

# Managing Virtual Teams

by Olivier Serrat

## Background

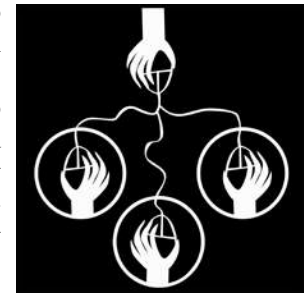
Virtual team management is the ability to organize and coordinate with effect a group whose members are not in the same location or time zone, and may not even work for the organization. The predictor of success is—as always—clarity of purpose. But group participation in achieving that is more than ever important to compensate for lost context. Virtual team management requires deeper understanding of people, process, and technology, and recognition that trust is a more limiting factor compared with face-to-face interactions.

A team is a cooperative unit of interacting individuals who are committed to a common purpose on tasks; endowed with complementary skills, for instance, in technical competence, problem-solving ability, and emotional intelligence; and who share interdependent performance goals (with indicators and deadlines) as well as an approach to work for which they hold themselves mutually accountable.<sup>1</sup> (People try to accomplish with others what they cannot do alone.) When they are effective, teams are typified by intelligibility of purpose, trust, open communication, clear roles, the right mix of talent and skills, full participation, individual performance, quality control, risk taking, collective delivery of products and services, an appropriate level of sponsorship and resources, and balanced work-life interactions. Their stages of development are likely universal.<sup>2</sup>

But here commonalities end: thanks to globalization and, chiefly, the advent of the Internet, unusual teams whose members may never meet face to face have come to proliferate.<sup>3</sup> Their distinct configurations raise unique challenges for managers, to which literature and practice are only just beginning to pay attention.

## Rationale

Competitive advantage is derived through cost leadership, differentiation, and focus. Organizations that pool knowledge workers quickly from different functions, locations, and organizations can leverage virtual teams as a factor of competitive advantage. The tools, methods, and approaches that they use to do so with effect spell the difference between success and failure, within and across organizations.



<sup>1</sup> Some hold that mutual accountability distinguishes a team from a working group.

<sup>2</sup> All groups develop in five stages beginning with membership, working through subgrouping, confrontation, and differentiation to the more effective form of shared responsibility.

<sup>3</sup> Real-time remote teaming may be recent but remote coordination has existed for centuries, gaining speed as documentation techniques and communications improved. Nowadays, you work virtually—even internally—if you communicate by electronic mail, share information with colleagues on websites or via social (conversational) technologies, e.g., instant messaging, text chat, Internet forums, web logs, and wikis, or take part in teleconferences. To what extent depends on each and every.

**Table 1: How Teams Form and Operate**

From	To
Team membership is fixed.	Team membership shifts.
All team members are drawn from the organization.	Team members can include people from outside the organization
Team members are dedicated full-time to the team.	Most team members are members of multiple teams.
Team members are co-located organizationally and geographically.	Team members are distributed organizationally and geographically.
Teams have fixed starting and ending points.	Teams form and reform continuously.
Teams are managed by a single manager.	Teams have multiple reporting relationships with different parts of the organization, and often with other organizations, at different times.

Source: Lisa Kimball. 1997. *Managing Virtual Teams*. Speech delivered at the Team Strategies Conference sponsored by Federated Press, Toronto, Canada. Available: [www.groupjazz.com/pdf/vteams-toronto.pdf](http://www.groupjazz.com/pdf/vteams-toronto.pdf)

### Definition

A virtual team is a group of people who routinely work interdependently for a joint objective across time, distance, and organization. (To these three dimensions some add culture.) There are many types of virtual teams,<sup>4</sup> but probably the most important characteristic is that the members cannot always meet face-to-face (for one reason or another):<sup>5</sup> Of necessity, they rely on (an increasingly powerful array of) interactive technologies.<sup>6</sup>

### The Pros and Cons of Virtual Teams

The main benefit of virtual teaming is that it allows organizations to be more flexible and procure talent from different functions, locations, and organizations without geographical restrictions.<sup>7</sup> The main drawback owes to lost context,<sup>8</sup> which generates feelings of isolation and undermines trust<sup>9</sup> (especially when members are from different cultures).

<sup>4</sup> Typologies admit that the nature of a virtual team varies in a continuum determined by the variability of their characteristics. Two extreme cases are the archetype of the virtual team (primarily defined by a short lifespan) and relatively permanent virtual teams (defined by a stable framework). The seven basic types are (i) networked teams—that collaborate for a common purpose with generally diffuse and fluid membership; (ii) parallel teams—that boast distinct membership and work in the short term to carry out special assignments, tasks, or functions; (iii) project or product development teams—that conduct nonroutine tasks for customers or users over a defined period, with specific and measurable results, and wield decision-making authority; (iv) work, functional, or production teams—that deliver regular, ongoing activities with clearly defined membership; (v) service teams—that take turns to meet customer or organizational needs with technical support around the clock; (vi) action teams—that offer rapid responses, often in emergency situations; (vii) offshore information system development outsourcing teams—that deliver portions of subcontracted work to an offshore independent service provider in conjunction with an onshore team; and (viii) management teams—that act collaboratively in an organization on a daily basis but are dispersed across a country or around the world.

<sup>5</sup> A member of a virtual team is not always a teleworker: teleworkers are individuals who work from home.

<sup>6</sup> These include audio conferencing, videoconferencing, electronic mail, voice/video mail, chat services, news forums, bulletin boards, web logs, and wikis, among others.

<sup>7</sup> Virtual teaming can also cut travel, relocation, real estate, and other business costs. (Virtual teams involved in product development can exploit time difference by sharing a design process around the world. Service teams can reap comparable benefits.)

<sup>8</sup> Communication that is not face-to-face becomes difficult because cues from facial expressions and gestures are lost.

<sup>9</sup> Trust is a means of coping with complexity and uncertainty in contexts where high levels of interdependence and interaction between different actors are necessary. It is a relationship of reliance, and the highest form of human motivation. It is the springboard of high-performance teams. (Indeed, the words “trust” and “team” are well-nigh synonymous.) Trust leads to mutual motivation, enhanced unity, and increased effectiveness and efficiency.

## The Challenges of Virtual Teaming

*Coming together is a beginning.  
Keeping together is progress. Working  
together is success.*

—Henry Ford

It is of course vital that virtual teams enjoy the same (or higher) critical foundations as effective face-to-face teams. In the absence of the normal give-and-take of face-to-face interaction, they must overcome the obstacles associated with time, distance, organization, and culture. Seven critical success factors can be identified, each calling for dedicated organizational policies, strategies, and

partnerships, including their design, implementation, results, and associated business processes:

- **Human Resource Management.** Building and maintaining virtual employee identity in modern organizations is a new challenge: human resource management must resonate with virtual knowledge workers, and deal with unique issues such as visibility in the organization, career options, and paths to advancement. Virtual staff need to feel they are on a par with other workers in the organization and that their different personal and work circumstances are understood. Human resource management must overcome the perceived natural advantage of in-house employees, with possible implications for organizational design. Lack of a sense of belonging can show up in human resource indicators, such as low morale and retention.
- **Learning and Development.** Modern organizations must commit to, and make resources available for, training and other ongoing learning development activities focused on working in a virtual environment. They must also educate all employees, not just virtual employees, in virtual team culture.
- **Organizational Culture.** Leadership and organizational commitment must recognize that virtual teaming is fast becoming a preferred way of working. Recognition entails promoting virtual teaming and rewarding and recognizing team members who lead and participate in virtual teams.
- **Information Management Systems.** New management, measurement, and control systems must be designed. The workload tracking and management systems that are required in a virtual, matrixed world differ from those used in conventional organizations. Details of work assignments must be made available more widely so that data and information gathered in one place for one purpose can be used in another for other purposes as well as up and down the management chain for planning and decision making. Workload tracking and management systems must evolve to span all the work performed both in and out of a department.
- **Electronic Communication and Collaboration Technologies.** For virtual teams to work effectively, members from all geographic and functional areas need access to a standard set of electronic communication and collaboration technologies.
- **Leadership.** Senior leadership must recognize that virtual teaming is fast becoming a preferred (and useful) way of working. Cross-functional management teams must be established to handle and resolve the complex,<sup>10</sup> cross-functional, and virtual issues that virtual teams deal with. Management system flaws in decision making must be resolved if virtual projects are to succeed. Because problems from one team can pollinate other virtual teams, management must define the escalation path to resolve cross-functional, virtual team issues.
- **Team Leader and Team Member Competencies.** Team leaders must see themselves as critical to facilitating the team's success, with a particular role in bringing the team closer together and building the interpersonal relations its members need to succeed.<sup>11</sup> Just as importantly, team members must be proficient in the use of interactive technologies—working across time, distance, organization, and culture with sensitivity to project and time parameters—and able to network.

*The problem with communication...is the  
illusion that it has been accomplished.*

—George Bernard Shaw

<sup>10</sup> The complexity of the issues that virtual teams deal with is a key variable in their nature that influences and shapes all other criteria.  
<sup>11</sup> This goes beyond traditional responsibilities, associated with handing out assignments and coordinating work, to ensuring activities and processes that promote effective team relationships. The team leader is the person who is managing the boundary, feeding the team's accomplishments to the organization and to the individuals' function or line managers. Especially in a virtual environment, lack of recognition can make an individual feel isolated. Better recognition can be achieved through continual feedback and solicitation of the team's opinion. The team leader must also keep the team informed of management and other corporate news or events.

## Building Trust

Trust is easier to destroy than to build. To appear and develop, it requires that certain conditions be met, such as a shared culture, social context, and values; physical proximity; information exchange; and time. Needless to say, most of these conditions are not easily met in the context of virtual teams. In a virtual environment, trust is based more on (ability and) delivery of the task at hand than on interpersonal relationships.<sup>12</sup> Members of virtual teams need to be sure that all others will fulfill their obligations with competence and integrity and behave in a consistent, predictable manner with a concern for the well-being of others. The level of member

*One must be fond of people and trust them if one is not to make a mess of life.*

—E.M. Forster

performance over time builds or denies trust in greater degrees than it does in conventional environments. If trust is a much more limiting factor in virtual teams, compared with face-to-face teams, it is therefore helpful to recognize the types that exist in professional relationships:

- **Deterrence-Based Trust.** This basic type of trust hinges on adoption of consistent behavior and the threat of punishment if people do not follow through on what they are supposed to do, or committed themselves to doing. It is not well suited to the work of a virtual team.
- **Calculus-Based Trust.** This basic type of trust is grounded not only in fear of punishment for violating trust but also in rewards for preserving it. Such trust is based on comparison of the costs and benefits of creating and sustaining a relationship over the costs and benefits of severing it. This level of trust is easily broken by a violation of expectations and cannot meaningfully sustain a virtual team's relationship.
- **Knowledge-Based Trust.** This type of trust occurs when an individual has enough information and understanding about another person to predict that person's behavior. Accurate prediction depends on understanding—which develops from repeated interactions, communication, and efforts to build a relationship. Unlike deterrence-based trust and calculus-based trust, this type of trust is founded on information, not control. Parties cultivate knowledge of one another by gathering data and information, meeting in different contexts, and experiencing each other's range. This type of trust is the minimum that virtual teams should aim to establish.
- **Identification-Based Trust.** This type of trust develops when parties understand and endorse one another, and can act on behalf of one another in interpersonal transactions. This requires that they fully internalize and harmonize with one another's desires and intentions. Certain activities can enhance identification-based trust. For instance, organizations and individuals can assume a common identity, co-locate, create joint products and goals, and share core values. To succeed, virtual teams should aim to shift up to this level of the trust ladder.

Clearly, the nature and development of trust in virtual teams will vary according to their typology, that is, according to the properties of the team. But to trust and to be trustworthy within the limits of a virtual system means that team members may have to wade in on trust rather than wait for experience to gradually show who can be trusted with what. Trust may have to be conferred presumptively at first, but must develop to the stage that it is grounded in mutual identification. Fundamental determinants of that are open expression, information equity, and performance reliability. Trust is not one-dimensional, but changes as a relationship develops. To build trust in virtual teams, it is essential to ask effective questions; generate clear and concise objectives, including a project implementation plan; talk (and walk) the talk; build tell-and-ask patterns; enable the free flow of data and information for constant, consistent, concerned, and concrete discussion, including the development of communication and meetings protocols; diagnose problems early and act on them; grow the virtual team's own culture and identity, including the promotion of virtual socializing skills; and make, share, and celebrate good news.

*Light is the task where many share the toil.*

—Homer

<sup>12</sup> Feelings, engagement, and exchanges are less important than actions.

**Table 2: Toward New Management Mind-Sets**

From	To
Face-to-face is the best environment for interaction and anything else is a compromise.	Different kinds of environments can support high-quality interaction. What matters is how you use them.
Collaboration is what happens when teams interact at a fixed time and in a fixed space.	Collaboration happens in an ongoing, boundaryless way.
Being people-oriented is incompatible with using technology.	Using technology in a people-oriented way is possible and desirable.
When the communication process breaks down, blame the technology.	When the communication process breaks down, evaluate management and interaction strategies, not just the technical tool.
Learning to manage virtual teams is about learning how to use the technology.	Learning to manage virtual teams is about understanding more about teams and the collaboration process.

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## Further Reading

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## For further information

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