

## Chapter Four

# What Differentiates Great Virtual Teams—How to RAMP Up Your Team’s Performance

“Globally linked virtual teams will transform every government and company in the world. Any of our peers who don’t do it won’t survive.”

—John Chambers, CEO, Cisco<sup>1</sup>

### What Differentiates Top Virtual Teams?

If you’ve spent any time looking for information about virtual teams, it’s likely you haven’t come up empty-handed. Still, while there are numerous articles presenting tips and best practices for virtual teams, there’s little information out there on what makes top-performing virtual teams so successful. For example, you probably won’t find much information on what practices differentiate high-performing virtual teams from those that are less effective.

The dearth of information on this topic led OnPoint to conduct a global research study. As part of our research, which included forty-eight virtual teams of varying levels of effectiveness, we identified five practices and characteristics that differentiate the highest and lowest performing virtual teams. These differentiators—commitment and engagement, shared processes for decision making, information flow, trust, and collaboration—are the most important components of optimal virtual team performance.

### *Differentiator 1: Commitment and Engagement*

In our study, we found that members of high-performing virtual teams are more proactive and engaged and also demonstrate higher levels of initiative. When assessed on the item, “This team demonstrates a high level of initiative,” high-performing teams in our study received an average score of 3.60 (on a 4-point scale where 1 = strongly disagree and 4 = strongly agree) versus an average of 3.06 received by low-performing teams.

The low-performing teams’ poor score isn’t necessarily surprising. People are often on numerous teams in addition to their day-to-day work, and it can be challenging to manage all the competing demands. However, it seems those on top-performing virtual teams are more motivated to go “above and beyond” — to do more than what’s required to achieve team success.

Team leaders also play a role in commitment and engagement. Effective leaders inspire their teams and have processes in place that help them regularly monitor members’ motivation levels. This leadership practice is especially important when teams work together over a long period of time, as members can become disengaged and may lose interest.

Even though the majority of virtual teams had someone assigned as the team leader, members on the high-performing teams proactively took on leadership responsibilities while members on less-effective teams were less likely to do so. Specifically, team members on high-performing teams took on additional responsibilities to reduce the burden of the official team leader.

It’s important that virtual team members be willing and able to share the “leader” role. It makes sense that the role of a formal leader may be less pronounced on a virtual team (if members weren’t able to perform with little direction they wouldn’t be effective working virtually in the first place). Moreover, leading or participating on these teams is often outside the scope of peoples’ day-to-day jobs, which means competing responsibilities often pull them away. Because of this, team members must be

ready and willing to “fill the gap” and step up to the leadership plate when needed.

High-performing virtual teams also understand how their work aligns with the strategy of their organization. Our study found that, when asked how clear they were about how the team’s work contributed to organizational success, high-performing teams had an average score of 3.45, while low-performing teams scored an average of 2.93.

Virtual teams that connect their day-to-day work to the organization’s business strategy and objectives are more likely to stay committed and engaged over time. (Remember, disengagement can be a big problem for people working virtually.) Effective team leaders reinforce this connection by periodically reminding team members of the importance of their work and clarifying how it contributes to the success of the organization.

### *Differentiator 2: Shared Processes for Decision Making*

We also found that high-performing virtual teams did a better job at establishing decision-making and problem-solving processes than low-performing ones. The average rating for high-performing teams on “Has a shared process for decision making/problem solving,” was 3.33, while the average for low-performing teams was only 2.72. Moreover, low-performing teams had an average score of 2.86 on decision involvement, whereas top performing teams had an average of 3.14.

Ensuring that the appropriate people get the right information and are involved in important decisions can be especially challenging for virtual teams, whose members are often in different time zones and/or whose conversations are conducted primarily over the phone or via email. To help alleviate this challenge, effective virtual team leaders ensure that communication processes are established early on and revisit them over time. For example, many of the top-performing teams in our study took time soon

after forming to discuss how they were going to make decisions and solve problems.

### ***Differentiator 3: Getting the Right Information to the Right People***

It's easy to see why virtual teams face significant communication challenges. Most must operate with little face-to-face contact between members and/or must work around time zone differences. And these problems can be exacerbated when cross-cultural differences exist.

High-performing virtual teams find ways to overcome these communication challenges, while their low-performing counterparts are rarely able to. In our study, high-performing teams received an average rating of 3.29 on the Communication dimension compared to an average of 2.82 for low-performing teams (which means that members of high-performing virtual teams tend to respond quickly when problems arise, provide each other with information needed to do the job, involve each other in decisions, and provide each other with feedback).

Members of low-performing teams seemed to work autonomously, often duplicating work and failing to communicate or provide feedback to one another. These teams scored an average of 2.56 on receiving the necessary feedback to do their jobs and an average of 2.80 on providing timely feedback to one another. Conversely, high-performing virtual teams scored 3.15 and 3.28, respectively, in these areas, which indicates they do a much better job communicating and sharing information.

Top-performing virtual teams also better leverage various technologies for communicating with and providing updates to one another. They rated the item "Has determined the most appropriate ways to communicate" an average of 3.27, compared to the average rating of 2.72 the low-performing teams gave.

One very successful global product development teams in our study created an effective communication strategy. They

had weekly teleconferences where everyone came together to brainstorm and share ideas. In between meetings, team members communicated by email, instant messaging, the team's intranet, telephone, and webinars.

When asked what made the team so successful, one member stated, "There is very good knowledge transfer and cooperation among team members. Everyone shares information and works together. This is one of the best teams I have worked on."

On the other hand, a member of a less-effective team (in a different organization) reported that "We often don't have the necessary information to do our work. There needs to be a way for people to respond to one another and provide feedback, as there really isn't a way for people to communicate as a team collectively." These different perspectives highlight the importance of creating an effective team communication strategy.

#### ***Differentiator 4: Task-Based Trust***

In his *Academy of Management Executive* article on working virtually, Wayne Cascio<sup>2</sup> emphasized the importance of trust for virtual teams. He wrote, "Lack of trust can undermine every other precaution taken to ensure successful virtual work arrangements."

Trust is key for virtual team success because members rarely see one another and, quite often, have never met in person. Co-located teams rely on interpersonal trust, which is based on personal relationships. Virtual teams must rely on task-based trust, which is the belief that team members will do their jobs.

Of course, task-based trust doesn't happen on its own. It has to be created—and that occurs when virtual team members are responsive, follow through on commitments, and take responsibility for results. As Swroop Sahota, vice president of Global Quality Services at Schering-Plough, observes, "The simplest way to build trust is to honor your word by meeting your objectives and responsibilities. When I do this, team members know that

they can trust me. Trust is a big concept, so it is important to start with small steps.”

Our study found that top-performing virtual teams have significantly higher levels of task-based trust than low-performing teams. Specifically, these top performers had an average score of 3.52 on the item “Team members trust one another to get things done,” while the average for low-performing teams was 3.12.

Regarding the lack of trust we found, a team member on a low-performing team said, “People do not seem to trust one another for some reason. I am not really sure why, but it is clear that we have a problem here.”

When we looked at some characteristics of that respondent’s team, we found it suffered from silos, lack of communication, lack of efficient decision-making processes, and lack of transparency. We also found that team members micromanaged one another and there was duplication of work—both of which impeded productivity and led to frustration.

One member of an ineffective virtual team said, “People do not always know what skills other people have, which leads to mistrust. Then, people do not fully hand things off to one another.”

In contrast, when members of a New York Life virtual team, one of the top-performing teams in our study, were asked in one-on-one interviews what could be done to improve trust, they unanimously responded that there was already a high level of trust among team members. For example, one team member stated, “We all trust one another to get things done and meet our shared goals, which makes our team very effective.”

Virtual teams that are successful ensure that team members build relationships and learn about one another early on. Cleo Stockhoff, associate director of Talent Acquisition and Assessment at Verizon Wireless, said, “If people do not know one another, it is essential to try to get people together initially and perhaps even periodically in the first year. This initial investment goes a long way to building connectivity and trust.”

### ***Differentiator 5: Collaboration***

The most successful virtual teams find ways to collaborate effectively and work together to achieve their collective goals. By contrast, members of less-effective teams often work on projects autonomously and may be less likely to collaborate to get work done.

Our study found that high-performing virtual teams scored significantly higher than low-performing virtual teams—an average of 3.35 compared to 2.92, respectively—on the Collaboration dimension (which means that members of high-performing teams tend to help one another and work together to achieve team goals).

When we looked more closely at the items in this dimension, we found that high-performing team members did a better job of supporting each other in goal achievement compared to members of low-performing teams, who tended to independently execute tasks and objectives (average of 3.50 compared to 3.02, respectively).

To collaborate effectively, we found that members of top-performing teams ensured they had a good understanding of one another's roles and responsibilities and that the team as a whole had clearly defined team objectives. They trusted one another to achieve objectives and had a process in place to communicate and share work.

### **The ShingleSeal Standstill: How Would You Handle It?**

Next, we'll take a look at the RAMP model, which summarizes the key characteristics of effective virtual teams, and we'll offer some practical tips to improve virtual team performance. But first, let's assess how *you* would deal with a low-performing virtual team.

The case study below outlines one virtual team's performance challenges. Read the case and think about how you would handle