of global business operations. While acknowledging the importance of local cultures and customs, Case Company 2 emphasizes a nuanced approach that blends respect for local customs with adherence to global processes and standards. This strategy is supported by research indicating that distance and locality or proximity are critical factors in communication, collaboration, and social interactions (O'Leary and Mortensen, 2010, p.4). The company underscores the necessity of having personnel deeply attuned to local cultures, particularly in roles overseeing partnerships in specific regions. This contrasts with the approach of the other companies, which prioritize understanding local markets and regulatory environments. Case Company 2's strategy highlights a unique perspective on managing global teams, focusing on the interplay between local and global dynamics within a business context.

In contrast to the traditional mindset regarding the significance of locality and proximity, Case Company 3 presents a different perspective. While most companies emphasize understanding local cultures and regulatory environments, Case Company 3 argues that physical proximity to clients diminishes in importance as projects scale up. The interviewee argues that physical proximity to clients, especially for big clients, diminishes in importance as projects scale up. Instead, they advocate for remote collaboration, asserting that physical proximity becomes less essential in today's globalized business environment. The interviewee suggests that mixed meetings, where some participants are in a room while others are remote, often result in inefficiencies and disengagement among remote participants. As a result, embracing remote collaboration ensures inclusivity and equal participation among team members, regardless of their location. This viewpoint contrasts with the emphasis placed by the other companies on the importance of local insights and cultural sensitivity in managing global teams effectively. Case Company 3's perspective underscores the evolving nature of global business operations and the increasing reliance on digital tools to facilitate collaboration across dispersed teams.

5.3. Experience vs Talent

Managing a global workforce, as discussed in the literature review, involves numerous challenges and strategic considerations. Collins, Mellahi, and Cascio (2019) emphasize the importance of efficiently deploying appropriate skills, disseminating knowledge, and recognizing talent on a global scale. Additionally, Tarique & Schuler (2010) and Roberts, Kossek, and Ozeki (1998) highlight the need for strategic decisions regarding the balance between experienced professionals and emerging talents within multinational enterprises (MNEs).

In the case of Case Companies 1, 2, 4, 6, 7, and 8, we see these challenges and considerations reflected in their approaches to forming and managing global teams. They recognize the significance of balancing experienced team members with new talent to foster innovation and adaptability, aligning team composition with project requirements. This aligns with the literature's emphasis on strategic decisions regarding talent recognition and deployment (Collins, Mellahi, and Cascio, 2019; Tarique & Schuler, 2010; Roberts, Kossek, and Ozeki, 1998).

For instance, Case Company 1 underscores the importance of a nuanced approach to team composition, depending on the nature of the project, echoing the literature's emphasis on efficiently deploying skills (Collins, Mellahi, and Cascio, 2019). By tailoring the team composition based on project requirements, the company ensures that it optimizes its talent pool to achieve project objectives effectively, which is consistent with the literature's recommendations for strategic talent deployment within multinational enterprises (MNEs). Similarly, Case Company 2 advocates for occasional changes in team members to infuse creativity, aligning with the literature's recognition of the need for strategic decisions regarding talent recognition (Tarique & Schuler, 2010; Roberts, Kossek, and Ozeki, 1998). By embracing change and diversity, the company fosters a culture of innovation and adaptability, consistent with the literature's recommendations for recognizing and leveraging diverse talent within MNEs.

Case Company 6, influenced by local regulations, strategically incorporates both experience and fresh perspectives accordingly, aligning with the literature's emphasis on recognizing talent on a global scale (Collins, Mellahi, and Cascio, 2019). By leveraging both experienced professionals and new talent, the company ensures that it remains competitive in the global marketplace while complying with local regulations, reflecting the literature's recommendations for strategic talent deployment and management within MNEs. Meanwhile, Case Company 7 focuses on skill alignment over geographical factors, promoting diversity of thought, which resonates with the literature's emphasis on disseminating knowledge across MNEs (Collins, Mellahi, and Cascio, 2019). By prioritizing skill alignment and diversity of thought, the company ensures that its global teams are equipped to tackle complex challenges effectively, aligning with the literature's recommendations for talent management within MNEs.

However, Case Company 3 introduces an odd strategy, deviating from the conventional emphasis on experience and technical expertise. While it values these qualities, it prioritizes factors like purpose and attitude over technical skills, aligning with the literature's recognition of the importance of recognizing and cultivating talent beyond technical abilities (Collins, Mellahi, and Cascio, 2019; Tarique & Schuler, 2010; Roberts, Kossek, and Ozeki, 1998). This unique approach emphasizes the complexities involved in managing a global workforce, where strategic decisions regarding talent management are crucial for success. By valuing attitude and purpose, the company demonstrates an understanding of the intangible qualities

that contribute to individual and team success, consistent with the literature's emphasis on holistic talent management within MNEs.

5.4. Constraints

The strategies and constraints identified by the eight case companies provide valuable insights into the practical challenges of assembling and managing global teams. Several common themes emerge, reflecting shared concerns and approaches, while some companies present unique strategies.

The majority of the companies highlight time and cost constraints as significant considerations when forming global teams. For example, Case Company 1 emphasizes the logistical complexities and financial implications of organizing international meetings. Scheduling these meetings can be time-consuming and costly due to travel, accommodation, and other related expenses, emphasizing the need for organizations to balance efficient communication with cost management. This is echoed by Case Company 2 and Case Company 7, where the interviewee briefly mentions that time and financial resources are crucial factors in deciding on the composition of global teams. According to Gluesing and Gibson (2017), global teams often face constraints related to time, particularly due to differences in time zones that limit real-time interactions, complicating synchronous communication and extending project durations (*ibid*, 2017, p. 205). Effective temporal coordination is crucial in managing these challenges, with strategies such as leveraging asynchronous communication technologies and establishing clear norms for time management enhancing team effectiveness and cohesion (*ibid*, 2017, p. 206).

Similarly, Case Company 4 points out that operational constraints, such as time zone differences, budget limitations, and resource availability, dictate how teams are assembled. These factors require careful planning to ensure that teams are effective, cost-efficient, and timely in their delivery of project outcomes. Case Company 6 also underscores the importance of strategic decisions regarding team composition, with a focus on balancing the benefits of deploying global resources against the costs and logistical challenges involved. This balancing act is crucial for maintaining competitiveness and operational efficiency. Gluesing and Gibson (2017) note that global teams must navigate the complexities of various geographical and cultural contexts, managing differing business conditions, regulatory environments, and cultural norms to enhance teamwork and productivity (*ibid*, 2017, p. 202).

Case Company 8 identifies time zones, language proficiency, and cost as significant constraints. Managing teams across different time zones can be logistically challenging, and language barriers can create communication issues, especially when certain individuals dominate discussions due to their mastery of the language. These constraints underscore the importance of considering locality, distance, and cultural context when forming global teams. Additionally, Gluesing and Gibson (2017) emphasize the need for global teams to develop robust cross-cultural communication strategies and consistent engagement from all team members to ensure successful integration and implementation of team objectives (ibid, 2017, p. 202-203).

Case Company 3 presents a unique perspective by discussing talent normalization and compensation normalization as key constraints. Talent normalization involves assessing and standardizing skill levels across different geographical regions to ensure consistency in hiring and team composition. The interviewee highlights the complexities inherent in this process, noting that it remains challenging to gauge talent uniformly across diverse contexts. Compensation normalization involves deciding whether to base pay solely on merit or also consider geographical factors such as cost of living. This entails striking a balance between fair compensation for employees irrespective of location and ensuring that salaries remain competitive in different regions. This unique focus on talent and compensation normalization adds a different dimension to the common themes of time and cost constraints seen in other companies. According to Gluesing and Gibson (2017), addressing the human elements effectively requires thoughtful leadership and a commitment to fostering an inclusive culture that leverages diversity for greater innovation and problem-solving capacity (ibid, 2017, p. 204-206).

Case Company 5 emphasizes the dynamic nature of project demands and the challenges of aligning suitable human capital with immediate project needs. The interviewee highlights the time lag between project inception and resource mobilization, making it difficult to match resources precisely when they are most needed. Additionally, the company faces challenges related to the rapid development of market demands and the availability of competent personnel. To mitigate these constraints, the company occasionally adopts a strategy of overstaffing, which allows it to buffer against the unpredictability of project demands and ensure that teams can be rapidly assembled and adjusted according to evolving project needs. Gluesing and Gibson (2017) discuss how the complexity of tasks faced by global teams

ranges from those requiring minimal interaction to those demanding intense collaborative efforts and simultaneous problem-solving, often influenced by rapid market and technological changes (ibid, 2017, p. 200-202).

5.5. Summary

The allocation of human capital to global teams in multinational enterprises (MNEs) is a nuanced process that balances strategic objectives with local and global considerations. The overarching goal is to optimize the composition of global teams by leveraging the unique skills and expertise of individuals across different geographical locations. This process is fundamentally influenced by a network-based approach where internal organizational networks and local managerial discretion play critical roles. Local managers, informed by their cultural and operational insights, often make key decisions regarding team allocations, supported by global HR functions to resolve conflicts and ensure alignment with broader corporate strategies. This method underscores the importance of localized knowledge in identifying suitable human capital, emphasizing that understanding local contexts is essential for effective team formation.

Digital solutions are increasingly significant in managing global teams, with internal marketplaces and technological platforms aiding in the identification and allocation of talent. These digital tools facilitate dynamic alignment of skills with project needs, enhancing the strategic management of human capital. However, while technology plays a crucial role, the integration of tacit knowledge – understood through direct human interactions and experience – remains indispensable. Therefore, a hybrid approach combining digital tools with traditional network-based methods is often employed to ensure both efficiency and depth in talent management.

Locality and proximity are critical factors in the strategic allocation of human capital within MNEs. The complexities of managing global teams are exacerbated by the need to navigate diverse cultural, regulatory, and market dynamics. Proximity to local markets allows team members to better understand and respond to specific cultural nuances and regulatory requirements, which is vital for successful project execution. Therefore, MNEs often prioritize having team members who are culturally attuned and knowledgeable about local market conditions. However, advancements in digital communication tools also enable

effective remote collaboration, mitigating some of the challenges posed by geographical distance.

Balancing experienced professionals with new talent is another strategic consideration in forming global teams. Experienced individuals bring valuable knowledge and stability, while fresh talent introduces innovative perspectives and adaptability. The decision on team composition is often guided by the nature and scope of a project, with an emphasis on aligning skills and experience to meet project goals effectively. This balance ensures that teams are both innovative and capable of handling complex challenges, fostering a dynamic and resilient workforce.

Constraints such as time zones, language barriers, and cost also significantly impact the allocation of human capital to global teams. Time zone differences can hinder real-time communication and collaboration, necessitating the use of asynchronous communication tools and strategic planning to coordinate activities. Language proficiency is crucial for effective communication, with potential barriers requiring thoughtful management to ensure inclusivity and equal participation. Cost considerations, including travel, accommodation, and compensation normalization, further influence how teams are assembled and managed. MNEs must balance these logistical and financial constraints with the need for efficient and effective team performance.

Some unconventional strategies warrant further consideration. For instance, some companies prioritize attributes like purpose and attitude over technical skills, challenging the traditional emphasis on experience and expertise. This approach highlights the complexities in managing a global workforce, suggesting that intangible qualities such as motivation and cultural fit can be as crucial as technical competence. Moreover, the trend towards remote collaboration questions the long-held belief in the necessity of physical proximity, advocating for inclusive and efficient remote team dynamics. These evolving perspectives reflect the changing nature of global business operations and the increasing reliance on digital tools to facilitate dispersed team collaboration.

You can find the visual representation of the summary of analysis in the below figure

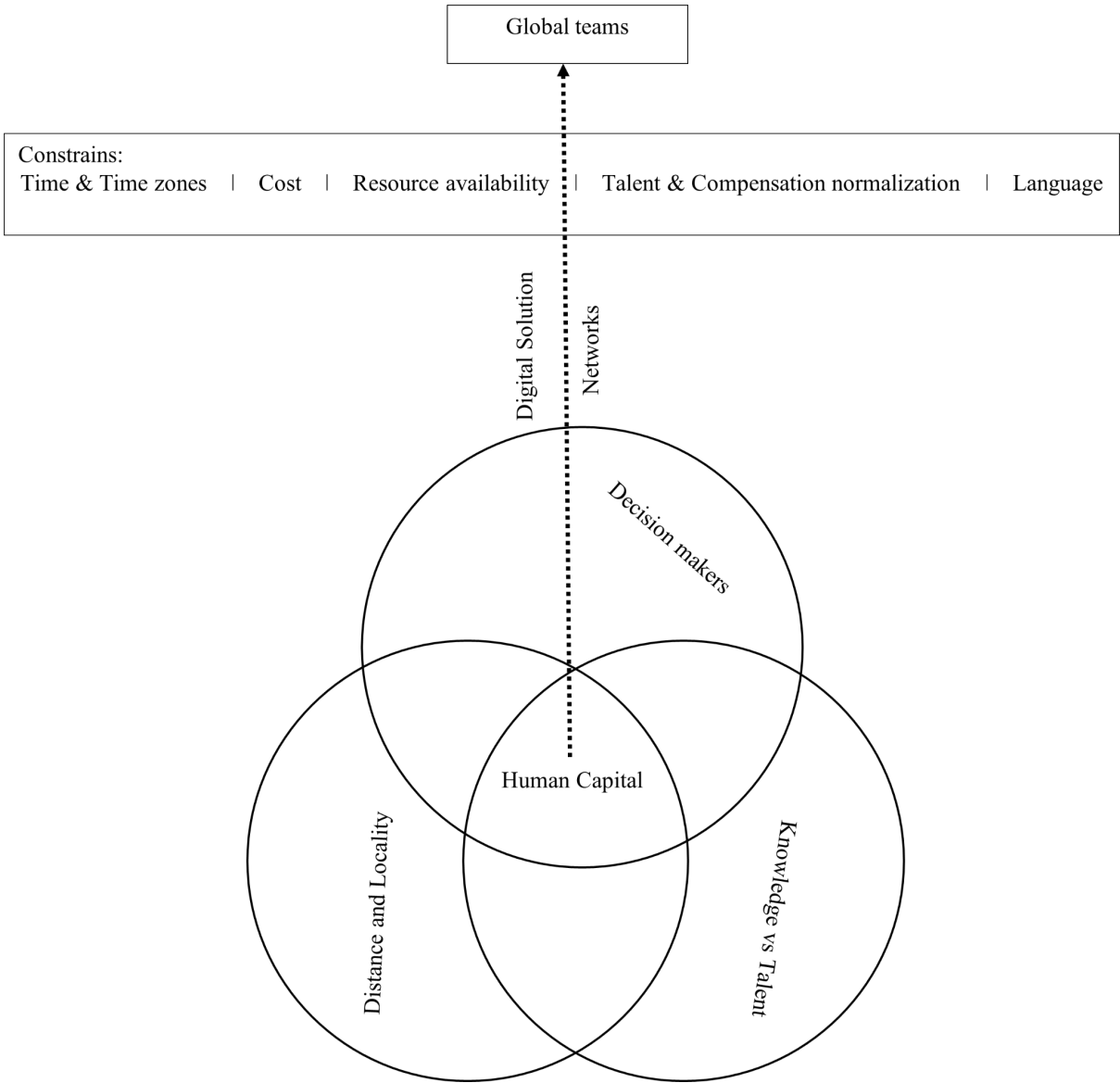


Figure 1: Visual representation of the Summary of Analysis

6. Conclusions

This thesis has examined the allocation of human capital resources within multinational enterprises (MNEs), with a particular focus on how these resources are directed towards and distributed across global teams. The study has viewed this through micro-level perspectives that highlight individual behaviors and decisions, providing insights into the broader strategic frameworks that influence these processes. The investigation was guided by one central question and sub-question:

6.1. Answering Research Questions

1. How do multinational enterprises (MNEs) allocate people as human capital resources towards and across global teams?

The allocation of human capital in multinational enterprises (MNEs) towards and across global teams is a multifaceted process that relies on both strategic and localized considerations. A key approach employed by MNEs is the network-based method, where internal organizational networks and local managerial discretion play pivotal roles. This approach leverages the extensive internal networks within an organization to identify and allocate suitable human capital. Local line managers, who possess deep insights into the cultural and operational nuances of their regions, are crucial in this process. They utilize their knowledge of local talent and organizational needs to make informed decisions about team allocations. These local managers act as cultural bridges, facilitating the adaptation of global strategies to local contexts. Their decisions are often supported by global HR teams, which help ensure alignment with the broader corporate strategies and mediate any disputes that may arise.

Digital solutions have increasingly become significant, with internal marketplaces and technological platforms aiding in identifying and allocating talent. However, the integration of these digital tools with traditional network-based methods is essential to capture the tacit knowledge that comes from direct human interactions and experience, thus ensuring both efficiency and depth in talent management. This brings us to the overarching observation and conclusion that MNEs strategically need to utilize specific human capital to identify and channel relevant and available human capital to and across global teams. It is evident that the

necessary information enabling suitable allocation of human capital in the settings of global teams originates at the individual level of the MNE and its functions.

1.1. What factors at MNEs influence the allocation of people as human capital towards and across global teams?

Several factors influence how MNEs allocate human capital to global teams. Firstly, the importance of locality and proximity cannot be overstated. Understanding local cultures, market dynamics, and regulatory environments is crucial, as team members familiar with these contexts can navigate complex regulations and cultural nuances, significantly contributing to project success. The use of digital tools has mitigated some challenges posed by geographical distance, enabling effective remote collaboration. Secondly, balancing experienced professionals with new talent is a critical consideration. Experienced individuals bring valuable knowledge and stability, while fresh talent introduces innovative perspectives and adaptability. This balance ensures teams are both innovative and capable of handling complex challenges, aligning team composition with project requirements. Thirdly, constraints such as time zones, language barriers, and cost impact team assembly and management. Time zone differences can hinder real-time communication, necessitating asynchronous communication tools and strategic planning. Language proficiency is crucial for effective communication, requiring careful management to ensure inclusivity. Cost considerations, including travel, accommodation, and compensation normalization, also play significant roles in determining how teams are formed and managed.

Moreover, unconventional strategies at some companies highlight the evolving nature of global team dynamics. For example, prioritizing attributes like purpose and attitude over technical skills underscores the importance of intangible qualities such as motivation and cultural fit. Additionally, the trend towards remote collaboration questions the traditional necessity of physical proximity, advocating for more inclusive and efficient remote team dynamics. These evolving perspectives reflect the changing nature of global business operations and the increasing reliance on digital tools to facilitate dispersed team collaboration.

6.2. Theoretical Implications

The analysis of how multinational enterprises (MNEs) allocate human capital towards and across global teams offers several important theoretical implications. Firstly, it reinforces the significance of the network-based approach in global human resource management theory. This approach emphasizes the critical role of localized knowledge and managerial discretion, suggesting that effective global team formation relies heavily on the insights and decisions of local managers who understand the cultural and operational nuances of their local settings. This aligns with and extends theories posited by Harzing and Noorderhaven (2006, pg:175), highlighting local managers as cultural bridges who facilitate the adaptation of global strategies to local contexts. By demonstrating the practical application of these theoretical concepts, this study underscores the necessity of incorporating localized managerial input into broader HR strategies within MNEs, thereby providing a more nuanced understanding of global team dynamics.

Moreover, the study's findings on the integration of digital solutions with traditional network-based methods contribute to the evolving discourse on digital transformation in HR practices. It suggests that while digital tools can enhance the efficiency of human capital allocation, they must be used in conjunction with methods that capture tacit knowledge and human insights, which emphasize the importance of individuals in this context.

Additionally, the emphasis on balancing experienced professionals with new talent and considering factors like locality, proximity, and logistical constraints offers a comprehensive framework for understanding the strategic complexities involved in global team formation. These insights contribute to the theoretical landscape by highlighting the multifaceted nature of human capital management in global contexts and the need for flexible, context-sensitive approaches in MNEs.

This study thus enriches the theoretical understanding of global HR management, offering a robust model that integrates both traditional and modern elements to optimize human capital deployment in multinational settings.

6.3. Practical Implications

The analysis of how multinational enterprises (MNEs) allocate human capital towards and across global teams presents several practical implications for businesses and HR professionals. Firstly, the study underscores the importance of leveraging a network-based approach, where local managers play a crucial role in team formation. Practically, this means that companies should empower local line managers with decision-making authority and provide them with the necessary tools and support to identify and allocate talent effectively. By doing so, organizations can ensure that team compositions are informed by local insights, cultural knowledge, and operational nuances, which are critical for the success of global projects.

Secondly, the integration of digital solutions in managing global teams highlights the need for companies to invest in robust technological platforms that facilitate talent identification and allocation. These digital tools can enhance efficiency by providing dynamic and real-time alignment of skills with project needs. However, the study also points out the necessity of blending these tools with traditional methods to capture tacit knowledge. Therefore, organizations should adopt a hybrid approach, combining digital solutions with human insights to optimize team formation and management processes. Training programs and initiatives that enhance digital literacy among HR professionals and managers will be crucial in implementing this integrated approach effectively.

The study also emphasizes the strategic importance of balancing experienced professionals with new talent within global teams. For HR practitioners, this means developing comprehensive talent management strategies that not only identify and nurture experienced individuals but also attract and integrate fresh talent. This balance can foster innovation and adaptability within teams. Practical steps include designing mentorship programs, continuous professional development opportunities, and creating a dynamic talent pipeline that aligns with the organization's long-term strategic goals.

Additionally, addressing constraints such as time zones, language barriers, and cost considerations are critical for effective global team management. Companies should implement strategic planning and use asynchronous communication tools to manage time zone differences. Language proficiency and cultural training programs can mitigate communication issues and enhance inclusivity. Moreover, cost management strategies, such

as leveraging virtual collaboration tools to reduce travel expenses, can help balance logistical and financial constraints.

Finally, the study's insights into unconventional strategies, such as prioritizing attributes like purpose and attitude over technical skills, suggest that organizations should consider these intangible qualities in their recruitment and team formation processes. This approach can lead to more cohesive and motivated teams, even in a remote collaboration environment. By focusing on these practical aspects, MNEs can enhance their global team dynamics, improve project outcomes, and maintain a competitive edge in the global market

6.4. Suggestions for Future Research

What this study makes clear is that the academic avenue on how MNEs allocate human capital to and across global teams is small, thus enriching the theoretical foundations is immensely desirable. As an example, future studies could explore the long-term impacts of the network-based approach on team performance and organizational success. While this study highlights the importance of local managerial discretion and internal networks, further research could quantify the outcomes of such approaches, examining how they influence team cohesion, project success rates, and overall organizational effectiveness over time.

A promising area for future research is the integration of digital solutions in human capital management. This study suggests a hybrid approach that combines digital tools with traditional network-based methods. Future research could investigate the optimal balance between these two elements, identifying best practices for integrating technology with human insights in various organizational contexts. Additionally, examining the specific types of digital tools that yield the most significant benefits in terms of efficiency, accuracy, and employee satisfaction would be valuable.

Research could also delve deeper into the strategic balance between experienced professionals and new talent in global teams. This study touches on the importance of this balance, but further investigation could provide a more detailed understanding of how different industries and project types benefit from varying ratios of experience to fresh perspectives. Longitudinal studies could track the career progression and contributions of new talent within MNEs, providing insights into the effectiveness of mentorship programs and other developmental initiatives.

Finally, future research could dive deeper into microfoundations to enhance our understanding of how multinational enterprises (MNEs) manage and allocate human capital across global teams. By focusing on individual actions and decision-making processes, this study sheds light on the crucial roles of personnel involved in identifying, selecting, and strategically deploying human capital. However, exploring the behavioral and psychological nuances of these individuals could provide further insights. Research that delves into how cognitive frames and interpersonal interactions influence strategic decisions, as well as the specific micro-actions that contribute to effective team formation and the integration of diverse skills, would add significant depth to our understanding of these complex dynamics. Such investigations would offer valuable contributions to the nuanced mechanisms that underpin successful human capital management in global settings.

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8. Appendix 1

This is a summary of the main topics/questions which were discussed during interviews. Since a semi-structured approach was used events unfolded and various follow-up questions emerged. In essence these questions were used to kick-start the conversation.

1. Can you give us a short introduction of who you are and what are your responsibilities in your current role?
2. In your experience, What is or should be the standard process for creating a global team and assigning the right people to those teams?
3. Global HR team who work specifically with assigning people from different nationalities to projects or teams?
4. How can the organization be sure that the people assigned to a global team are the right fit?
5. While assigning people to global teams, what aspects does the organization in general look into? What is most important? (Experience, Talent, relationships/coordination)
6. Historically distance has played a big part in shaping how projects and teams have looked. If we look at global teams and projects that you are connected to today, does distance matter? Are the people typically local or not?
7. In connection to global teams, finding the right human capital resources and allocating them efficiently, what is your opinion on networks?
8. What are some of the challenges that you come across in the creation process of global teams?
9. What are the contingency plans if people can't join?
10. What is the most likely problem if the team performs badly?
11. Have we missed anything?