

# Developing Real Skills for Virtual Teams



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## Introduction

If estimates from the Telework Research Network are correct, there's a good chance that as you read this paper, you are sitting in your home office, catching up on some reading on your designated telework day. According to the network, regular telecommuting grew by 61 percent between 2005 and 2009, and based on current trends, the organization estimates that the number of telecommuting workers will grow to nearly five million by 2016—a 69 percent increase (Lister & Harnish, 2011).

With the growth of telework—increasingly called virtual work—is the inevitable growth of virtual teams, groups of people who are geographically dispersed but who work together virtually through the use of technology such as teleconferencing and videoconferencing, e-mails, text messages and telephone. Today, you would be hard pressed to find an organization that doesn't have one or more virtual workers and virtual teams.

And as Arvind Malhotra, associate professor of strategy and entrepreneurship at UNC Kenan-Flagler Business School, notes, virtual teams are here to stay. Malhorta says organizations realized more than 15 years ago that business travel takes away from productivity and increases costs. The faltering economy was “the final momentum builder,” according to Malhorta, firmly entrenching virtual workers and virtual teams into most corporate structures (UNC Kenan-Flagler, 2010).

### Promise

Not surprisingly, participation in and management of virtual teams comes with its own unique challenges and opportunities. This white paper will explore virtual teams, their benefits and challenges to organizations, and will outline the three key steps that HR and talent management professionals can follow to ensure that virtual team members and leaders in their organizations have the skills, competencies and tools needed to succeed. These important steps are:

1. Participate in the selection process of virtual team members and leaders.
2. Ensure for the appropriate selection, training and use of virtual team technologies.
3. Provide training for virtual team members.

# The Rise and Staying Power of Virtual Teams

There are a variety of factors that led to the rise of virtual teams, but increasingly sophisticated technology made it possible, and globalization made it necessary. Once virtual teams began, organizations noticed an unanticipated bonus: virtual teams were, on average, more productive. According to Chad Thompson, senior consultant with Aon Hewitt, the productivity of effective virtual teams tends to increase from 10 to 43 percent, depending on the industry and the organization. Thompson's research also shows that in several cases, the net increase in productivity was equal to or more than the organizations' savings on real estate costs.

Surveys repeatedly show that employers will continue to host and even expand the number of virtual workers and teams:

- AON Consulting's 2009 Benefits and Talent Survey found that 97 percent of respondents said their organizations either planned to increase virtual work and telework options or keep them at the same level (Leonard, 2011).
- A SHRM survey found that 22 percent of organizations expect the number of their employees who work virtually to increase in the next 12 months. Seventy-six percent expect that it will remain the same and only 3 percent expect it to decrease (Lockwood, 2010).
- Forty-three percent of HR professionals responding to another SHRM poll predict that a larger proportion of their workforce will be telecommuting within the next five years (Lockwood, 2010).

In addition to increased productivity, studies confirm that virtual teams offer employers and employees flexibility, reduce time-to-market, often offer better work outcomes than conventional work teams, attract better employees and increase knowledge sharing. Global virtual teams allow organizations to garner talent from all parts of the world, save money on travel, and allow access to low-wage resources (Lockwood, 2010).

Virtual teams are not only attractive to employers, they're green too. According to the Telework Research Network, the existing 2.9 million U.S. telecommuters save 390 million gallons of gas and prevent the release of 3.6 million tons of greenhouse gases annually (Lister & Harnish, 2011).

## Virtual Team Challenges

There are challenges, however, inherent in the virtual team concept. It is difficult to build trust and to manage conflict when team members lack the ability to interact face-to-face. Communication is often more challenging, particularly among global virtual teams, which can also make it more difficult to overcome cultural barriers (Ebrahim et al, 2009).

A recent report by RW3 LLC, a cultural training service, found that 46 percent of employees who work on virtual teams said they had never met their virtual team cohorts and 30 percent said they only met them once a year. The report, *The Challenges of Working in Virtual Teams*, was based on a survey of nearly 30,000 employees from multinational companies. The survey also found that:

- The top challenge for virtual team members was the inability to read nonverbal cues (94%).
- There is an absence of collegiality among virtual team members (85%).
- It is difficult to establish rapport and trust in virtual teams (81%).
- Most virtual team members (90%) said they don't have enough time during virtual meetings to build relationships.
- Managing conflict is more challenging on virtual teams than on conventional teams (73%).
- Decision making is more difficult on virtual teams than on conventional teams (69%).
- It is more challenging to express opinions on virtual teams than on conventional teams (64%) (Hastings, 2010).

In addition to these interpersonal challenges, survey respondents noted that different time zones are a stumbling block for virtual teams (81%). Other hurdles included language (64%), holidays, local laws and customs (59%) and technology (43%).

Much of these challenges are exacerbated when working with global virtual teams. According to Karen Cvitkovich, managing director of global talent development at Asperian Global, cultural issues often inhibit team communications. She notes that people in North America tend to be “low context” communicators, and rely on words and signals to interpret what a person means. Most of the world’s populations, however, are “high context” communicators, meaning that they rely on nonverbal cues and focus more on the relationship, the setting, and previous interactions to interpret what someone means (Hastings, 2008).

## Practical Tips to Improve Virtual Team Relationships

Diversity training service group RW3, LLC offers the following practices organizations can use to improve the relationships among virtual team members:

- Hold monthly virtual lunches to build rapport.
- Use online chats, video-conferencing and audio-conferencing in addition to one-on-one conversations and e-mail.
- Post profiles of team members on an online directory. The profiles can include each member's areas of expertise and how they fit into the overall organization.
- Be sensitive to the amount of participation virtual team members will engage in if meetings are held early in the morning or late at night in their time zones.
- Ban multi-tasking during calls and meetings (Hastings, 2010).

Karen Cvitkovich, managing director of global talent development at Asperian Global, offered the following tips during a 2008 SHRM Diversity Conference to help with the challenges of cultural diversity faced by many global virtual teams. Her first word of advice for virtual meetings: set ground rules for team interactions. Some practical ideas to help set those ground rules include:

- Speak slowly.
- Don't interrupt.
- Listen to understand.
- Speak as though remote participants are in the room.
- Don't use a computer or text message during meetings.
- Set agendas for meetings and distribute them beforehand.

As noted in the survey results, selecting and using the appropriate technology for the task—and ensuring that all members on a virtual team have access to the same technology—can also be a

stumbling block. E-mail and the telephone may be widely available and appropriate for relaying fact-based information, but they lack the ability to convey the nonverbal cues so vital to building trust and teamwork. As a result, selecting the wrong technology may result in misunderstanding among team members and ultimately harm interpersonal communication, trust and productivity (Lockwood, 2010).

These challenges to virtual teams are not insurmountable. HR and talent management professionals' active involvement in the proper selection and training of virtual team talent, the selection of the appropriate technologies (and the training for use in those technologies) and the encouragement of executive support for virtual teams can turn these challenges into opportunities.

## The Characteristics of Effective Virtual Teams

Research by Lynda Gratton and Tamara Erickson (2007) found that successful virtual teams shared the following characteristics:

1. Executive support
2. Effective HR practices
3. Well-structured teams
4. Strong team leaders

### 1. Executive Support

Their study found that virtual teams do well when executives support the development of social relationships at work (thereby building trust among colleagues) and demonstrate collaboration. The ways in which executives build and support social relationships in their organizations are as varied as the organizations themselves, but Gratton and Erickson found that the most successful executives employ “signature” practices that are memorable, hard to replicate and particularly well-suited to their organizations.

### 2. Effective HR Practices

The study also found that two particular HR practices improved team performance; training in skills to build collaborative behavior and informal community building. In instances where collaboration was strong, they found that the HR team had made a significant investment in one or both of those practices, often in ways that reflected their organizations' cultures and business strategies.

Collaborative behaviors include demonstrating appreciation of others, engaging in purposeful conversations, creatively and productively resolving conflicts, and program management. Informal community building activities include feedback, mentoring and coaching because these practices help virtual workers feel connected to the organization. HR should also ensure that succession planning and promotions are tracked to make sure virtual team members are receiving recognition and credit (Leonard, 2011).

### 3. Well-Structured Teams

Selecting the right people to serve on virtual teams is critical to a team's success. T.H. Ong, vice president, Americas and Asian Pacific for Global Integrations, Inc., notes that the best virtual workers are those who thrive in interdependent work relationships and who are self-reliant and self-motivated. Good virtual team members tend to like or tolerate ambiguity, and are independent thinkers who are willing to take initiative. Most importantly, Ong notes, good virtual workers have strong communication skills (Leonard, 2011).

### 4. Strong Team Leaders

For virtual teams to succeed, strong leadership is a must, and while the skills and abilities needed for managers of conventional teams are similar to those needed for leaders of virtual teams, there are a few key differences. Virtual teams don't have the benefit of frequent face-to-face interaction, and consequently, experience difficulty building trust and rapport among team members. To help foster trust and rapport, virtual team leaders must focus on relationship building, demonstrate excellent communication skills (including the ability to provide frequent feedback), and have emotional intelligence. Because decision-making can be a challenge, particularly early in a virtual team's partnership, virtual team leaders must also have a track record of producing results and a focus on process (Lockwood, 2010).

#### Practices of Effective Virtual Leaders

UNC professors Ben Rosen and Arvind Malhotra and University of Southern California professor Ann Majchrzak studied virtual teams and found that effective virtual leaders:

- Establish and maintain trust through the use of communication technology.
- Ensure that diversity on the team is understood, appreciated and leveraged.
- Manage virtual work-cycles and meetings.
- Enhance external visibility of the team and its mentors.
- Ensure that individuals benefit from participation on the virtual team.

Source: Rosen et al, 2007.

# How HR Can Support Virtual Work Teams

In 2010, SHRM asked HR professionals how they supported their organization’s virtual workforce. The poll, *Transitioning to a Virtual Organization*, found the vast majority (76 percent) of respondents said they had established policies and procedures for virtual work and 66 percent had worked with IT to ensure there was support for questions from workers about the hardware and software required for virtual work. Only 37 percent of respondents, however, had provided e-learning opportunities for their virtual worker, and a mere 8 percent had provided cultural sensitivity training for their virtual leaders. Less than a quarter (20 percent) said they had provided training on leadership styles. The growth of virtual teams has clearly outpaced the support activities needed to ensure these teams’ success.

## Step 1: Participate in the Selection Process of Virtual Team Members and Leaders

The characteristics of successful virtual employees include self-motivation, self-reliance, and the ability to tolerate ambiguity. They are able to work independently but aren’t “lone wolves”, and they are good team members and excellent communicators. HR and talent management professionals can assist virtual team leaders at the team formation stage by assessing whether employees in contention for membership on a virtual team possess these skills. In addition, because it is expected that organizations will expand the use of virtual teams, assessing job candidates for these skills during the selection process will help position the organization for the future.

Effective virtual leaders understand that the lack of face-to-face interaction in virtual teams makes it difficult to establish trust and take it upon themselves to build that trust. Successful virtual leaders do this by focusing on team norms and how information is communicated (often by setting up communication protocols, setting team expectations and articulating objectives, and clearly defining team member roles). In addition, they ensure that all geographically dispersed team members “suffer equally” by rotating virtual meeting times to accommodate different time zones. These leaders find that offering frequent feedback, mentoring and coaching also help build communication and trust among team members.

It is easy to lose track of project deadlines when individuals work on virtual teams. Good team leaders closely track progress and productivity using software tools and other technologies to do so. Studies have found that good virtual team leaders manage virtual meetings well (ensuring that there is ample time for social relationship building, that all team members are participating, and that conflicts are resolved during virtual meetings). Effective virtual team leaders often communicate project progress

through balanced scorecard measurements posted on the team’s virtual workspace (Malhotra et al, 2005).

Effective team leaders also avoid the “out-of-sight, out-of-mind” syndrome by reporting virtual team activities and progress to other managers and stakeholders. This not only enhances the team’s visibility, it also lets the team know that others value their work, thereby fostering a team mentality.

Effective virtual team leaders also ensure that members receive recognition from participating on the team. Examples of ways to recognize virtual team members include hosting virtual reward ceremonies, recognizing individual contributions at the start of virtual meetings, and making team members’ local bosses aware of their contributions (Malhotra et al, 2007).

When forming virtual teams, HR and talent management professionals should be aware of the skills and competencies effective virtual leaders demonstrate and assess whether potential virtual leaders currently possess them or can develop them with additional training.

## Step 2: Ensure For the Appropriate Selection, Training and Use of Virtual Team Technologies

Before a virtual team is formed, HR and talent management must consider the technologies teams will need to be successful. Virtual workers rely on these technologies to see facial expressions and to assess nonverbal cues—key drivers to establishing trust among team members. Instant messaging and chat platforms (like Yahoo! Messenger and Skype), shared technology services (like Lotus Notes and Microsoft Exchange), remote computer access, web conferencing (like WebEx and NetMeeting), file transfer ability, e-mail, and telephone (either hard-wired or VOIP) must be assessed by IT and HR, and made available to all virtual team members. HR should ensure that training on how and when to use these communication technologies is offered (and offered again as remote team members rotate in and out).

When implementing technologies for virtual team use, HR should consider creating a space in the organization’s computer system specifically for that team’s use—a section or a bulletin board—where team members can share personal experiences and family news. Creating such a social networking platform will encourage employees to interact on a more personal basis and help build trust and a sense of community among team members. Experts recommend that employers refrain from “policing” these areas because that may inhibit interaction among team members (Leonard, 2011). These virtual areas can be considered a kind of virtual break room.

## Cisco's Response to Virtual Teams: A Collaborative Enterprise Framework

Cisco Systems, Inc. developed a model to help organizations align their business strategies with the emerging technologies that allow for virtual teamwork. Called a Collaborative Enterprise Framework, it is focused on managing people, processes and technology—in that order.



How do they know the framework is effective? They implemented it in their own organization.

According to Christine Fisher, head of Cisco's supply chain collaboration center, before implementing the framework, most collaboration among the 9,000 supply chain employees and 30,000 outsourced workers occurred through phone, e-mail and in-person meetings. With the company's rapid global expansion, the group turned to new technologies to help coordinate the resulting challenges.

The group started by using collaboration tools to address particular projects where virtual team input was necessary. For example, employees used Cisco WebEx Connect, a collaborative workspace and document sharing software, to create a blueprint for lean manufacturing. Employees also started using video conferencing technology to replace face-to-face meetings.

The use of these tools lowered costs by eliminating travel and increasing productivity. Most importantly, reports Fisher, they helped boost the quality of their efforts. Fisher found that employees provided richer contributions that were easier for all participants to see and comment on.

But her group found that simply providing collaborative tools to employees was not enough. Although employees wanted more of the latest and greatest collaboration tools like the corporate versions of wikis, Facebook, or My Yahoo sites, they often became information graveyards. "We've seen this not just in the supply chain team, but throughout Cisco," Fisher says. "People were so focused on the tools they didn't really think about how they would use them." *(Continued...)*

## **Cisco's Response to Virtual Teams: A Collaborative Enterprise Framework** *(...Continued)*

The group wanted to ensure that collaboration tools were acquired strategically, keeping the company's business goals in mind, and were used properly, so instead of continuing to roll-out technologies on an ad hoc basis, the group took a step back. They held a series of workshops where employees received basic training on Web 2.0 tools. Workshop participants were then asked to identify high-touch and problem areas where people and information intersect. Workshop participants then detailed various what-if scenarios to see how Web 2.0 tools might address various operational challenges. With the information gathered in these workshops, the group formulated a strategy for using new collaborative technologies to meet their needs.

As a result, the "Connected Supply Chain Workspace," was born, a place where all the people involved in Cisco's supply chain (partners and Cisco employees) can share pertinent information to coordinate their activities.

Source: Cisco Systems, Inc. (2009). Creating a Collaborative Enterprise.

### **Step 3: Train, Train, Train**

There is no doubt; the skills and competencies required of virtual team members are high level and complex, making the odds of assembling that A-team of virtual teams who possess all the skills and competencies required to successfully navigate in a virtual environment a long shot. You may find that technical guru whose knowledge is critical to the project at hand, but who finds the expanded communication skills needed when working virtually challenging. Similarly, you may find that great communicator who has all the makings of becoming a great virtual team leader, but who is befuddled by "groupware" and "social networking platforms". Training will be necessary for virtual teams to succeed, and it is the HR and talent manager's imperative to identify the skills gaps and to ensure that training to close those gaps is made available.

### Examples of Best Practices in Virtual-Team Training

- Sabre, Inc. hosts team-building sessions with virtual teams to develop a mission statement, to set team objectives and clarify roles, and to create a shared group identity.
- At Dow Chemical, virtual team members take courses on etiquette and meeting management for virtual teams.
- Rocketdyne uses information-sharing technologies such as virtual knowledge repositories for their extensive training for virtual teams.
- GlaxoSmithKline uses cultural awareness exercises to break down stereotypes, improve virtual team communication and to clarify role expectations.

Source: Rosen et al, 2006.

UNC professors Ben Rosen and Richard Blackburn conducted an in-depth study on the training needs for virtual teams and found that executives working on virtual teams needed training in the following:

- Leading a virtual team meeting
- Coaching and mentoring team members virtually
- Monitoring progress and taking corrective action
- Managing external relationships with local managers
- Evaluating and rewarding individual contributions to the team

## A Model Virtual Team Training Program

### Training Modules for Virtual Team Leaders

- Fitting the technology to the task
- Setting expectations, measuring and rewarding team contributions
- Coaching and mentoring virtual team members
- Modeling desired virtual team behaviors (responsiveness, using groupware to share information)
- Managing external relations (on-site managers, sponsors)

### Training Modules for Virtual Team Members and Leaders

- Face-to-face teambuilding session before virtual team launch
  - Establish team identity
  - Create mission statement
  - Establish team norms
  - Build trust
- Mastering virtual team technology
  - Use of groupware
  - Teleconference and videoconference procedures
- Communication skills
  - Electronic etiquette
  - Cultural awareness
  - Brainstorming electronically
  - Decision making
- Team management
  - Virtual meeting logistics (synchronizing schedules, setting agendas)
  - Defining roles
  - Resolving conflicts
  - Meeting milestones
  - Evaluating process and progress

Source: Rosen et al, 2006.

Virtual team members needed to develop skills in:

- Establishing trust and managing conflict among the team
- Demonstrating cultural sensitivity and communication
- Exhibiting positive team building practices
- Using communication technologies
- Selecting the appropriate technology to fit a task (Rosen et al, 2006)

Based on the outcome of their survey and additional research, Rosen and Blackburn offered a comprehensive prototype for virtual team training (see call-out on the previous page). The model reflects the best practices of successful virtual teams and can be used as a starting point for training in any organization seeking to implement or improve virtual teams.

## Conclusion

Virtual teams have a promising future in organizations seeking to leverage the strengths of their globally dispersed workforces. Successful virtual teams can increase productivity, lower operating costs and speed the time to market. Virtual team member and leaders, however, face unique challenges when compared with conventional work teams. HR and talent management professionals can foster the success of virtual teams in their organizations by:

- Participating in the selection process of virtual team members and leaders by assessing virtual team fit.
- Ensuring the selection of virtual leaders who possess the right combination of communication skills and business acumen.
- Offering training programs designed to keep virtual teams up-to-date with the appropriate technology and to fill identified skill gaps.

## About UNC Executive Development

Our approach to program design and delivery draws upon the power of real-world, applicable experiences from our faculty and staff, integrated with the knowledge our client partners share about the challenges they face.

We combine traditional with experiential and unique learning to ensure that all individuals gain relevant new skills that they can easily implement within their own organizations. Through action learning and business simulation activities, we challenge participants to think, reflect and make decisions differently.

### Our Approach: The Partnership

Our team customizes each leadership program through a highly collaborative process that involves our clients, program directors, faculty and program managers. We are dedicated to following-up with our clients and individual participants to ensure that their learning experiences have been meaningful and impactful. This integrated approach consistently drives strong outcomes.

### Our Approach: The Results

Our executive education programs are designed with results in mind, and we are focused on successfully meeting our clients' business and academic expectations. Below are a few examples of the results our client partners have achieved:

- Leadership refocused with new strategy and cohesive vision
- Strategic plans created for the global marketplace
- Supply chains streamlined
- Products redefined
- New markets targeted
- Cost-saving measures developed
- Silos leveled
- Teams aligned

Participants leave empowered to bring in new ideas, present different ways to grow business and tackle challenges. The result is stronger individuals leading stronger teams and organizations.

### Contact Us

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