Chapter XIII
Coordination of Virtual Teams: From Trust to Control

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ABSTRACT

In this communication, the author attempts to answer the question of coordination in virtual teams (or remote teams). Virtual teams can result from economic choices but they can also be a choice in terms of available resources and need of very specific skills. The coordination is thus intra-organizational. How this coordination takes place? Firstly, this chapter will describe conceptually the process of coordination in situations of remote work, and more precisely, in the case of an intra-organizational coordination in virtual teams. The authors will discuss the debate whether it is trust or control that is needed for the coordination for virtual teams. Secondly, they are going to present empirical findings about virtual teams’ coordination, in high technological firms. Lastly, they are going to illustrate how a number of economic, organizational and cultural factors can impact the coordination process in those virtual teams.

INTRODUCTION

Nowadays, globalization and internationalization are strengthened by the development of the ICT (information and communication technologies). To face the competitions on markets, on suppliers and on customers, more and more companies choose to bet on the cooperation and/or on the network. Organizations thus extend beyond the organizational borders: and the control of those borders becomes crucial. How is made the coordination between partners? How takes place the coordination outside the organizational borders? And how is made coordination for remote teams?

Since the initial work of Daft and Lewin (1993), evolution of organisation has been taking more and more space in the management literature. Globalisation and internationalisation, together with the development of information and communication technology, are boosting the size of markets, the numbers of customers and suppliers, and meanwhile the number of competitors. This forces companies to become more flexible, reactive and innovative.
To cope with this environment, organisations have developed and implemented many different managerial and organizational approaches. We have chosen to focus on the introduction of virtual teams.

Regarding the lack of precision around the concept of virtual teams, we will begin by giving a clear definition of what is called virtual team in this paper. On one hand, a lot of situation can be hidden behind this term (telecommuting, call centers, e-learning…); on the other hand, some comparable situation are described with other terms like remote team, distributed work, global teams…. 

A virtual team is first defined as a team – that implies a small group of people working together in order to attain the same objectives for which they are collectively accountable (Duarte and Snyder, 1999; Hackman, 1990; Katzenbach and Smith, 1993; Mohrman et al., 1995; Snow et al., 1999; Stewart et al., 1999; Sundstrom, 1990). This team is specific because it uses information and communication technologies to function outside the usual spatial, temporal and organisational boundaries (Duarte and Snyder, 1999; Lipnack and Stamps, 1997, 1999; Snow et al., 1999).

This paper attempts to conceptually describe and theorize the diverse states and evolutions of virtual teams’ processes. It includes a discussion of the concepts and provides a definition of virtual teams.

In this paper, based on empirical evidence, we attempt to illustrate some specificity of the coordination process in virtual teams.

The first section based on management literature highlight the interest of new organisational forms and more specifically of virtual teams. The second section will draw the attention on sensitive issues of virtual teams such as the coordination process within those teams. The empirical evidence presented in the third part comes from a field study in international companies. The study has been conducted as a case study about established virtual teams between different countries.

Finally theoretical and managerial implications are discussed, ending with possible future research questions.

**EVOLUTION OF ORGANIZATIONS**

Since the initial work of Daft and Lewin, the question of “new” organizational forms has became a new trend for management literature (Daft and Lewin, 1993). Daft and Lewin give several types of example of new organizational forms such as virtual corporation, cluster organisation, learning organisation and network organisation.

**New Organization Forms**

Since ten years some others new forms have appeared and some old forms have changed a lot. Speaking of new organizational forms, we can add communities of practices, remote work, collaborative work, outsourcing and offshoring. It has been a long time since the paradigm of hierarchical organization and bureaucratic structures have begun to fall apart and to be called into question by today’s environment. A new paradigm dealing with less central control, more flexibility and adaptability seems to appear (Apgar, 1998).

Those new organizations can be characterised by “flatter hierarchies, decentralized decision-making, greater capacity for tolerance for ambiguity, permeable internal and external boundaries empowerment of employees, capacity for renewal, self-organizing units and self-integrating coordination mechanism” (Daft and Lewin, 1993). All those new forms were made possible by three environmental dimensions: the development and use of technologies, the increased competition and the new strategies of firms such as flexibility, adaptability and efficiency (Cooper, 2000).

The development of technologies of information and their massive entry in the companies are closely linked to the advent of these new forms of work. These technologies made it possible