

## HIGH-PERFORMING VIRTUAL TEAMS

A decade ago it was rare to work on a virtual team. Today, virtual teams are everywhere. What's changed? First, companies are increasingly global, with office locations in numerous countries, which means that many teams simply cannot be co-located. Second, advances in communication technology have dramatically lowered the costs of coordinating across distances, thereby making it more cost-effective to create and manage virtual teams. Finally, companies face increasingly complex business problems that require the contributions of people with varied knowledge who reside in different locations and time zones. Research by the Gartner group shows that in the year 2000, 45 percent of an employee's time was spent working with people in other locations while 55 percent was spent working alone or with people in the same location.<sup>1</sup> Gartner projects that by 2010, 55 percent of a typical employee's time will be spent working on virtual teams. This trend suggests that a company's ability to manage virtual teams effectively will be critical to success.

In this chapter we address important questions related to how to manage virtual teams effectively:

- How does a virtual team differ from a traditional team?
- What are the common problems of managing virtual teams?
- How do you do team building in a virtual team?

### **How Virtual Teams Differ from Traditional Teams**

Virtual teams differ from traditional teams in at least three ways:

1. Greater diversity in work norms and expectations
2. Greater reliance on technology as a vehicle for communication
3. Greater demands on the team leader

Unlike traditional co-located teams, virtual teams are assembled with individuals from different locations with much greater diversity of cultures, languages, and business functions (for example, sales, engineering, and so on). Because a virtual team is composed of members with much greater individual diversity, there is much greater diversity in team work norms and expectations. Naturally, this is more likely to lead to group conflict (see Chapter Seven on the problems and strengths of diversity). To illustrate, when Daimler-Benz merged with Chrysler, it was necessary for the two companies to create a variety of "integration" teams with executives from Daimler in Germany working with executives from Chrysler in the United States. It should come as no surprise that these teams faced numerous difficulties integrating operations because America's Chrysler and Germany's Daimler-Benz had different corporate cultures that were reflective of their country cultures. A senior DaimlerChrysler executive (who was an American from Chrysler) claimed that the joint DaimlerChrysler teams faced significant conflicts and challenges as a result of differences in work norms and expectations. He described these differences to us using the following analogy.

Our different approaches to problem solving are illustrated by how we would each respond to opening a new "board game" at Christmas. The Americans at Chrysler would open the game, and while someone started reading through the instructions the others would set up the board and the game pieces. After getting about halfway through the instructions the group, eager to get started, would decide to start play and then figure out the game as they went along. In contrast, the Germans at Daimler would open the game and before setting up the board they would carefully read all of the instructions, at least once, and carefully examine the board and

game pieces. Then, after running some "simulation games" for a couple of days, they would be ready to start play.

This illustration contrasts very different work norms and expectations at Daimler-Benz and Chrysler. The obsession of Daimler's engineers for detail and careful up-front planning clashed with the desire of Chrysler's engineers to jump quickly into a problem and "figure it out" as they go along. Of course, differences in language and time zones exacerbated the communication problems associated with managing the differing work norms and expectations that existed on these virtual integration teams. Not surprisingly, these integration teams experienced tremendous conflicts due to violated expectations that contributed to the exodus of many former top Chrysler executives within a year of the merger.

The second major difference between virtual and traditional teams is that virtual teams cannot rely on face-to-face meetings and must communicate using a much wider variety of technologies. The members of a virtual team can choose from a range of communication technologies to coordinate team activities, including e-mail, electronic displays or whiteboards, bulletin boards or Web pages (including team calendars and chat rooms), teleconference (audio or video), or multipoint multimedia technology (a combination of full-motion video, whiteboard, and audio links). Naturally, the potential for miscommunication is much greater when team members cannot meet face-to-face but must rely on electronic technologies to communicate. Moreover, the fact that all team members must be properly trained on all available communication technologies presents additional challenges to the virtual team. Not only must team members know how to use various technologies, they must know when a particular communication technology is appropriate for a particular task. For example, e-mail and Web pages are good for exchanging data and revising work plans and documents whereas multipoint multimedia technology (video conference with whiteboard) is best for brainstorming, debating options, drawing concepts, or displaying and diagramming complex data.

By now it should be somewhat obvious that the demands on the team leader are much greater on a virtual team. In addition to the team leader skills described in Chapter Four, virtual team leaders must have enough cross-cultural and cross-functional experience to be aware of potential conflicts in work norms and expectations. Moreover, they not only must be aware of the areas of potential conflict, but must educate the team members with regard to these differences and help the team establish a set of commonly understood and agreed-upon work norms and expectations. Team leaders must also be proficient with the use of a variety of communication technologies, knowing how to use them all and when to use which technology. In addition, they must put in extra time preparing, and making sure team members are prepared for, team meetings so that team interactions can be as productive as possible. Finally, they also must communicate frequently on an individual basis with each team member. These side conversations are critical to resolving disagreements, negotiating compromises, and making sure each member feels understood and "heard" by the leader.

### Common Problems in Virtual Teams

We have found four common problems that afflict virtual teams more than co-located teams: (1) lack of trust and mutual understanding, (2) violated expectations, (3) lack of training and effective use of communication technologies, and (4) lack of effective team leadership. As we discuss each of these common problems, we suggest techniques that can be used to deal with the problems.

#### Lack of Trust and Mutual Understanding

A fundamental problem with virtual teams is that team members typically consist of members with diverse cultural backgrounds and skills and a limited history of working together (and in many cases, little prospect of working together again in the future). Although building trust and mutual understanding among team members is critical for

any team, it is much more important in a virtual team setting. Due to a lack of prior interaction and greater individual diversity, team members naturally will have less trust in the abilities of the other team members as well as less trust in their motives, commitment to the team, and so on. Moreover, because members lack specific information about each other they form stereotypical expectations of each particular team member based on their prior experience or history with people from that particular "category" (such as country, function, and so on). For example, because Javier is from Mexico or Jean Francois is from France, team members will expect them to behave according to the stereotypes they have of people from Mexico or France. Similar judgments will be made about individuals who come from particular functional categories (for example, Bob is from accounting or engineering so he must be "numbers oriented," or Sarah is from human resources and is likely to be "touchy feely"). Consequently, it is important to organize a trust-building (getting to know each other) activity early in the team formation process to help team members get to know each other as individuals, not as members of a category. When working with a multicultural team, it may be useful for the team leader to share information on cultural differences between countries and the implications of those differences for a multicultural team. For example, Hofstede (1980) identified four variables along which country cultures tend to differ: individualism versus collectivism, power distance, uncertainty avoidance, and task or relationship (long term versus short term) orientation.<sup>2</sup> Table 11.1 briefly explains these dimensions and identifies some of the potential issues that may arise in multicultural teams.

To help build mutual trust and understanding, at the outset of a project some virtual teams have found it valuable to administer an online version of the Myers-Briggs Type Indicator (MBTI), the widely used personality assessment tool that places people in one of four personality "dimensions." (See [humanmetrics.com](http://humanmetrics.com) for an online version of the test.) All team members should understand what each member brings to the team. At the team kickoff meeting, the team can review each team member's personality profile and background,

**Table 11.1. Cultural Variables That Influence Multicultural Virtual Teams.**

Variable	Implication for Multicultural Team
Individualism versus Collectivism	<ul style="list-style-type: none"> <li>Individualistic team members will voice their opinions more readily, challenging the direction of the team. The opposite is true of collectivists. Collectivists prefer to consult colleagues more than do individualists before making decisions.</li> <li>Collectivists don't need specific job descriptions or roles but will do what is needed for the team, ideally together with other team members. Individualists will take responsibility for tasks and may need reminding that they're part of the team.</li> <li>Individual-oriented team members prefer direct, constructive feedback on their performance and rewards tied closely to their individual performance. Collectivists, however, might feel embarrassed if singled out for particular praise or an individual incentive award.</li> <li>Collectivists prefer face-to-face meetings over virtual meetings.</li> </ul>
Power Distance	<ul style="list-style-type: none"> <li>Team members from cultures that value equality (that is, low power distance) expect to use consultation to make key decisions, and subordinates are more likely to question and challenge leaders or authority figures.</li> <li>A team leader exercising a more collaborative style might be seen as weak and indecisive by team members from a high power distance culture.</li> <li>Members from high power distance cultures will be very uncomfortable communicating directly with people higher in the organization.</li> </ul>
High distance: prefer and accept that power is not distributed equally (France, Russia)	
Low distance: prefer and accept that power is distributed more equally (Netherlands, the United States)	
Uncertainty Avoidance	<ul style="list-style-type: none"> <li>In a culture in which risk taking is the norm or valued, team members tend to be comfortable taking action or holding meetings without much</li> </ul>

High uncertainty avoidance cultures: prefer more structured tasks and avoid ambiguity (France, Japan, Russia)

structure or formality. Members who are more risk averse need a clearer, prepared meeting structure, perhaps with formal presentation by all members of the team. They're unlikely to take an active part in brainstorming sessions.

- Members from lower uncertainty avoidance cultures do not respond well to "micromanagement." They may also be more willing to use new technologies.

Low uncertainty avoidance cultures: have a high tolerance for ambiguity and risk taking (the United States, Hong Kong)

Task or

Relationship Orientation

- Team members from long-term (relationship)-oriented cultures want to spend extra social time together, building trust, and may have problems interacting smoothly with short-term-oriented members. They also like opportunities to work toward long-term goals.
- Individuals from long-term-oriented cultures demonstrate greater concern for relationships, whereas those from short-term-oriented cultures demonstrate greater concern for task completion.

Long-term orientation:

China, Japan

Short-term orientation:

the United States, Russia

Source: Adapted from G. Hofstede, *Culture's Consequences: International Differences in Work-Related Values* (Thousand Oaks, Calif.: Sage, 1980).

and the team leader can encourage members to share some information about their country, culture, or personal background that might be useful knowledge for other team members. It sometimes helps in early teleconferences if team members agree to remind each other of their own personality styles when they speak. For example, an extrovert might say, "As you know, I tend to think out loud" or "Please remind me not to take up too much air time." These kinds of conversations prove to be invaluable for helping team members view each other as individuals. Naturally this is critical to the formation of trust among team members.

Another way to build trust and mutual understanding is through a teamwork activity as part of the team's first meeting. If possible, bring the team face-to-face during a "kick-off" meeting because face-to-face interactions are a far better way to build trust and understanding among team members, as well as commitment to the team. Including a teamwork activity as part of the kickoff meeting can be a valuable activity if the goal is described as trying to understand how to work together. One such activity is the "desert survival" activity, in which the team must work together to figure out how to survive in the desert. Try to make the activity fun, interesting, and interactive rather than competitive. At the very least, the team leader should consider asking team members to say something about their country culture or function and how it tends to influence their work style. If a face-to-face kickoff meeting is not possible, a video conference is usually the next best option for the kickoff meeting.

### Violated Expectations

In Chapter Seven we suggested that "unmet expectations" are a primary source of team conflict. In the case of virtual teams, there are three primary ways that expectations tend to be violated:

1. Communication behaviors
2. Decision-making processes
3. Conflict resolution behaviors and processes

Communication behaviors refer to the typical behaviors of team members for communicating and achieving the team goals. The specific potential areas of conflict include (1) how quickly to respond to other team member requests, (2) what communication vehicle to use for different types of information, and (3) how to communicate sensitive information. It is important for the team to establish expectations at the beginning of the project with regard

to these particular issues. Otherwise, it is easy for conflict to arise on a virtual team when communication norms or expectations are violated. It is not unusual for team members to have different expectations with regard to how quickly to respond to a particular request from another team member. In one virtual team, the leader had a team member who stopped communicating for three weeks. The leader sent repeated e-mails requesting information, to which he did not reply. Rather than get angry at him, thinking maybe there were extenuating circumstances, the team leader consciously made an effort to keep the lines of communication open. She telephoned him and said, "Please tell me if I have offended you." He said, "Well I'm a Yorkshire man, and we go quiet when we are thinking." The team leader was astounded. She felt like saying, "I don't care if you come from Mars, I need the stuff."<sup>3</sup> This team leader realized that it would have been helpful if she had established expectations clearly at the beginning of team formation that members should expect to respond to each others' e-mails or requests within a specific time period (within one week is a typical expectation unless the nature of the task requires faster—or allows for slower—responses).

A second area for which it is important to establish expectations is decision-making processes. It is important for all team members to clearly understand how decisions will be made as well as their role in the decision-making process. In some cultures and organizations, it is typical for the leader of the team to simply make a decision after hearing all of the issues raised by team members. In other more collectivist and egalitarian decision-making cultures, decisions are made by consensus as a result of continuing discussions among team members. The team leader simply plays an important facilitator role, ensuring that all voices are listened to and that the team comes to an agreement on a decision. It is often helpful at the beginning of the project for the team to discuss and agree on the processes that will be used for decision making. It is especially important to anticipate how final decisions will be made if there is disagreement among the team as to what the decision should be.

important to establish a commonly understood process designed to manage disagreements and conflicts in a constructive way. Course, the team leader must take the lead role in establishing how those disagreements will be handled.

### Lack of Training and Effective Use of Communication Technologies

Virtual teams must communicate long distance—which means team members must understand how and when to use particular communication technologies. The majority of effective virtual teams use technology to simulate reality by creating “virtual workspaces” that are accessible to everyone at any time. These virtual workspaces are more than networked drives with shared files. Rather they are workspaces where the group is reminded of its mission, work plan, decisions, and working documents. A good example of a virtual team workspace is one that was set up at She Chemicals by team leader Tom Coons, who led a project to develop a companywide cash-focused approach to financial management. The team’s virtual workspace, essentially a Website accessed on an intranet, prominently displayed the project’s mission statement on its home page as well as the photographs and names of team members in a clock-like arrangement. The home page also had links to other tabs or “walls,” each of which was devoted to a particular aspect of the project. The tab labeled “people,” for instance, kept not only individuals’ contact information but also extensive profiles that included accomplishments, areas of expertise, and interests, as well as information about other stakeholders. On a tab labeled “purpose” was a hierarchical listing of the mission statement, the goals, and the tasks involved in meeting the goals, indicating how close each task was to completion. On the “meeting center” wall could be seen all the information needed to manage the teleconferences— notices of when they were being held, who was supposed to come, agendas, and minutes. Yet another wall displayed the team’s entire work product, organized into clearly numbered versions, so the

A third area for which it is important to establish expectations is conflict resolution behaviors and processes. The basic idea is to establish some ground rules for when there are disagreements among team members or with the team leader with regard to how those differences of opinion will be handled and resolved. Some individuals feel perfectly comfortable expressing differences of opinion with other members of the team and engaging in direct disagreements and dialogue with regard to those disagreements. Other individuals feel very uncomfortable openly disagreeing with other members of a team and prefer to use more subtle processes for expressing disagreements. For example, in the United States individuals tend to prefer to directly confront a problem with another individual, even if it is with the team leader. However, in most Asian cultures direct confrontation is avoided at all costs. When a subordinate wants to give feedback to a boss, this is typically only done in a roundabout way through the “grapevine” (other members of the team), usually when the team is out at night drinking. This allows conflicts to be resolved in more subtle, informal ways without direct confrontation during team meetings or discussions.

Again it is extremely helpful if the team leader can establish expectations and ground rules at the time the team is formed. A role-clarification exercise (as described in Chapter Seven) may be a useful way for team members to share what they expect from themselves and from other team members. The team-building activities on setting priorities and expectations for temporary teams found in Chapter Ten also can be a useful starting point. By acknowledging that disagreements will arise among team members, the team leader can legitimize that it is okay to disagree as the team members work together to achieve team goals. However, these disagreements need to be managed carefully so as not to result in resentful feelings among team members. This is particularly important for virtual teams, because in conventional teams problems or disputes often can be handled informally through social interactions that will occur during—or after—face-to-face team meetings, but in virtual teams informal social interactions virtually never occur. Thus it is

people would not inadvertently work on the wrong one. The team room kept information current, organized, and easily accessible. This type of virtual workspace creates a team identity, generates commitment to the team, and helps the team stay organized.

Some studies have found that these types of virtual workspaces are far better than e-mail as a way to coordinate virtual teams.<sup>5</sup> Indeed, many virtual teams have found that e-mail is a poor way for teams as a whole to collaborate. Trying to do the main work of the team through one-to-one exchanges between members can cause those not included to feel left out. To avoid this mistake, some teams have adopted the practice of copying everyone else on every e-mail exchange between members. However, soon everyone in the team finds they are drowning in messages. To cope, many team members simply resort to deleting the e-mail without reading it. Over time this can create significant communication problems among team members when some feel like they have communicated information that has not been read or understood by others. A virtual workspace tends to be a far better way to organize team meetings and team work. A key benefit of the virtual workspace is that it maintains an ongoing record for the team that enables virtual team members to understand the context of information as they see other members sharing the information. It also keeps an ongoing record of decisions, tasks completed, and progress toward the team's final deliverable.

A virtual workspace helps the team members exchange data, revise working documents, and basically stay organized but is not the best method for coordinating more complex team interactions, such as brainstorming, debating and prioritizing options, or developing a common understanding of complex concepts, process flows, or scenarios. For these more complex tasks, the group must rely on audio or video conferences (see Table 11.2, which provides a summary of the types of tasks virtual teams face and the communication methods available to the team). Audio conferences are much better than e-mail, Web pages, or bulletin boards for brainstorming, defining problems, prioritizing and voting on ideas, stating and discussing

Table 11.2. Matching Virtual Team Tasks and Communication Methods.

	Least Expensive	Most Expensive
Generating Ideas and Plans and Collecting Data	Good for: exchanging data; revising plans and documents; commenting on ideas, products, polling, and so on Not good for: brainstorming, prioritizing, voting on ideas, reaching consensus	Good for: brainstorming, prioritizing and voting on ideas, reaching consensus Not good for: depicting complex concepts, process flows, scenarios, or sketches
Problems with Answers	Good for: defining problems, transmitting data, and analysis of data Not good for: reaching consensus on problems, prioritizing data, or discussing the analysis of data	Good for: defining problems, prioritizing options, making decisions Not good for: displaying and diagramming data, performing in-depth and complex analysis
Problems Without Answers	Good for: identifying options Not good for: debating options, prioritizing options, making decisions or judgments	Good for: discussing options, making assignments Not good for: making judgments about ambiguous topics
Negotiating Technical or Interpersonal Conflicts	Good for: stating opinions Not good for: discussing options, reaching compromises, resolving conflicts, deciding alternatives	Good for: stating and discussing opinions, deciding among straightforward options or solutions, reaching simple compromises Not good for: resolving interpersonal conflict or disagreement

Continued

opinions, and reaching simple compromises. But audio conferer are also difficult to facilitate—the team leader must be very sensitive to not only *what* is being said but *how* it is being said. In effective team leaders typically follow up with individual team members after the conference call to make sure they felt listened and understood. Of course, in some cases the team members may discuss and debate complex concepts that may involve diagram, process flows, sketches of products or blueprints, or other visual data. The more complex the task, and the greater the interdependence of team members, the more important it is to use video conference technology to simulate face-to-face interactions.

### Lack of Effective Team Leadership

The demands of managing a virtual team exceed the demands of traditional teams, for the reasons described in the first section of this chapter. This means that the team leader role is crucial and is more challenging than the team leader role in traditional teams. Although team membership may be part time, team leadership often more than full time. A rule of thumb that we suggest for team leader's time allocation is that *the team leader should allocate 50 percent more time to the project than he or she would be spending managing a co-located team working on a similar problem*. There are two primary reasons that team leaders must spend significantly more time managing virtual teams. First, the team leader must organize all team meetings and team activities electronically. This tends to be more time intensive because these communications must be clearly spelled out, often through written communication. Second, effective virtual team leaders have frequent phone conversations with individual members to probe into their real feelings, questions, and suggestions for more effective team functioning. This gives the team leader an opportunity to keep his or her finger on the pulse of the team. Effective virtual team leaders know they must devote extra time to monitoring the morale of team members and concern they may have with other team members or the team leader.

Table 11.2. Matching Virtual Team Tasks and Communication Methods, Continued.

	Least Expensive	Most Expensive
Generating Ideas and Plans and Collecting Data	Video Conference	Video Conference
Problems with Answers	Good for: brainstorming, sketching ideas, drawing and analyzing data, discussing trends	Good for: displaying and prioritizing options, making decisions
Problems Without Answers	Good for: listing options, debating among alternative solutions, resolving simple interpersonal disagreement	Not good for: resolving complex interpersonal conflict or disagreement
Negotiating Technical or Interpersonal Conflicts	Good for: discussing options, reaching compromises, deciding among alternative solutions, resolving simple interpersonal disagreement	Not good for: resolving complex interpersonal conflict or disagreement

Source: Adapted from D. L. Duarte and N. T. Snyder, *Mastering Virtual Teams*, 3rd ed. (San Francisco: Jossey-Bass, 2006).



### Team Building in Virtual Teams

The logistics of managing a virtual team make traditional team-building approaches somewhat more difficult to implement. However, there are several approaches to improving team performance that can be used by virtual teams.

1. Assess the context and composition of the team as the team is formed. To a large extent, the context of a virtual team is not particularly conducive to effective teamwork—the structure, communications networks, reward systems, and so on might not encourage collaboration. Moreover, as discussed earlier, individuals on virtual teams often have different cultural backgrounds that can make teamwork challenging. Thus the team should fill out the context and composition survey found in Chapter Three before the team begins its work. By so doing the team should be able to recognize the context barriers that could make teamwork difficult and develop plans of action to respond to those barriers. For example, the team might discover that it needs additional communications technologies listed in Table 11.2 for it to communicate effectively and complete its work, and thus might need to request those resources from senior management. Moreover, the team might supplement this survey with data about individual team members that might also be shared to help team members understand where other team members might be “coming from” as the team begins to work together.
2. The virtual team should periodically assess its performance by filling out the “Team-Building Checklist” found in Chapter Five. Data from the checklist can then be shared with the team online or via video conferencing, and the team can then identify the problems it faces.
3. After identifying and prioritizing the team’s issues and problems, the team leader might select one of the team-building techniques presented in the previous chapters, recognizing

that the format would likely need to be adapted to a virtual team (although we encourage face-to-face team-building sessions when possible). For example, one exercise that is likely to be helpful for a virtual team is role clarification. Before actually “discussing” team members’ roles, each team member should answer the six questions regarding his or her role and what help they might need and also might give to others on the team (see Chapter Seven). The answers to these questions could be communicated via e-mail or some other electronic format. After receiving and reviewing the answers to these questions from other team members, the team can then interact via video conferencing or some other online format to further clarify roles and expectations and make agreements. Doing this or other exercises using technology is likely to take longer than it would for teams who can interact face-to-face. Thus the team leader needs to make sure that enough time is set aside for the team to work through the exercise successfully.

In summary, in today’s global economy virtual teams are becoming a necessity for organizations to be competitive. As we have noted, however, such teams can experience significant problems: lack of trust and commitment, conflicting expectations in the team, poor communication and decision making, lack of training on communications technologies, and lack of effective team leadership. Virtual teams may not function well for tasks (such as complex problems) that require highly interdependent relationships on the part of team members. Still, we have found that team leaders who understand the problems associated with managing virtual teams, and use the strategies for team effectiveness and team building outlined in this chapter, can indeed be successful in a virtual environment.