People Skills: Leading Virtual Teams—A Change Management Perspective

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This is another in a series of articles about some of the most effective models, methods, and processes of organization development (OD), also known as change management, a discipline that offers much to professionals intent on solving real-world problems. Because it is based on a systemic view of organizations, OD includes the whole universe of fuzzy people issues that increasingly determine the success or failure of efforts to implement otherwise flawless technical solutions. This article examines the growing phenomenon of geographically distributed teams that interact primarily by using technology. The primary focus is on how modern leadership and change management principles and practices can enhance a leader's ability to overcome the challenges that such virtual teams present.

Key words: virtual teams; geographically distributed teams; leadership; change management; organization development.

The use of geographically distributed teams that communicate primarily by means of telecommunications and information technologies (i.e., virtual teams) is growing rapidly (Bergiel et al. 2008, Govindarajan and Gupta 2001, Hunsaker and Hunsaker 2008, Nandakumar and Baskerville 2006). According to DeRosa and Lepsinger (2010), three of the main reasons for the increasing popularity of virtual teams are (1) the desire to use the best available people on a project, (2) the need to locate key people closer to geographically dispersed markets to enhance performance and customer satisfaction, and (3) the availability of technology to facilitate virtual collaboration (DeRosa and Lepsinger 2010, pp. xxi–xxv). In addition, "virtual teams allow organizations to cut travel expenses and save travel time, which results in financial savings and may increase team member satisfaction" (DeRosa et al. 2004, p. 220).

Unfortunately, despite their potential, too many virtual teams fail to achieve their objectives. Govindarajan and Gupta (2001) found that only 18 percent of the 70 virtual teams in their study "considered their performance 'highly successful' and the remaining 82% fell short of their intended goals. In fact, fully one-third of the teams in (the) sample rated their performance as largely unsuccessful" (Govindarajan and Gupta 2001, p. 63). According to DeRosa and Lepsinger (2010), a study conducted by their consult-ing firm "found that more than 25% of the virtual teams were not performing up to par" (DeRosa and Lepsinger 2010, p. xxv). These high failure rates are comparable to the high rate of project failures. For example, Rubinstein (2007) found that the majority of information technology projects—two out of three—fail for reasons discussed in an earlier People Skills column (Levasseur 2010).

It seems clear that to capitalize on the often unrealized potential of virtual teams, managers must overcome the leadership challenges that these teams present. But what are these challenges? And are they so different from the challenges of leading colocated (i.e., face-to-face) teams as to require completely new leadership approaches? To answer these questions, we will first review relevant literature on virtual teams with the goal of identifying and synthesizing a representative set of the challenges. Then we will examine some of the practices recommended by researchers in the field for addressing those challenges. Finally, we will make recommendations to enhance virtual team performance even more based on insights from the discipline of leadership and organizational change.

Challenges of Virtual Teams

What are the causes of virtual team failures? Are they due primarily to problems with the technology and its use, or are they rooted in people issues,

such as communication, culture, and trust? To find out, we will triangulate the findings from three different sources: (1) a survey of virtual team challenges, which was administered to 58 senior executives whose global companies use virtual teams (Govindarajan and Gupta 2001, p. 64), (2) a summary of the top three challenges hindering virtual team performance identified by over 400 virtual team members and leaders (DeRosa and Lepsinger 2010, p. 6), and (3) a synthesis of the challenges identified in the literature reviews of six conceptual, peer-reviewed journal articles on virtual teams (Bergiel et al. 2008, Cascio 2000, DeRosa et al. 2004, Garrison et al. 2010, Hunsaker and Hunsaker 2008, Nandakumar and Baskerville 2006).

Table 1 shows the highest-ranked challenges to virtual teams gleaned from these three sources (I, II, and III), along with their importance within each study expressed in rank order to facilitate comparison of the findings. The basis of the rankings in Column I is the average rating of the 58 senior executives surveyed. The basis of Column II is the percentage of study participants who cited the challenge. The basis of Column III is the percentage of the six literature reviews in which the challenge appeared.

According to Hunsaker and Hunsaker (2008, pp. 87–88), "the tasks, goals, or missions (virtual teams) are designed to accomplish are not necessarily different from those of conventional teams. It is the way they go about accomplishing those tasks, and the unique constraints they face, that are different." It is not surprising, therefore, that issues of trust, communica-

tion, goal alignment, shared purpose, skills, resource availability, and role clarity head the list of challenges facing virtual teams and their leaders. The majority of teams face similar issues, and solutions to these issues exist. What is important to the leaders of virtual teams is the degree to which spatial separation and the incumbent need to rely on technological rather than interpersonal means of communication exacerbate these basic team issues. More specifically, differences in "geography, language, and culture" make communication more difficult for virtual teams (Govindarajan and Gupta 2001, p. 63). Furthermore, it is easy to imagine why developing trust without the opportunity to meet face-to-face presents such a formidable challenge for virtual teams. Besides dealing with potentially greater trust, communication, and alignment issues than face-to-face teams, some virtual teams must also deal with the unique challenge of not having the necessary technology, or not knowing how to use the technology, to enable effective communication among geographically dispersed team members.

Addressing Virtual Team Challenges—Advice from Researchers

Given the challenges faced by the virtual teams shown in Table 1, what can team leaders do to improve their effectiveness? When reviewing the literature on virtual teams, I discovered several books and many journal articles whose authors listed a number of solutions to what they perceived to be the challenges of virtual teams. Only one of those sources (Hunsaker and Hunsaker 2008) provided a systemic approach to leading virtual teams over their project life that addressed all of the challenges listed in Table 1 to some degree. Consisting of four stages, "pre-project, project initiation, mid stream and wrap-up" (Hunsaker and Hunsaker 2008, p. 94), this model is an excellent starting point for virtual team leaders who want to develop and lead high-performing virtual teams.

Some of the features of this model (and the virtual team challenges that they address) include (1) establishing the project mission and success criteria up front (challenge E); (2) identifying team members and clarifying their roles early on, and managing

	Challenges of virtual teams	I	II	III
A	Cultivating trust among team members	1	5	1
B	Overcoming lack of face-to-face contact		1	3
C	Overcoming communication barriers	2	3	2
D	Aligning goals of individual team members	3		4
E	Obtaining clarity regarding team objectives	5		5
F	Ensuring that the team possesses necessary knowledge and skills	4	6	
G	Ensuring the availability of sufficient technological resources		2	6
H	Dealing with role uncertainty because members are on too many virtual teams		4	7

Table 1: This table show the primary challenges virtual teams face.

both throughout the life of the team (challenges D, F, and H); (3) determining the required communication technology before the start of the project (challenge G); (4) developing and refining shared mental models throughout the project's life (challenge A); and (5) actively managing the communication process from project start to finish (challenges B and C).

In addition to the insights on virtual team leadership provided by Hunsaker and Hunsaker (2008) based on this model, other researchers have made suggestions for dealing with challenges A, C, D, E, F, and H by restricting the size of teams to 10 or fewer members (Govindarajan and Gupta 2001), establishing a stable core membership (DeRosa and Lepsinger 2010), and restricting the number of teams on which an individual serves (DeRosa and Lepsinger 2010). DeRosa and Lepsinger (2010) and Govindarajan and Gupta (2001) believe that an initial face-to-face meeting is essential for overcoming the lack of face-to-face contact and developing trust (challenges B and A):

> That's why at the start of the team process, you have to be together personally. You can't start them with memos or telephone calls or things like that. You've got to get the group together to know each other and get a level of comfort and trust with one another. After that you can resort to the phone calls and video conferences.   (Govindarajan and Gupta 2001, p. 70)

As with colocated teams, regular meetings (weekly works best) are also important to overcoming spatial separation, developing trust (challenges B and A), and thereby maintaining virtual team performance (DeRosa and Lepsinger 2010). To address the challenges faced by virtual teams, Hunsaker and Hunsaker (2008, p. 93) suggest that team leaders create opportunities for members to use the technology to get to know each other personally (challenges A and B), encourage openness to cultural differences (challenge C), define members' roles and competencies (challenge D), set clear goals and expectations (challenge E), and provide regular performance feedback (challenge E).

Addressing Virtual Team Challenges— Applying Change Management Principles

Although these recommendations make sense and address the major challenges faced by virtual teams,

the application of change management principles and practices can enhance the effectiveness of virtual team leaders even more. To this end, we will focus on the primary challenges virtual teams face—overcoming barriers to communications resulting from differences in geography, culture, and language, and developing trust among team members. The following two high-priority actions target these central challenges directly by addressing the process needs of virtual teams, which seldom receive the focus they deserve given their importance to team development and performance (Levasseur 2011).

Establish ground rules at the outset. Most teams, whether virtual or colocated, are highly task-focused. Most virtual team members, by virtue of living in the information age, are conversant to some degree with the use of electronic communication media, such as email, voice over Internet communication, and teleconferencing. So applying technology to get their task work done comes naturally to them. However, they are much less comfortable dealing with the interpersonal and group process issues inherent in any team effort. Because trust and communication, both of which are process issues, head the list of challenges that virtual teams face, it is not surprising that most virtual teams struggle to achieve their goals, as the data on virtual team performance presented earlier and research on the causes of project failure (Levasseur 2010) show. Hence, it is vital that virtual teams address process issues with the same focus and tenacity as the task issues inherent in achieving their team goals. Ensuring that this occurs is the primary responsibility of the virtual team leader.

One of the most important stages in a team's life cycle is the first or formation stage. At this point, a team leader has the opportunity to legitimize the behaviors that will initiate the development of trust and foster effective communication, thereby setting the team on the path to high performance (Levasseur 2011). A key activity, which in my experience only 1 percent of team leaders facilitate, is the development in the initial team meeting of a set of ground rules that will guide the behavior of team members as they work together (Levasseur 2000).

The dialogue required to establish ground rules is a powerful mechanism for raising and legitimizing the interpersonal concerns of all team members in a way

that focuses on the establishment of a code of conduct reflective of the needs of the team and its diverse members. Besides establishing the usual ground rules that make all teams more effective, such as being on time for meetings (whether face-to-face or virtual), encouraging open and honest communication, focusing on the issues while avoiding personal attacks, and participating actively, there is a significant opportunity to create ground rules tailored to the unique challenges of virtual teams. Some of these might include the following:

• understand, value, and capitalize on the team's diversity;

• expect and accept differences in personal values due to cultural diversity;

• be patient with each other's efforts to communicate despite language barriers;

• strive to keep the team informed about individual and subgroup activities;

• when in doubt, ask clarifying questions.

Keep in mind that both the dialogue and its outcome—the ground rules per se—play an important role in developing trust and reducing the barriers to communication. So, invest the time to have a meaningful dialogue that leads to the creation and approval by consensus of a set of ground rules to govern team interactions. Then reap the reward of the higher team performance that awaits those few leaders who understand the importance of managing both task work and team work (i.e., process) and act on that knowledge by facilitating the creation of ground rules for team behavior at the formative stage of the group process.

Identify and manage group conflicts. The geographic, cultural, and language diversity of virtual teams enhances the potential for group conflicts and exacerbates the problem of discovering them. And conflict, as shown in Levasseur (2011), is the Achilles heel of groups. Given the importance of managing group conflict, how does a virtual team leader know when conflict arises without the nonverbal clues available in face-to-face meetings? Although a leader could adopt a strategy of waiting for conflicts among team members to surface, this would seem to be a perilous practice to adopt. A better approach is to establish, in the initial team meeting, a ground rule

to surface, discuss, and resolve all conflicts as soon as they arise.

How does a leader help a group to resolve conflict once the team is aware of it? Change management approaches to conflict resolution engage the team directly in the process (Levasseur 2000, 2011). As with the creation of ground rules, the use of a collaborative process to obtain the desired outcome (i.e., a satisfactory resolution of the conflict) reinforces the importance of each team member, thereby addressing the two primary challenges faced by virtual teams— enhancing communication and building trust.

Conclusion

In this article, we discussed the growing importance of virtual teams, identified the leadership challenges they present, and provided some suggestions for meeting those challenges based on the academic literature on the subject as well as established change management principles and practices. Hopefully, as a result, leaders everywhere will better understand what to do to enhance the performance of their virtual teams.

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