Chapter 20

Improving Virtual Team Effectiveness

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ABSTRACT

Virtual teams are vastly more effective now than they were in the past. This chapter explores published articles and cases that highlight the usage of virtual teams on virtual projects. The authors will analyze a successful case with a struggle at the beginning and then an unsuccessful case with a strong start. The chapter will address the virtual workplace and then move on to the topic of teleworking. They authors will introduce the communication systems that are on the rise to make virtual teams more effective. Performance of virtual teams will be explained, followed by how to enhance the virtual team effectiveness.

INTRODUCTION

The use of virtual teams is more common in society now. This was not always the case two decades ago. There have been studies as well as cases in which virtual teams are used. In some cases, they work and have been effective, and the opposite can be said when they do not work. In order to fully explore the importance of virtual teams in today’s age, many factors need to be accounted for. This paper will explore the effectiveness of virtual teams today compared to the use of them in years prior. Along with this analysis, this paper will explain factors that lead to their success and downfall. Followed by the general use of them in companies, and how certain companies have difficulties implementing them.

Information systems and the growth of high speed Internet across the globe have enabled companies to implement a global virtual team structure (Piccoli, Powell, & Ives, 2004). Companies implementing virtual teams have seen a reduction in costs, greater utilization, increased access to new markets, and a larger pool of resources with a greater variation in skill sets (Olson, Appunn, McAllister, Walters, & Grinnell, 2014). However, working virtually does come with challenges. Virtual teams need to navigate communication difficulties, the effects of culturally diverse membership, and the technical difficulties involved in linking regions across large distances (Chang, Hung, & Hsieh, 2014; Grosse, 2002; Jarvenpaa & Leidner, 1999; Jones, 2009; Lisak & Erez, 2015). In order to maximize the benefits and minimize
the weaknesses from virtual teams, managers need to be more involved than they are with local teams. Virtual teams require the manager to establish and closely monitor organizational design within the team, with an eye toward encouraging an environment of trust and open, effective communication (Henderson & Lee, 1992; Gaan, 2012; Krebs, Hobman, & Bordia, 2006; Morgan, Paucar-caceres, & Wright, 2014; Zolin & Hinds, 2004). A manager must also mitigate conflict that arises. He or she must function in multiple roles, including administrator, coach, and advisor, throughout the lifespan of the team. The objective of this chapter is to explore the challenges of virtual teams and identify how to manage them in order to maximize performance (Brunelle, 2012).

Research for this chapter is comprised of several journal articles, corporate white papers, and trade magazines that revealed overlapping coverage of reasons to build virtual teams, limitations, challenges that team members encounter, managerial tactics, and the future outlook for virtual teams in a variety of settings. These articles contained empirical evidence of claims; however, to date it appears more research is needed to support virtual team best practices. Thus, this chapter is written for both IS researchers and IT practitioners.

VIRTUAL TEAMS

In recent years, there have been unprecedented technological advancements, which have made virtual teams more viable than ever before. Businesses sometimes prefer virtual teams for numerous organizational advantages, as they look to expand beyond their traditional boundaries. This expansion can allow companies to access a vast pool of previously unattainable resources (Eissa, Fox, Webster, & Kim, 2012). In addition to the enhanced skills of these personnel, many companies find benefits in reduced cost and increased utilization (Horwitz, Bravington & Silvis 2006). Although there are many benefits to virtual teams, there are weaknesses to address. The major challenge of virtual teams is ensuring proper communication. The lack of face-to-face communication limits the effectiveness, due to the inability to pick up on important nonverbal cues (Kayworth & Leidener, 2002). There are methods and techniques used by managers of virtual teams to minimize these weaknesses and provide an environment suited for maximizing success and performance (Morgan, Paucar-caceres, & Wright, 2014).

Virtual teams are defined as groups of employees with unique skills, situated in distant locations, whose members must collaborate using technology across space and time to accomplish important organizational tasks (Lipnack & Stamps, 2000). Modern virtual teams are assembled with individuals from all areas of the world based on their expertise and fit with the virtual team being assembled. Coupled with their unique talents, they can bring experiences and perspectives to complement other team members. More importantly, when configured and managed appropriately, virtual teams can be more productive than traditional face-to-face teams (Siebdrat, Hoegl & Ernst, 2009).

Any individual on this virtual team can work in any location. This is done through the use of the Internet and technology that focus on communication. Virtual teams are complex and require no face-to-face interactions. Work is submitted to each member on the team, and the team can meet remotely. There are many challenges that a virtual team goes through, and through an article by Gina Abudi (2010a & 2010b), some of these challenges will be highlighted.