Fostering Virtual Teams:

What Companies Could And Should Be Doing

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ABSTRACT

Hitherto, given the technological advances and the increasingly globalized economy, organizations are adopting virtual teams. With e-teams starting to be the rule, it is of companies’ interest to make sure teams perform effectively. This study was undertaken to identify what companies could (and should) be doing to improve the chances of success for virtual teams. To accomplish this, eight international managers were interviewed to know the main challenges felt within e-teams. The findings suggest firms should invest on e-leaders’ development. Specifically, evidence suggests that having leaders knowing their team personally is crucial. Moreover, communication was the most felt challenge and the model proposes a set of challenges to address this. This research study provides insights for organizations confronted with the challenge of guiding multicultural teams geographically separated as well as academics interested in pursuing virtual team research.

KEYWORDS: Organizational model, multicultural teams, virtual teams, e-teams, physical distance, best practices, challenges
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1. INTRODUCTION

As I write this, the Global Management Challenge (GMC) is one of the topics present in the newspaper. The GMC is a worldwide simulation challenge, in which online teams strategically run a fictitious company, aiming the highest share price possible\(^1\). What happens in this virtual game is easily observed in today’s economy: nowadays, companies compete not only locally but also globally. With technology developing at a progressively fast pace, the way business is done has become increasingly global (Zaccaro and Bader, 2003; Corvello and Migliarese, 2007). Given this context of more and more international companies, with globalization and technology, many scholars started to do research on the topic of virtual teams as the Internet and e-mail are rapidly replacing face-to-face management (Arvey, 2009). But creating a high-performing team is by itself a tremendous challenge, and in the case of team members being scattered geographically and separated culturally, leaders face a task even more daring (Brett, Behfar and Kern, 2006; Guttman, 2007).

Current literature focuses on the leadership role but does not stress enough the importance of the companies’ role. Hence, this paper intends to answer the question: What can companies do to increase the probability of success in virtual teams? As I believe that if companies are adopting the concept of virtual teams that encompass different cultures, they should foster the success of this type of team.

2. LITERATURE REVIEW

As competition amongst companies rises, virtual teams are becoming the rule and not the exception because there are several benefits associated with them, making it an

increasingly trendy subject for research. Virtual teams are those consisting of coworkers geographically dispersed and organizationally linked, who work remotely through telecommunications and information technologies to achieve one or more organizational goals (Townsed, De Marie and Hendrickson, 1998; Powell, Piccoli and Ives, 2004; Hambley, O’Neill and Kline, 2007). Zaccaro and Bader (2003) identified two critical and distinctive features that favor e-teams over traditional ones, which provide competitive advantage to organizations that can employ them successfully. According to the authors, e-teams are less restrained by geographic constraints posed on co-located teams as having access to a wider pool of human capital, makes it possible to employ the most appropriate human resources (based on skills, knowledge, and capacities) to complete difficult projects. The other unique feature, as stated by the essayists, is the greater potential of cyber teams for generating quality relationships and networks between the leaders and their followers in their functioning environment as they are linked to a wider scope of stakeholders. This happens because the members of virtual teams are normally to be found in different social and physical environments, thus having more contact and awareness of their social context, enabling them to bear a greater level of cultural intelligence than if they were in a single location. Another organizational benefits related to e-teams are improved productivity, as they allow a saving on operational costs, cycle-time reduction integration of distant members, and improved decision-making and problem solving skills (Lipnack and Stamps, 1997; Townsend et al, 1998; Zaccaro and Bader, 2003; Wootton, 2012). However, productivity gains from teams within the virtual framework are not guaranteed (Huang, Kahai and Jostice, 2010) given the several challenges concerning this type of setting. In an e-environment, conflict is more likely to happen due to diversity of backgrounds and

miscommunication via technology (Axtell, Fleck and Turner, 2004) as computer-mediated communication eliminates clues about interpersonal affections, such as trust (Gibson and Manuel, 2003) and non-verbal cues (Arvey, 2009; Dickson, Castaño, Magomaeva and Hartog, 2012). Cultural divergences have the potential to exacerbate the challenges faced as mindsets, customs, and contextual communication styles of both leaders and workers from one culture often conflict with the worldviews and practices of those from other cultures (Fisher, 1988; Yukl, 2006), and effective leadership styles varies across cultures (Davison and Ward, 1999).

Given the globalized context which implies cultural interaction within teams, many reviews have been conducted looking at the literature of cross-cultural leadership (House, Wright and Aditya, 1997; Peterson and Hunt, 1997; Smith and Peterson, 2002; House, Hanges, Javidan, Dorfman, Gupta and GLOBE Associates, 2004). “When in Rome, do as the Romans do” is a popular saying that advises to adapt fully to the culture one is managing. Nevertheless, this strategy is far less applicable today, as most of the cross-cultural contacts take place in a different country or even on virtual territory (Schneider and Barsoux, 2003). Due to cultural biases, miscommunication challenges may be compounded leading to several issues. But multiculturalism is a double-edged sword as ethnically heterogeneous teams tend to represent a wider pool of experience, information, with diverse views and values when compared to monocultural teams. Even though it can be particularly demanding to achieve this implicit knowledge, it can also be quite fruitful (Adler, 2008). Based on research by Dr. Carol Kovach, Adler (2008) studied the effectiveness of multicultural teams and concluded that they can either be highly ineffective or highly effective. Reaching effectiveness in an e-environment is even more daring than in the traditional settings, but past studies suggest that challenges such as coordination, motivation, commitment, and trust can be
overcome with an active role by the virtual team’s leader (Avolio, Kahai and Dodge, 2000; Joshi, Lazarova and Liao, 2009; Kayworth and Leidner, 2000; Leenders, van Engelen and Kratzer, 2003; Purvanova and Bono, 2009).

According to Avolio and Kahai (2003), the e-leader’s goals are to define and enhance relationships between team members, via technological channels. As most communications are mediated by information technology, the leader should take into account all the traditional features of team management, but specially the demanding characteristics of virtual interaction. Authors have stressed the different actions leaders should implement towards team work effectiveness and flaw reduction. Firstly, e-leaders need to promote the creation of trusting relationships between team members and themselves, in order to construct a general motivational feeling to succeed in a specific objective. However, this trust should be generated sooner than in traditional teams, since the lack of face-to-face contact and reduced time interaction restricts the strength of bond creation. For this, both leader's behavior and personality are key aspects for establishing rapid reliance. As the lack of non-verbal signs hampers understanding the content of conversations, transmittance of redundant information may be seen as a possible way to reduce the scope for misinterpretations. The high amount of misjudgments and the use of individual references in the meetings may hinder trust and motivation followers have towards leaders. Therefore, referring to the group as a whole or delivering a clear, simple and motivational dialogue can help overcoming these virtual contact issues.

Like Avolio and Kahai (2003), many other authors have written and proposed strategies for e-leaders. But, hitherto, there has not been placed enough significance on the role of organizations to create the right growing environment for virtual teams. As organizations may benefit from latter, they should play an active role in fostering the
likelihood cyber team success. Therefore, this research study intends to create a model which shows what companies could and should be doing for the prosperity of virtual teams.

3. METHODOLOGY

The goal of this research paper was to understand the “lived experiences” in order to develop a model that companies can adopt to increase the likelihood of success in virtual teams. To construct the model, it was necessary to know how leaders cope with the difficulties posed by managing in the context of a virtual setting, being phenomenological approach the one who fitted best. In order to assess the major challenges faced by leaders, interviews were made to eight international managers who, on a daily basis, are confronted with the tests of having to manage at least one multicultural team in the virtual setting.

As stated above, the chosen method to conduct the interviews was phenomenology. In phenomenological research, there is a descriptive, reflective, interpretive, and engaging mode of inquiry with the purpose of deriving the “essence” of the human experiences concerning a certain phenomenon, as described by participants (van Manen, 1990). This method involves studying a small number of subjects through extensive and prolonged engagement to develop patterns (Moustakas, 1994). “Two major assumptions underlie phenomenology. The first is that perceptions present us with the evidence of the world – not as it is thought to be, but as it is lived. (…) The second assumption, is that human existence is meaningful and of interest in the sense that we are always conscious of something. Human behavior occurs in the context of the four essentials introduced
above: relationships to things, people, events, and situations” (Morse and Richards, 2002).

**SAMPLE SELECTION**

Data were collected from eight international managers who had to lead a multicultural team from a geographically distant location. Although the contacts were obtained by acquaintances or even from the interviewees themselves, they were quite distinct from one another. The initial contact was done by email and, after explaining what was intended from the interview, we would arrange a time that was suitable for both. If possible the interview was made personally, but most interviews were done via Skype.

The industries and countries where the interviewed leaders work were varied, just as their teams’ location, their ages and backgrounds. In addition, team size and number of teams for which they were responsible and the frequency of interaction differed among e-leaders; therefore, leaders were expected to have developed their own strategies to cope with the e-environment they face. 62.5% were females and all the participants were employed full-time; furthermore, the years in the business and the time for which they were managing in the setting of virtual teams varied widely. The sampled international managers were diverse enabling it not to have a biased set of population.

**4. FIELD PERSPECTIVE**

“The fundamentals of global team success aren’t very different from the practices that work for domestic work teams. But there are more variables. Overlay cultural behavior and expectations on the roles of communication, team leadership and group dynamics, and you immediately understand. Moreover, there are logistics to overcome: challenges inherent in working in different time zones, lots of travel and busy conflicting schedules.” (Solomon, 1995, p. 50)
This section was obtained based on the results of the conducted interviews and it summarizes the challenges felt by the interviewed leaders. The challenges posed by e-leadership can be divided into three categories: Communication, Culture and Logistics. Even though technology plays a major role in the virtual environment, it was not considered to be a challenge *per se*. Technology was felt as being limited, thus posing challenges reflected on communication.

**COMMUNICATION**

Communication was the challenge most felt by the interviewees due to the lack of face-to-face interaction. It was felt that miscommunication is not necessarily generated by distance, but the need to communicate remotely exacerbates it.³

> “I think you already have that [miscommunication] in an office with people sitting right next to you, but it really becomes an issue the moment you’re working with people who are far away.”⁴

Additionally, miscommunication is aggravated if there are members of the team who have to speak a language that it is not their mother tongue⁵, not only due to not understanding it so easily or some peculiarities of the language, but also by being reticent when expressing opinions. “Making sure that what you mean is what’s understood⁶ is not always easy and building trust in this context is also harder than in the case where colleagues work side by side⁷. Since part of communication is lost due to the limits of technology, it is harder to get to know people better, what motivates them and establish a common ground⁸, hence hindering the process of building trust⁹.

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³ Mentioned by participants C, D and F
⁴ Quote by participant F
⁵ Mentioned by D
⁶ Taken from the interview to participant D
⁷ Mentioned by E, D
⁸ Mentioned by participant G
⁹ Mentioned by participant D
“(…) it is much harder to build trust because I think that for trust you need repeated exposure and you have both to feel each other out. So it is definitely harder if you never meet the person face-to-face.”

Moreover, it is not always possible to get some non-verbal hints. (Arvey, 2009; Dickson, Castaño, Magomaeva and Hartog, 2012) Notwithstanding, currently there are means of communication, such as video conferences, which allow to get some clues on facial expressions, voice inflections, and gestures. Even so, there is no perfect substitute to face-to-face encounters.

“I think that [social contact] is just something you can’t make up for with Skype, with phone calls, and emails. I think that it is good if that’s there. Not for the social contact per se, but because when you meet somebody you read their facial expressions, their body language, and I think that is what is key.”

Due to logistic issues that is not always possible. Furthermore, the confidentiality nature of the work may not allow video conferencing.

CULTURE

Given the multicultural context, leaders have different communication styles which are not always the most appropriate to the cultures they’re inserted in or which they have to manage (Davison and Ward, 1999). This may lead to frustration since one may find himself, or herself, misunderstood or even ostracized. The mindset of the leader also poses a barrier to be overcome as there are several preconceptions and cultural biases (Fisher, 1988; Yukl, 2006), and “it is easy to assume things” when one is managing a different culture.

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10 Mentioned by participant D
11 Mentioned by participant F
12 Mentioned by participants E and H
13 Mentioned by participant H
14 Mentioned by participants B, D and F
15 Quote by participant F
“(...) you have to have some self-awareness, you have to understand the mindset of people. Or make the effort to understand, because otherwise you’re not going there. These cultural differences can be deal breakers, can be serious…”

The way business is done varies among cultures and even if the leader studies the cultures thoroughly beforehand, some things can only be learned on the job, possibly conducting to cultural shocks. Another issue raised was that setting up expectations correctly is also harder since, as mentioned, people not always mean what they say.

**LOGISTICS**

The factor of geographical distance aggravates the challenges mentioned formerly. Working in multiple time zones requires a lot of travelling and scheduling meetings at times that not always suit everyone. Additionally, it is necessary to “overcome the need to talk immediately to your colleagues or team” and count with the possibility that you may not always have absolute power over the team. Some of the interviewees were managing teams that they could not hire or fire, or that didn’t report to them directly even though they were measured by the teams’ results, thus posing an added challenge to international managers. In this situation the team does not always recognize the manager as their direct leader, which may lead to lack of engagement from the followers. One more issue that may pose a logistic challenge is when the leader has to manage a team inserted in a country that is in a different stage of development.

“(...)the difference in vision between what I wanted to build and what they were able to see in a moment, whether it was the right direction, was an area say ... it was one of the biggest challenges.”

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16 Quote by participant A  
17 Mentioned by participants A and G  
18 Mentioned by participants A, C and F  
19 Mentioned by participants A and B  
20 Mentioned by participants C and G  
21 Quote by participant C and mentioned by participant E  
22 Mentioned by participants A and E  
23 Mentioned by participant E  
24 Mentioned by participant E
5. MODEL

The presented model intends to define what companies could be doing in order to increase the probability of success of virtual teams. Given the advantages of e-teams, organizations should adopt a more active role in making sure they are efficient and that the challenges most felt by them are addressed.

When adopting the concept of an e-team, the firm should take into account the profile of the leader. Leading remotely is challenging and, to guarantee the success of the team, the company should have a set of elements that the leader needed to fill. Taking into account the projects of the company, the e-leaders ought to have a certain number of experiences or overcome challenges, such as multicultural ones or experiences abroad, in order to assure that he, or she, would be an ideal candidate. By having certain requirements to be met by leaders, one can argue that the company may be reducing candidates’ pool that could adapt perfectly, however, this strategy intends to make sure that the candidate would not fail in the position of e-leader, instead of risking it. Having chosen an appropriate e-leader, the company needs to promote his, or her, development. The firm would then offer a workshop for personal, cultural and trait developments. This training is not dependent on the culture(s) of the virtual teams and it aims to foster qualities such as flexibility, adaptability, cultural respect, genuine interest for other cultures, among others, in the leader. Additionally, it would allow the e-leader to be self-aware of his, or her, own culture and respective biases, while drawing attention for possible stereotypes. By being a general development workshop, the investment from the company would not be significant when compared to the benefits from guaranteeing the virtual teams’ success, as it could be applied to all e-leaders within the company.
In this case, there are several possibilities for the followers, meaning that they can be either only geographically scattered from their leader, or also among themselves. The **degree of physical dispersion has different implications** for the proposed model. The **duration of the projects** will determine the time for which the e-teams will have to work together, which will also **imply a different set of actions** from the firm.

But firstly, it is explored what companies can do independently from the degree of physical dispersion or duration of the projects.

Having chosen the human capital for the cyber team, the firm should promote a virtual **social gathering**. The goal would be for the team members to get to know each other besides their professional capabilities in order to **nurture the levels of trust**. By getting to know the personal side it is easier to understand what motivates people and establish a common ground with them. What happens in the initial phase of the team is of extreme importance as it will predict subsequent levels of trust, satisfaction and performance (Avolio and Kahai, 2003). Additionally, to increase trust levels, the company should also promote team building events (Cascio and Shurygailo, 2003). As one off the major challenges was miscommunication, the organization would take **three actions** as a way of fighting it. First of all, it would be required for the company to have a **clear mission and vision** so that it is easy to communicate them to the team. Secondly, it should have an **internal anonymous chat** as the anonymity factor in cyber team meetings, combined with real team meetings, can prove to be helpful (Berg, 2012). Thirdly, requesting a **written support** of meetings would also avoid misunderstandings. By asking for reports on what was stated or decided, e-leader and followers would be able to confirm if everyone understood the same thing and the tasks would be visible to all the members of the team, assuring that everyone knows what they ought to do.
As for the interactions between the e-leader and its followers, by promoting the social gathering, it would be easier for them to establish an **initial rapport**. In order to overcome miscommunication challenges, information should be communicated several times in different ways. It can be redundant but, at least, it assures that **everyone is on the same page** and knows exactly what has to be done. This is imperative because the dispersion of team members in a virtual context may lead to team tasks being less salient to team members (Kayworth and Leidner, 2000). Taking into account the represented cultures in the team, there should be decided an official language in which everyone feels comfortable and there should be established a **hybrid-culture**. In this hybrid-culture, all members in the e-team would establish a culture with a set of practices that would comprises all the cultures represented in the team (Mosakowski and Earley, 2000). The leader should always show the added value of his, or her, work for the prosperity of the team, such as the team’s role for company’s success, in order to keep the team motivated. Besides, this will help address the challenge of when leaders do not have absolute power over the team.

We will now consider possible different scenarios which will have different implications for firms’ practices within the proposed model.

**SCENARIO 1**

In this first scenario, the virtual team is geographically distant from the leader, but the followers share the same physical space. In this case, the company should promote face-to-face contact as soon as possible.

Most of the interviewees have felt the need to get to know the people face-to-face\(^{25}\).

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\(^{25}\) Mentioned by A, G, B, F and H
“(…) a very important thing is never to dismiss the importance of actually having face-to-face interaction at one point or another.”

In some cases, meeting the team they were managing led to a different behavior from the followers. Thus, meeting the team one is managing should be imperious since it will have a positive outcome in both communication and trust related matters.

“Lose some time, which is not lost time, trying to understand who you are talking to, how these people are, what they want, and try to align your goals and your ways of seeing, being and thinking in order to make things work.”

Therefore, this model proposes that face-to-face contact should be promoted in an early phase. This will help to establish a better rapport and it will increase trust levels (Smith and Blanck, 2002).

In this scenario, as the followers are in the same physical location, the investment from the company in taking the e-leader to personally meet the entire team is assumed not to constitute a significant investment.

Therefore, the proposed model for this scenario is represented by the following picture:

![Organizational model for virtual teams when the followers share the same physical space but are geographically scattered from the e-leader](attachment:image.png)

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26 Quote by C
27 Mentioned by A and G
28 Quote by G, mentioned by A and B
In case an e-leader is responsible for more than one team, and each team is geographically distant from him, or her, then the model should be applied separately to each team.

**SCENARIO 2**

In this second scenario, all team members are geographically scattered. In this case, promoting a face-to-face contact is more expensive for the company. Therefore, there are several options that must be considered.

![Organizational model for virtual teams when the entire team is scattered geographically](image)
6. CONCLUSION

“I think that this distance leadership and multicultural teams are going to be more the rule than the exception in the coming years. I think that the world is allowing the mobility that we have nowadays, and the technological possibilities that we have nowadays will only make it easier for companies or organizations to recruit overseas. Because of talent, because of costs, because of many other factors that made it difficult in the past. I think nowadays it is going to be much more frequent finding these kinds of teams.”

Not only can distance leadership of multicultural teams work as it is becoming increasingly common (Martins, Gilson and Maynard, 2004; Novak and Bocarnea, 2008). However, there are several challenges posed by this type of leadership. As current literature focus mainly on strategies for e-leaders, the proposed model is to be applied by companies. As it is in the best interest of firms that their virtual teams operate efficiently, then they should play an active role to increase their probability of success.

One important contribution of this paper is the possibility of practical application of these strategies in the model independently from the cultures one is managing.

In order to increase e-teams’ chances of success the firm should take into account the profile of the leader. Leading remotely is challenging, therefore e-leaders ought to have certain requirements to make sure the candidate would not fail in the position of e-leader. Then the company needs to promote his, or her, personal, cultural and trait development. This training is not dependent on the cultures of the virtual teams and it aims to foster abilities in the leader.

Having chosen the human capital for the cyber team, the firm should promote a virtual social gathering to nurture the levels of trust and team building events (Cascio and Shurygailo, 2003).

29 Quote by participant C
To fight miscommunication **three actions** can be taken. Firstly, the company needs to have a **clear mission and vision** to communicate towards the team. Secondly, it should have an **internal anonymous chat** as it can prove to be helpful (Berg, 2012). Thirdly, requesting a **written support** of meetings would also avoid misunderstandings. Taking into account the multicultural context, it should be decided an official language and establish a **hybrid-culture** (Mosakowski and Earley, 2000) which incorporates all the cultures represented in the team.

The **degree of physical dispersion has different repercussions** for the proposed model. Likewise, the **duration of the projects** determines the time for which the e-teams will have to work together, also **implying a different set of actions** from the firm.

The model obtained was developed for two scenarios: the first in which the team shares the same physical space but is geographically distant from the leader, and the second in which all team members are physically separated.

Figure 1 – Organizational model for virtual teams when the followers share the same physical space but are geographically scattered from the e-leader
This model has implications for e-leadership in the sense that virtual teams’ success is not entirely dependent on the leader. Additionally, there are several actions that must be applied by the company. By putting this model into practice, IHRM is done more effectively conducting to an increase of e-teams’ success.

7. FURTHER RESEARCH

Due to time constraints, the number of interviewed international managers was limited. Additional research should be done in this topic. By gathering testimonials from a wider number of managers, with diverse backgrounds, corroboration of the challenges felt currently by leaders in the context in study shall be achieved. Furthermore, with a more
significant pool of perspectives, results may be quantitatively analyzed. An analysis which would require hypothesis testing, with e-teams, so probabilities of measure’s success can be extrapolated.

8. BIBLIOGRAPHY


