

Leading Virtual Teams

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INTRODUCTION

New forms of organizations, such as virtual teams who primarily conduct their work through electronic media, are becoming more common. With the proliferation of information and communication technology (ICT), most organizational teams are now *virtual* to some extent (Martins, Gilson, & Maynard, 2004). Virtuality is now a matter of degree (Kratzer, Leenders, & Van Engelen, 2006) as most teams in knowledge-intensive organizations are somewhere on a continuum between traditional teams with no electronic media and completely virtual teams engaging through electronic interaction.

Many organizations have assumed that there are minimal differences between traditional teams and virtual teams (Rosen, Furst, & Blackburn, 2006). However, many scholars now suggest the differences are substantial, requiring different approaches and skills to virtual teams (Balotsky & Christensen, 2004). Virtual teams are complex, spanning boundaries across groups, functions, organizations, time zones, and geographies (Adler, Black, & Loveland, 2003), and the organizational leadership issues are important (Vakola & Wilson, 2004).

This article reviews the virtual team literature to uncover differences between virtual teams and traditional teams from an organizational leadership perspective. The purpose of this article is to understand what differences exist, what is known about the differences, what still needs to be studied, and some practical implications for organizations and leaders. The literature is reviewed around four leadership aspects of virtual teams: trust, communication, interaction, and the organizational system. The organizational system includes the role of the leader, the organizational structure, culture, goal setting, and training specifically for virtual teams. Practical implications from the literature and recommendations for further research are included in the discussion.

BACKGROUND

New, flexible forms of organizations, such as virtual teams, are becoming more common and their use is expected to grow. Virtual teams are teams that have a clear task and that require members to work independently to accomplish the task, but are geographically dispersed and communicate through technology rather than face-to-face (Gibson & Cohen, 2003). Their work is “conducted mostly virtually through electronic media” (Malhotra & Majchrzak, 2004, p. 76). Virtual teams are an emerging organizational form for the 21st century, which is relatively unstudied (Stevenson & McGrath, 2004).

Effective virtual teams require more than just technology, although technology gets most of the credit for the emergence of virtual teams. The literature reveals that the driving factors behind virtual teams are the globalization of the world economy, hypercompetition, worker demands, the increasing sophistication of technology, the move toward more knowledge work, and the potential for cost savings (Shockley-Zalabak, 2002). Figure 1 illustrates the overlap of these factors that are driving the formation and use of virtual teams.

Virtual teams are substantially different from traditional teams; yet, virtual work was always examined as just an extension of traditional work (Robey, Schwaig, & Jin, 2003). Distance, boundaries, and reliance on ICT add levels of complexity that ordinary teams just do not have (Adler, Black, & Loveland, 2003). Virtuality requires new ways of thinking about leadership, communications, and teamwork, yet, very little information from a leadership perspective is available in the literature (Stevenson & McGrath, 2004).

Research on virtual teams has revealed the importance of trust, communication, interaction, and the organizational system. The literature emphasized trust as the primary issue in the establishment of virtual teams,

Figure 1. Factors driving the formation and use of virtual teams

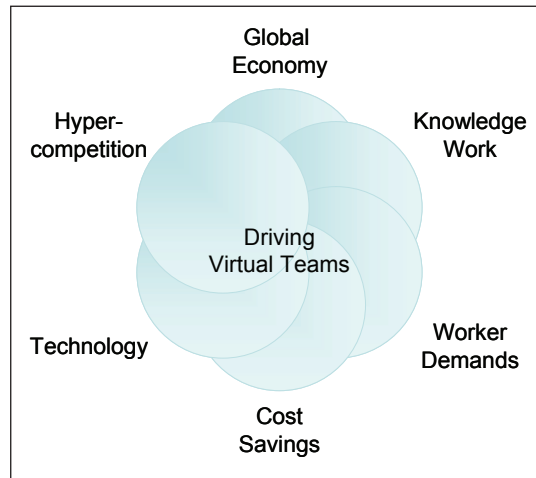
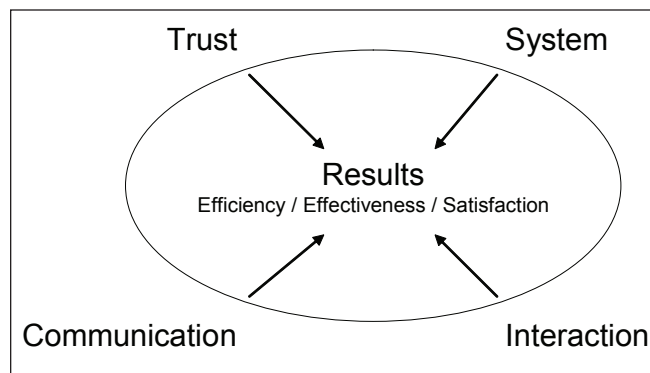


Figure 2. Virtual teams: The four dominant discussions found in the literature



with the issues of communication and interaction following closely behind. The literature agreed that trust, communication, and interaction must be approached differently for virtual teams (Balotsky & Christensen, 2004). The organizational system includes the role of the leader, organizational structure, culture, objectives, goal setting, rewards, and training.

Figure 2 illustrates a model of these aspects and emphasizes the interdependence between the aspects (Majchrzak, Malhotra, Stamps, & Lipnack, 2004). Following the model in Figure 2, this article will review the literature on virtual teams regarding trust, communication, interaction, and the organizational system.

TRUST IS ESSENTIAL

Trust is the key issue for the development of effective virtual teams (Jarvenpaa, Shaw, & Staples, 2004). The antecedents of trust are not clear, however, as Ferrin (as cited in Bunker, Alban, & Lewicki, 2004) sampled 50 articles on trust and found 75 different variables that may predict interpersonal trust. Competence and performance were noted as important elements in establishing trust (Anderson & Shane, 2002), suggesting that trust is not the result of social bonds among virtual team members. Jarvenpaa et al. (2004) suggest that *swift trust* is based on the first few keystrokes, but it is

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