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HIGH-PERFORMING VIRTUAL TEAMS

A decade ago, virtual team were rare. Today they are common-place. What changed? First, companies are increasingly global, with office locations in numerous countries, which means that many teams cannot be colocated. 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 has shown that in the future, more employees will be spending their time working on virtual teams than ever before.[1] 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 on 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 colocated teams, virtual teams are assembled with individuals from different locations with much greater diversity of cultures, languages, and business functions (e.g., sales and engineering). Because a virtual team is typically 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 chapters 7 and 12 on the problems and strengths of diversity and cultural differences).

To illustrate, when Daimler-Benz merged with Chrysler in 1998, 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 Chrysler and Daimler-Benz had different corporate cultures that were reflective of their country cultures. A senior DaimlerChrysler executive (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 quote illustrates how very different the work norms and expectations were at Daimler-Benz and Chrysler. The obsession of Daimler's engineers for detail and careful upfront planning clashed with the desire of Chrysler's engineers to jump quickly into a problem and figure it out as they went along. 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 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 do not meet face-to-face and must rely on electronic technologies to communicate. Moreover, the fact that all team members must be trained on all available

communication technologies presents additional challenges to the virtual team. Not only must team members know how to use the various technologies; but they must also 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 (videoconference 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 4, 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 also educate team members with regard to these differences and help the team establish a set of commonly understood and agreed-on 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 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 three common problems that afflict virtual teams more than colocated teams. The first problem of violated expectations and misunderstandings that can occur when individuals from different cultural backgrounds work together was discussed

in chapter 12. In this chapter, we examine two additional problems that virtual teams often face: a lack of training and effective use of communication technologies and the lack of effective team leadership.

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 work spaces that are accessible to everyone at any time. These are more than networked drives with shared files. Rather they are work spaces where the group is reminded of its mission, work plan, decisions, and working documents.

A good example of a virtual team work space is one that was set up at Shell Chemicals by team leader Tom Coons, who led a project to develop a companywide cash-focused approach to financial management.[2] The team's virtual work space, 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 clocklike arrangement. The home page also had links to other tabs, or "walls," each 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 their 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 for meeting the goals, indicating how close each task was to completion. The "meeting center" wall contained 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 that people would not inadvertently work on the wrong one. The team room kept information current, organized, and easily accessible. This type of virtual work space creates a team identity, generates commitment to the team, and helps the team stay organized.

The Shell team created these tools internally. But an increasing number of collaboration tools like this are relatively inexpensive or even free. For example, Salesforce.com offers Chatter, software that creates collaboration tools for teams and organizations. Chatter takes the best of Facebook and Twitter and applies it to enterprise collaboration. It uses new ways of sharing information like "feeds" and "groups" so that without any effort, people can see what individuals and teams are focusing on, how projects are progressing, and what deals are closing. It can change the way teams collaborate on product development, customer acquisition, and content creation by making it easy for everyone to see what everyone else is doing. At companies using Chatter, e-mail inboxes have shrunk dramatically (by 43 percent at Salesforce.com) because the majority of communications are now status updates and feeds in Chatter. "Employees now follow accounts and updates are automatically broadcast to them in real-time via Chatter," Salesforce.com founder Marc Benioff told us. "This is the true power of Chatter—bringing to light the most important people and ideas that move our companies forward. I call this social intelligence, and it's giving everyone access to the people, the knowledge, and the insight they need to make a difference."

Some studies have found that these types of virtual work spaces are far better than e-mail as a way to coordinate virtual teams.[3] 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 on every e-mail exchange between members, and soon everyone in the team is 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 have communicated information that others have not read or understood. A virtual work space tends to be a far better way to organize team meetings and work. A key benefit of the virtual work space 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 work space helps the team members exchange data, revise working documents, and stay organized, but it 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 videoconferences (table 13.1 provides a summary of the types of tasks virtual teams face and the communication methods available to the team).

Audioconferences are much better than e-mail, web pages, or bulletin boards for brainstorming, defining problems, prioritizing and voting on ideas, stating and discussing opinions, and reaching simple compromises. But audioconferences are also difficult to facilitate because the team leader must be very sensitive to not only what is being said but also how it is being said. Indeed, effective team leaders typically follow up with individual team members after the conference call to make sure they felt listened to and understood.

In some cases, the team members must discuss and debate complex concepts that may involve diagrams of process flows, sketches of products or blueprints, or other visual data. The more complex the task and the greater the interdependence of team

Table 13.1 Matching Virtual Team Tasks and Communication Methods

Communication Modes, Listed from Least Expensive to Most Expensive	Generating Ideas and Plans and Collecting Data	Benefits of and Problems With Answers	Benefits of and Problems Without Answers	Negotiating Technical or Interpersonal Conflicts
E-mail, web pages, and bulletin boards (data only)	*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:* defining problems, transmitting data, and analyzing data *Not good for:* reaching consensus on problems, prioritizing data, or discussing the data analysis	*Good for:* identifying options *Not good for:* debating options, prioritizing options, making decisions or judgments	*Good for:* stating opinions *Not good for:* discussing opinions, reaching compromises, resolving conflicts, deciding alternatives
Audioconference	*Good for:* brainstorming, prioritizing and voting on ideas, reaching consensus *Not good for:* depicting complex concepts, process flows, scenarios, or sketches	*Good for:* defining problems, prioritizing options, making straightforward decisions *Not good for:* displaying and diagramming data, performing in-depth and complex analysis	*Good for:* discussing options, making assignments *Not good for:* making judgments about ambiguous topics	*Good for:* stating and discussing opinions, deciding among straightforward options or solutions, reaching simple compromises *Not good for:* resolving interpersonal conflict or disagreement
Videoconference	*Good for:* brainstorming, sketching ideas, drawing concepts, gaining agreement on complex concepts, process flows, scenarios or sketches	*Good for:* displaying and analyzing data, discussing trends	*Good for:* listing options, debating and prioritizing options, making decisions	*Good for:* discussing opinions, 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).

members, the more important it is to use videoconferencing technology such as Skype to simulate face-to-face interactions. For a simultaneous video- or audioconference, along with the ability to display data or graphics on a computer, WebEx conferencing has become a popular tool for coordinating the work of virtual teams. Finding the right technology for the job (task) that needs to be done by the team is critical for ensuring that a virtual team is completing its tasks as efficiently and effectively as possible.

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 role of team leader is crucial and is much more challenging than this person's role in traditional teams. Although team membership may be part time, team leadership is often more than full time. A rule of thumb that we suggest is that the team leader should allocate 50 percent more time to the project than he or she would be spending managing a colocated 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 (or assistant) 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 concerns they may have with other team members or the team leader.

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 virtual teams can use:

- 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, individuals on virtual teams often have different cultural backgrounds that can make teamwork challenging. Thus, if possible, the team should engage in some of the development activities designed for cross-cultural teams described in chapter 12. 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 13.1 for it to communicate effectively and complete its work, and thus it might need to request those resources from senior management.

- The virtual team should periodically assess its performance by filling out the team-building checklist in chapter 5. Data from the checklist can then be shared with the team online or by videoconferencing, and the team can then identify the problems it faces.

- After identifying and prioritizing the team's issues and problems, the team leader might select one of the team-building techniques presented in 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). One exercise that is

likely to be helpful for a virtual team is role clarification. Before 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 7). In summary, the questions are:

1. What do you feel the organization expects you to do in your job?
2. What do you actually do in your job?
3. What do you need to know about other people's jobs that would help you do your work?
4. What do you think others should know about your job that would help them do their work?
5. What do you need others to do in order for you to do your job the way you would like?
6. What do others need you to do that would help them do their work?

The answers to these questions could be communicated by 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 videoconferencing or some other online format to clarify roles and expectations and make agreements. Doing this or other exercises using technology is likely to take longer than it would for teams that 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. Such teams can experience significant problems: lack of trust and commitment, conflicting expectations of the team members, 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.