

# Chapter 21

## Examining the Roles of Virtual Team and Information Technology in Global Business

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### **ABSTRACT**

*This chapter aims to examine the roles of virtual team and information technology (IT) in global business, thus describing the theoretical and practical overviews of virtual team and IT; the importance of virtual team in global business; and the importance of IT in global business. The applications of virtual team and IT are necessary for modern organizations that seek to serve suppliers and customers, increase business performance, strengthen competitiveness, and achieve continuous success in global business. Therefore, it is essential for modern organizations to examine their virtual team and IT applications, develop a strategic plan to regularly check their practical advancements, and immediately respond to virtual team and IT needs of customers in modern organizations. The chapter argues that applying virtual team and IT has the potential to increase organizational performance and reach strategic goals in global business.*

### **INTRODUCTION**

Virtual teams are becoming more and more important and continuing to grow in popularity (Olariu & Aldea, 2014). Understanding the influence of leaders in virtual team settings can help organizations in allocating resources and sorting teams' priorities (Saafein & Shaykhian, 2014). Multinational companies are beginning to adopt a virtual team strategy, due to the benefits of cost reduction and performance improvement (Ferreira, de Lima, & da Costa, 2012). Virtual teams are an organizational form in which an overlay of information and communication technologies (ICT) enables departures from traditional, face-to-face, organizational forms (Haines, 2014). Virtual team members have developed a new technique which reduces the ambiguity of virtual communications in order to influence their team members (Wadsworth & Blanchard, 2015).

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Economic growth of most of the industries depends largely on the development of operating technologies within the industries (Prabhakaran, Lathabai, & Changat, 2015). The increasing business competitiveness leads industries to differentiate themselves in terms of technology (Reis & Freitas, 2014). ICT has been a major technological innovation for developed countries and is increasingly spreading to developing countries (Kossai & Piget, 2014). Allameh et al. (2011) stated that ICT is one of the strategic factors toward the improvement of business and human resource productivity. Organizations are relying on Internet services as well as information systems to enhance business operations, facilitate management decision-making, and deploy business strategies (Kankanhalli, Teo, Tan, & Wei, 2003).

The strength of this chapter is on the thorough literature consolidation of virtual team and IT. The extant literature of virtual team and IT provides a contribution to practitioners and researchers by describing a comprehensive view of the functional applications of virtual team and IT to appeal to different segments of virtual team and IT in order to maximize the business impact of virtual team and IT in global business.

## **BACKGROUND**

Virtual work settings cause organizational challenges such as maintaining remote leadership, managing cultural differences, and developing trust relationships among the teams (Saafin & Shaykhian, 2014). Virtual teams need to deal with such as communication difficulties, decreased cohesion, and high level of conflicts among teams (Staples & Zhao, 2006). Virtual team members are physically separated from one another and they rely on technological devices for communication and information exchange (Ghaf-fari, Sheikahmadi, & Safakish, 2014). Virtual teams are thought to be differently experienced and to have poor outcomes because there is little or no face-to-face interaction and a tendency for virtual team members to use different communication techniques for forming relationships (Haines, 2014).

The diffusion of new technologies can have a significant impact on economic growth and development (Kossai & Piget, 2014). Allameh et al. (2011) indicated that the application of IT has a great stance among basic industries since it plays an important role in different industries such as productivity, social services and job opportunity improvement. The continued diffusion of new ICT is an example of the dynamics of technological change and economic development (Freeman & Soete, 1997). ICT is used as a production technology to improve labor productivity and coordination within the firm (Raymond & St-Pierre, 2005). ICT is considered to be the main engine of growth in the knowledge economy (Kossai & Piget, 2014). Firms invest in ICT in order to become more successful in highly competitive markets (Koivunen, Hätonen, & Välimäki, 2008).

## **VIRTUAL TEAM AND INFORMATION TECHNOLOGY IN GLOBAL BUSINESS**

This section describes the theoretical and practical overviews of virtual team and IT; the importance of virtual team in global business; and the importance of IT in global business.

### **Overview of Virtual Team**

Organizational teams mainly bring numerous benefits for both management and employees, including a method of pooling ideas, facilitating communication, and improving workflow (Lin, 2011). Transfor-

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