Effective Virtual Teams

D. Sandy Staples
Queen's University, Canada

Ian K. Wong
Queen's University, Canada

Ann-Frances Cameron
HEC Montréal, Canada

INTRODUCTION

Virtual teams are now being used by many organizations to enhance the productivity of their employees and to bring together a diversity of skills and resources (Gignac, 2005; Majchrzak, Malhotra, Stamps, & Lipnack, 2004), and it has been suggested that this will become the normal way of working in teams in the near future (Jones, Oyund, & Pace, 2005). Virtual teams are groups of individuals who work together from different locations (i.e., are geographically dispersed), work at interdependent tasks, share responsibilities for outcomes, and rely on technology for much of their communication (Cohen & Gibson, 2003). While the use of virtual teams is more common in today's organization, working in these teams is more complex and challenging than working in traditional, collocated teams (Dewar, 2006), and success rates in virtual teams are low (Goodbody, 2005). This article suggests best practices that organizations and virtual team members can follow to help their virtual teams reach their full potential.

In this article, virtual team best practices are identified from three perspectives: organizational best practices, team leadership best practices, and team member best practices. Ideas for best practices were identified from three sources: six case studies of actual virtual teams (Staples, Wong, & Cameron, 2004); the existing literature on virtual teams;

Table 1. Organizational best practices for effective virtual teams

• Carefully select team members for diversity
• Supply the team with sufficient resources, support, and information technology tools
• Develop human resource policies that reward team efforts and stimulate virtual team performance
• Provide the team with an appropriate level of autonomy
• Use standard processes and procedures
• Develop an organizational culture that stimulates the sharing of information

and the existing literature on traditional (i.e., collocated) teams and telecommuting (i.e., research on virtual work at the individual level).

ORGANIZATIONAL BEST PRACTICES

There are six best practices that organizations that employ virtual teams should follow. Table 1 contains a list of these practices, each of which is explained next.

Carefully Select Team Members for Diversity

The distributed nature of virtual teams allows a diversity of backgrounds, experiences, ideas, thoughts, abilities, and perspectives to be assembled within a single team. Organizations forming virtual teams should take advantage of this, selecting team members with diverse backgrounds and skills. The importance of team diversity was identified in both the case studies and the traditional team literature (e.g., Bettenhausen, 1991; Cohen, 1994). In particular, research has shown that diversity provides information-processing benefits to teams such that they are more effective at their tasks (Dahlin, Weingart, & Hinds, 2004). Working on a diverse team can also be more rewarding, interesting, and fun as team members get the opportunity to learn about new cultures and interact with people beyond their own work location.

Supply Sufficient Resources, Support, and Information Technology (IT) Tools

Organizations have to supply virtual teams with sufficient resources including financial resources, time, facilities, hardware, software, information technology (IT) support, communication channels, technical equipment, and proper training (Jones et al., 2005). The traditional team literature suggests that team building activities and training members

how to work in teams are important because they ensure that employees develop the knowledge required to contribute to organizational performance (Cohen, 1994). In virtual teams it is especially difficult for team members to get to know one another. Thus, organizations may need to provide extra resources for extensive team building exercises.

Since virtual teams often need to communicate electronically, appropriate IT tools, training on how to use available IT and communication systems, and readily-available technical support are also important to virtual teams (Duarte & Snyder, 2001; Fisher & Fisher, 2001; O'Hara-Devereaux & Johansen, 1994; Pinsonneault & Boisvert, 2001; Staples et al., 2004). High quality systems for audioconferencing are essential, as are e-mail systems and systems for storing, accessing, and sharing electronic files. Collaborative whiteboard tools are very useful, as they support the interactive sharing of information during electronic meetings. Electronic voting and brainstorming tools can also be useful, depending upon the nature of the team's task. Instant messaging is a powerful tool that enhances the presence and connectedness of remote parties, and its informal nature enhances social interaction. Blogging tools give people the ability to share their views (Jones et al., 2005), possibly helping others understand their situation and perspective.

Develop Human Resource Policies that Stimulate High Virtual Team Performance

Policies must be designed in such a way that virtual team members are recognized, supported, and rewarded for their work (Duarte & Snyder, 2001; Jones et al., 2005). Providing team-based (rather than individual performance-based) rewards to team members can increase team cohesiveness, motivation, and effectiveness (e.g., Cohen, Ledford, & Spreitzer, 1996; Hertel, Konradt, & Orlikowski, 2004; Lawler, 1986, 1992). Since virtual team members are not seen every day in a central office, it is also possible that they may be overlooked for promotional opportunities (Duarte & Snyder, 2001). Therefore, special career development opportunities, such as job rotations and opportunities to present to team sponsors/executive groups, should be created for virtual team members so that this "out of sight, out of mind" phenomenon does not occur (Jones et al., 2005; Pinsonneault & Boisvert, 2001).

Provide the Team with Appropriate Autonomy

Consistent with traditional team research (Cohen & Bailey, 1997), virtual team members interviewed in the case studies reported that little involvement from senior management was usually preferred over hands-on management, as long as the organization still provides the necessary funds and resources. Worker autonomy is shown to have clear benefits such as enhanced worker attitudes and performance (Stewart, 2006). Organizations should give team members the power to take action and make decisions while still providing the team with the information it needs to make sound business decisions (Cohen, 1994). Organizations should provide information on processes, quality, customer feedback, business results, competitor performance, and organizational changes.

Use Standard Processes and Procedures

The use of standard processes and procedures, such as having a project charter, can reduce the time needed for team start-up and may eliminate the need for unnecessary reinvention of operating practices every time a new team is created (Duarte & Snyder, 2001; Gignac, 2005). For virtual teams that rarely meet face-to-face, standard communication procedures and policies are extremely important so that norms and expectations are clear (Duarte & Snyder, 2001; Fisher & Fisher, 2001; Grenier & Metes, 1995). An initial face-to-face team meeting can allow team members to develop communication norms and agreements on how they are going to work together. An experienced virtual team facilitator for the start-up phase can be valuable to ensure a team starts with a strong foundation (Gignac, 2005).

Develop an Organizational Culture that Stimulates the Sharing of Information

Sharing information effectively is critical to virtual team success (Gignac, 2005; Jones et al., 2005). Organizational culture influences how individuals in an organization behave and, thus, plays a large role in determining how well a virtual team functions. Therefore, organizations should work to build norms and values that promote communication and the sharing of information (Goodbody, 2005). The traditional team research also identified the importance of having a supportive culture. Organizations should create a cooperative work environment where norms are established that reinforce and support team behaviors such as sharing information, responding appropriately to team members, and cooperating (Bettenhausen, 1991), as such an environment is critical for effective team performance (Tjosvold, 1988).

TEAM LEADERSHIP BEST PRACTICES

There are seven best practices relating to the leadership and management of the virtual team. Table 2 contains a list of all seven team leadership practices, each of which is explained next.

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