Chapter 6.2 Achieving High Performance Outcomes through Trust in Virtual Teams

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INTRODUCTION

Developing trust among team members is critical for achieving high performance outcomes. Recently, global business operations necessitated working in a team environment with colleagues outside traditional organizational boundaries, across distances, and across time zones. In this article, we discuss how human resource practices can support organizational initiatives when business operations mandate increased virtual teamwork. We examine the role of HR in enhancing relationship building and the development of trust among workers who may rarely, if ever, meet face-to-face. Using research from teamwork, social exchange theory, and knowledge sharing, we discuss how four areas of human resources management—recruitment, training, performance appraisal, and compensa-

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tion/reward—might combine with technology to facilitate the development of trust among virtual team members.

BACKGROUND

Trust is a key element in successful collaborative work. Lipnak and Stamps (2000) call trust "the elixir of group life, the belief or confidence in a person or organization's integrity, fairness, and reliability." (p.70) Trust includes the willingness to be vulnerable to another party, expecting that he/she will perform actions important to the trustor without controlling or monitoring him/her (Mayer, Davis, & Schoorman, 1995). The challenge in virtual teams is how to develop such confidence in another person and the organization in the absence of shared physical work spaces. Teams are more than just a group of individuals working together. Team members

are charged with delivering extra performance outcomes that result from committing to a common purpose, a set of performance goals, and a common working approach, while holding each other individually and mutually accountable (Katzenbach & Smith, 1993). Commitment is the glue that holds team members together. Without the benefit of face-to-face interactions in traditional teams, however, virtual team members must find other ways to develop the level of commitment necessary to produce similar high performance outcomes. Capitalizing on recent advancements in technology can be an effective alternative. In fact, a recent study on global virtual teams found that e-mail improved language accuracy and helped overcome differences in verbal and nonverbal styles of intercultural communication. This was primarily due to members not incorrectly interpreting differences in body language and approaches to public/private spaces, no need to interpret silences and greater ability to balance personal-contextual differences (see Shachaf, 2005).

The Internet and a host of communications software allow employees and teams to work in unprecedented ways, saving organizations millions of dollars in time and materials (Majchrzak, Malhotra, Stamps, & Lipnack, 2004). Communication devices have become so portable that it is nearly impossible to go anywhere in the world and not see someone accessing technology to maintain relationships. The proliferation of Internet cafés has made international travel an opportunity to experience new places while remaining connected to those at home (both personally and professionally). Students in business schools world-wide are learning to work in virtual teams as part of their IT curriculum. Recruiters are becoming keenly aware of the challenges techno-savvy workers present when demands for positions offering state-ofthe-art technology eclipse interest in and a focus on the "soft skills" required for virtual teams and project work. As a result, a clear challenge facing HR is how to successfully balance technology and traditional teamwork issues while creating high performance teams in a virtual environment.

Ulrich (1998) delivered a clear mandate for HR professionals: convince managers and employees that "the soft stuff matters." (p. 133) When team members lack the opportunity to interact faceto-face, HRM must credibly demonstrate to their customers (i.e., executives, managers, staff) that trust and relationship building are just as critical as accessing sophisticated software applications. Technology was initially viewed as the cure-all for encouraging collaborative behavior (Davenport & Prusak, 2000). Less than stellar productivity and employees finding alternatives to learning the new technology were surprising, yet understandable. Although technology is one important element, the most successful organizational outcomes are achieved when people, collaboration, reward systems, and technology all intersect (Lewison, 2002).

From a recruitment perspective, as the war for talent heats up, virtual teams are becoming a vehicle for not only meeting project goals faster and more efficiently, but for enhancing the recruitment and retention of talented individuals seeking non-traditional working arrangements. Early research on teams posited that as new members were added to an existing team, team dynamics drastically changed (Tuckman & Jensen, 1977). Anecdotal evidence from one author of the present article suggests that the introduction of a new team member to a virtual team provided a fresh start and opportunities to change old habits, thereby recharging group dynamics. Not all teams are this fortunate. Virtual teams are likely to have even greater challenges than traditional teams when new members arrive unless special efforts are provided for virtual social interactions to re-establish relationships.

From a training perspective, employees working in virtual teams are likely to have a range of comfort levels with technology, and some individuals may have never worked in virtual project teams. Both situations necessitate coaching and skill enhancement for employees to be

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