

Chapter 16

Virtual Team Management for Higher Performance

Edward T. Chen

University of Massachusetts – Lowell, USA

ABSTRACT

This chapter aims to explore the increasing utilization of virtual teams in the existing globally competitive and complex business environment of the 21st century. With virtual teams, companies can expand their talent pool beyond geographical barriers. Furthermore, they can incorporate a follow-the-sun process in their business strategy. Combined, this leveraged approach can better position companies to meet market demands in a more timely and cost-effective manner. To achieve this competitive advantage, business leaders must thoroughly understand the challenges associated with developing and managing virtual teams. This chapter examines the reasons for utilizing virtual teams, challenges that stem from diversity, structural and behavioral characteristics, managerial considerations for effective leadership, supporting technologies, best practices, and future implications.

INTRODUCTION

Virtual teams are becoming a necessity in the globalization of the economy. While there are several benefits to virtual teams, they will not be realized if managers do not minimize the challenges. The management of project teams is an important part of a manager's job. Today's managers need to understand the various forms that a project team can take on and the best way to manage those teams. The traditional project team is made up of a group of people, most likely from different departments, working in the same location who is working to achieve a goal. The team members

will meet in a conference room to discuss the project and assign tasks. These tasks may be done independently by team members but because they are located in the same office, they can easily and discuss the project outside of the formal meetings (Barnwell, Nedrick, Rudolph, Sesay, & Wellen, 2014; Schlenkrich & Upfold, 2009).

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

DOI: 10.4018/978-1-4666-9970-0.ch016

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 (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

A singular, unifying definition of virtual teams is difficult to find. This is largely due to the fact virtual teams vary in many ways (Curseu, Schalk,

& Wessel, 2008). Some definitions differentiate global virtual teams from local virtual teams. A local virtual team refers to a team of people that are located in a common geographic area and share the same culture. A local virtual team can also include personnel that work out of home or remote offices. On the other hand, global virtual team members are separated by larger distances and differ in cultural backgrounds between members (Lisak & Erez, 2015; Magnusson, Schuster, & Taras, 2014). The other area in which there is some debate is on the longevity of the team. In other words, some definitions classify a virtual team with an expectation that the team has a specific end date. Lastly, there is a difference in how these team members interact with one another. Some definitions indicate that virtual teams have no face-to-face interaction, whereas other definitions state that the face-to-face interaction time is limited. Despite these differences, there are some common aspects of virtual teams in which there seems to be some consensus. These common aspects include that: (1) virtual teams work remotely, (2) there are multiple members on the team, (3) the members work together on a common project or focused goal, and (4) the communication among team members is through electronic means (Curseu, Schalk, & Wessel, 2008; Magnusson, Schuster, & Taras, 2014; Morgan, Paucar-caceres, & Wright, 2014;).

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

11 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage:

www.igi-global.com/chapter/virtual-team-management-for-higher-performance/146660

Related Content

Principals' Understandings of Education Based on Research: A Swedish Perspective

Maj-Lis Hörnqvist (2015). *Multidimensional Perspectives on Principal Leadership Effectiveness* (pp. 149-170).

www.irma-international.org/chapter/principals-understandings-of-education-based-on-research/121139

Understanding Global Competencies Through a Personal Lens

Rui Niu-Cooper (2018). *Cases on Global Competencies for Educational Diplomacy in International Settings* (pp. 120-140).

www.irma-international.org/chapter/understanding-global-competencies-through-a-personal-lens/197902

Nurses' Attitudes Towards E-Learning for E-Health Education

Rasmeh Al-Huneiti, Ziad Hunaiti, Sultan Al-Masaeed, Wamadeva Balachandranand Ebrahim Mansour (2018). *Nursing Education, Administration, and Informatics: Breakthroughs in Research and Practice* (pp. 67-74).

www.irma-international.org/chapter/nurses-attitudes-towards-e-learning-for-e-health-education/202158

Mentoring Is the Minimum: Mentoring Elements for Success for Black Women in Leadership

Adrienne M. Robinson (2023). *Black Women's Formal and Informal Ways of Leadership: Actualizing the Vision of a More Equitable Workplace* (pp. 179-195).

www.irma-international.org/chapter/mentoring-is-the-minimum/329655

Strategies for Increasing Knowledge Translation of Evidence-Based Practice in Athletic Training

Brittany V. Allardand Michelle Lee D'Abundo (2021). *Encyclopedia of Organizational Knowledge, Administration, and Technology* (pp. 1831-1840).

www.irma-international.org/chapter/strategies-for-increasing-knowledge-translation-of-evidence-based-practice-in-athletic-training/263657