

# Leadership Competencies for Managing Global Virtual Teams

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## INTRODUCTION

The demand for leadership competencies to leverage performance from global virtual teams (GVTs) is growing as organizations continue to search for talent, regardless of location. This means that the work of virtual leaders is embedded in the global shifting of work (Tyran, Tyran & Shepherd, 2003). The phenomenon began with the financial industry as trading took place 24/7 with stock exchanges in different time zones. It is expanding into other industries such as software programming, law, engineering, and call centers. GVTs support the globalization of work by providing organizations with innovative, flexible, and rapid access to human capital. Several forces of competition contribute to the increasing adoption of GVTs, including globalizing of competition, growing service industries, flattening of organizational hierarchies, increasing number of strategic alliances, outsourcing, and growing use of teams (Pawar & Sharifi, 1997; Townsend, DeMarie & Hendrickson, 1998). The backbone of GVTs is innovation with computer-mediated communication systems (CMCSs). Advances with CMCSs facilitate and support virtual team environments.

Leaders of GVTs have a pivotal role in mediating between the internal team processes and the external environment. Leadership competencies also are necessary to keep up with the evolving demands placed on GVTs. Previously, GVTs focused primarily on routine tasks such as data entry and word processing. More recently, the work of GVTs began to encompass non-routine tasks with higher levels of ambiguity and complexity. By tackling more strategic organizational tasks such as launching multinational product, managing strategic alliances, and negotiating mergers and acquisitions, GVTs contribute higher added value to a firm's competitive advantage. As a result, leadership competencies for

GVTs become more important in order to maximize the performance of GVTs.

Leadership competencies encompass knowledge, skills, abilities, and behaviors. The following discussion reviews the context, roles, and responsibilities of managing GVTs, identifies five broad categories of GVT leadership competencies, and outlines significant future trends.

## BACKGROUND

In order to address specific leadership competencies for GVTs, it is important to understand the virtual workplace context. "Global virtual teams being a novel organizational design, it is very important to maximize the fit between team design and their stated intent" (Prasad & Akhilesh, 2002, p. 104). Currently, many organizations are deploying the use of GVTs much more rapidly than the collective understanding of their unique characteristics, dynamics, and processes. Anecdotal evidence exists about the difficulties and poor performance of GVTs. But the expectations of flexibility, accessing expertise regardless of geographical location, and speed of fulfilling organizational goals continue to drive the growth of GVTs (Gibson & Cohen, 2003).

GVTs have similarities and differences when compared with traditional teams (Maznevski & Chudoba, 2000). The similarities include being guided by shared goals, working on interdependent tasks, and sharing responsibilities for outcomes. The differences are the collocation and synchronous communication of traditional teams vs. geographical dispersion and often asynchronous communication for virtual teams. The stability of GVTs depends on the project and the team's role in fulfilling the organizational purpose. Thus, GVT leaders may be working with a project orientation or indefinite per-

petual organizational responsibilities, which shape the lifecycle of the team.

Effective GVT leaders must manage magnified ambiguities and complexities compared to traditional team leaders. Prasad and Akhilesh (2002) define a GVT as “a team with distributed expertise and that spans across boundaries of time, geography, nationality, and culture” (p. 103). They address a specific organizational goal with enhanced performance and operate with very little face-to-face interaction and predominantly computer mediated and electronic communication. As a result, leaders of GVTs need to address unique challenges that stem from spatial distances, asynchronous communication, multicultural dynamics, and national boundaries in a virtual environment.

Established research findings on teams indicates that leaders have a critical influence on team performance outcomes (Bell & Kozlowski, 2002; Fjermestad & Hiltz, 1998-1999; Kayworth & Leidner, 2001-2002). In general, team leaders have two critical functions: team development and performance management. Some general leadership tasks for managing teams include developer of team processes, facilitators of communications, and final arbiter for task completion (Duarte & Tennant-Snyder, 1999). Bell & Kozlowski (2002) offer a typology of virtual teams based on four characteristics—temporal distribution, boundary spanning, lifecycle, and member roles—that are mediated by task complexity. These characteristics imply that effective management of GVTs requires a portfolio of leadership competencies to address the following responsibilities: (1) provide clear direction, goals, structures, and norms to enable self regulation among team members; (2) anticipate problems; (3) monitor the environment and communicate changes to inform team members; (4) design back-up plans to buffer changes in environmental conditions; (5) develop feedback opportunities into team management structure for regular performance updates; (6) diagnose and develop appropriate team development through a virtual medium; (7) diagnose the translation of self-regulation methods across different boundaries; (8) modify behaviors and actions according to the particular situations to support the communication of worldviews among team members and build a third culture; and (9) identify and communicate team member roles to create role networks.

An important component of the GVT leader's work environment is the virtual “rooms” for the team's interactions. A wide range of products offers differing capabilities. For example, Groove Client 2.5 and Enterprise Management from Groove Networks, Workgroup Suite 3.1 from iCohere, and eRoom 7.0 from Documentum are products that facilitate how virtual teams can navigate through cyberspace (Perey & Berkley, 2003). Large firms in the auto industry use a commercial B2B product called ipTeam from NexPrise to support collaboration among geographically dispersed engineering team members. IBM offers the IBM Lotus Workplace Team Collaboration 2.0. Free Internet downloads such as NetMeeting from Microsoft also are available to facilitate virtual meetings. Competitors include FarSite from DataBeam Corp, Atrium from VocalTec Communications Ltd., ProShare from Intel Corp, and Conference from Netscape. The list of available CMCS products continues to grow and improve with more features that attempt to simulate face-to-face advantages. As a result, part of managing GVTs includes evaluating, selecting, and applying the most appropriate CMCS innovations to support team interactions. Adopting CMCS needs to account for work locations, members involved, technological standardization, work pace, work processes, and nature of work in the organization. In sum, a GVT leadership portfolio must be able to manage CMCSs, diverse team members, team development, and work flow processes.

## **GVT LEADERSHIP COMPETENCIES**

Competencies for GVT leaders can be classified into five broad categories: CMCS proficiency, work process design, cross-cultural competencies, interpersonal communication, and self-management. The five groups of competencies are interrelated. For example, a high degree of expertise with CMCSs without the necessary interpersonal communication competencies likely will lead to conflicts, absences, and negative productivity.

First, GVT leaders need to have technical proficiency with innovations in CMCS in order to align the most appropriate technological capabilities with organizational needs. Technical knowledge of CMCSs and organizational experience enables GVT leaders

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