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**SUCCESSFUL LEADERSHIP IN VIRTUAL TEAMS**

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### ABSTRACT

Virtual teams are an emerging corporate trend in international companies worldwide. Heightened expectations of revenue gain, demanded quick reactions to market and geographically scattered clientele of companies have forced organizations to restructure their way of working and out of these needs, virtual teams are born.

Virtual teams are teams that interact mainly by using technology-mediated communication devices and platforms. Employees operating in such a setting typically face geographical dispersion among team members, various time zones, different cultures and possibly a remote leader. Cost savings and enhanced efficiency, along with quick knowledge transfer and flexibility form the benefit base of virtual teams. On the other hand, issues are faced concerning communication, trust, technology usage, clarity of roles and processes, motivation and team spirit.

Leading virtual teams is demanding, as these teams possess similar needs as conventional teams, but require additional efforts from the team head as face-to-face interaction with and among team members is rare. In this thesis I aim to find out the key aspects and qualities of successful virtual leaders by conducting an online survey for 18 current virtual team members and leaders from various backgrounds and industries.

**KEYWORDS:** virtual team, leadership, success, aspects, qualities



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## **1. INTRODUCTION**

### **1.1. Purpose of the Study and the Research Problem**

During the twenty-first century, the business environment has been undergoing rapid transformations and struggling under constant change has become a standard norm for international organizations. The growing demands of the global market have pushed companies on the verge of their limits in maximizing their flexibility and agility, cost-efficiency and shareholder satisfaction. Global mergers and acquisitions have become a continuous trend and when striving to establish company presence in the right market areas while basing the company somewhere else, the concepts of virtual work and virtual teams have sprung up. (Alpander&Lee 1995:5, Hoefling 2003:18, Jones, Ouyng & Pace 2005: 11-15, Katzenbach & Smith 1999: 27-31)

“ A virtual team is a group of people who work interdependently with a shared purpose across space, time, and organization boundaries using technology.”

-Lipnack & Stamps 2000: 18-19

Efficient teams have become vital performance units for the management in the battle against increasing complexity and uncertainty of today's business and this has resulted in companies remodeling their organizational structures and establishing international

teams, where team members are scattered among different geographical locations. Virtual working has provided notable savings and productivity gains for companies and the occasional employee might have profited from better terms of recruitment due to flexibility of location and better work/life-balance. The growth of virtual teams and organizations has been enabled by the swift development of high technology, but even the best communication devices have not secured the enterprises from falling occasionally into rough patches created by this virtual way of working. (Alpander&Lee 1995:5, Hoefling 2003:18, Jones, Ouyng & Pace 2005: 11-15, Katzenbach & Smith 1999: 27-31)

Expectations for the benefits of working in virtual teams are vast, both from the organization's and sole employee's point of view. Companies count on achieving increased productivity and quality through distributed teams, faster reaction times and better scalability, increased employee satisfaction, savings in real estate and office costs, environmental benefits, closer customer relations due to enhanced proximity and access to a larger pool of internal experts and external job candidates. On the other side of the table, employees anticipate gaining more independence at work and avoiding unnecessary micromanagement, expect to enjoy flexible hours and additional traveling and regard the possibilities for job change or rotation to become better due to optional location of working. (Haywood: 5)

Successful leading of virtual teams demands that additional something from the person in charge, as the environment, conditions and expectations surrounding this task are quite challenging and complex, but basic team needs still exist. Extensive amounts of research have previously been done on the aspect of teams and cultural diversity in organizations, various leadership theories and change management, and thus I wanted to go deeper and research something that is a live combination of the four previous themes. The topic of virtual team leadership as a research subject is relatively new and even though some research of the topic previously exists, it is mostly conducted and written in the USA and thus the viewpoints are culturally a bit shallow and somewhat similar in content.

Most of the previous research is focused on practical virtual team management, rather than concentrating on a leadership context. Instead of researching on how to cope with daily activities in a remote team, I chose to centre my attention towards the values and nuances that separate a functioning team from a truly stellar one, thus harnessing the best competence, talent and motivation of each individual via leadership for the use of the virtual team in question. I chose this topic due to great personal interest towards improving virtual leadership best practices and based upon personal experience of working both as a team member and team leader in a global virtual team.

The purpose of this study is to find out what has been previously written on the topic of successfully leading virtual teams, how does it match the empirical evidence found in my research and what type of future actions would I recommend to be conducted on the topic later on. I decided to focus my research on leadership issues instead of managerial

aspects, as I thought examining leadership would cover a broader context and allow the “people”-aspect to show through in my findings on a stronger level.

Managerial issues are typically considered to rely on fact and simple truth, whereas leadership perceived, trained, executed and experienced has more nuances and variables to it as a study subject. I wanted my study and reflections to focus on joint responsibility, decentralized power distribution and approach the matter of heading virtual teams on a more abstract and horizontal level. As my methods used for this study are qualitative and exploratory, I did not want to rule out any small things, feelings or perceptions potentially found in the empirical data that do not find in to a managerial frame. In my thesis I will focus on the aspects and qualities that make a good virtual team leader by performing a semi-structured online survey with open-ended questions in a web questionnaire format. My two research questions are as follows:

- 1) *“What are the most significant **aspects** a virtual team leader should take into account in order to successfully lead a virtual team?”*
- 2) *“What are the key **qualities** of a successful virtual team leader?”*

The first question is designed to focus on leadership aspects, issues and actions related to leading virtual teams along with suitable techniques and approaches, whereas the second question is based on personal traits and qualities of the leader him/herself. In the first question the aim is to examine what should be done and how, and second research question answers on the makings of a good virtual team leader and who are they as

experienced both by leaders and members inside a remote team through personal experience and self-reflection.

What we still don't know based on previous research and what this study does not touch from a leadership-point of view, are the effects and implications of nationalities, gender and the field of industry in which the virtual team operates in. My study focuses on a heterogeneous crowd of virtual team professionals, both members and leaders, which share only the attribute of actually working in global virtual teams currently.

## **1.2. Structure of the Study**

This study is divided into seven chapters. In the introduction chapter, the main challenges concerning the changing business environment are described shortly, along with the concepts of virtual work and virtual teams. The research methods used are introduced and the purpose of the study described.

In the second chapter, the broader definition for virtual teams is introduced, together with common qualities of virtual teams. Possible settings and different models of virtual teams are described and everyday working in virtual teams is opened up via inspecting the technology commonly used for interacting in distributed teams. At the end of chapter two some useful virtual team member qualities are listed and finally the main advantages and disadvantages of virtual teams are defined.

Chapter three focuses on leadership in virtual teams. The need for a new type of leadership is introduced and some possible barriers for smooth interaction in virtual teams are presented. Most common issues the leaders will encounter are listed in the beginning of this chapter and general philosophies related to team leading are shortly described.

Expectations, doubts and fears related to operating and leading in a virtual environment are touched and some fundamental differences between leading regular teams and virtual teams are presented. Myths concerning virtual teams are tackled and an empirical base of existing research on the subject is introduced.

Chapter four introduces the methodology used in this thesis, along with data collection strategy, data analysis methods and limitations for the study. Also general motivation as to why this research has been conducted in the first place is introduced.

In chapter five the results of this paper are presented and in chapter six discussion and ideas for research are introduced. Chapter seven concludes the study by wrapping up lessons learned and assessing the future of virtual teams.

## **2. VIRTUAL TEAMS**

### **2.1. Defining Virtual Teams**

#### 2.1.1 Definition of a Virtual Team

Virtual teams, what they are as a concept and how they operate have been defined along the way by several researchers. As virtual teams started to become common in the beginning of the 21<sup>st</sup> century, most definitions have been born quite recently. What makes a virtual team different and separates it from a conventional team, is typically the lack of physical proximity among team members and/or their leader and use of technology for the main means of communication instead of face-to-face interaction. Below you will find definitions of both conventional and virtual teams to illustrate this statement.

*Team:*

“A team is a small number of people with complementary skills who are committed to a common purpose, performance goals, and approach for which they hold themselves mutually accountable.” -Katzenbach & Smith 1993:45

*Virtual team:*

–“A team with members that are geographically distributed across more than one location. Virtual teams can include geographically dispersed teams, where team members live and work in different locations/states/countries from each other; teams with telecommuters, teams formed horizontally across vertical organizations (project teams, task forces, etc.); or teams formed across different companies.” –

-Jones et.al. 2005: 18

Forming virtual teams and matrix organizations are considered to be efficient solutions when helping organizations fight the turbulence of global markets and fierce competition. According to scholars, virtual teams are teams, whose members are based in different geographic locations, but work on similar goals and tasks cross-functionally and interdependently. The team members typically use technology for interaction, as they have limited opportunities for face-to-face working. (Malhotra et. al. 2007: 60).

Team members in general share values and common goals, while working interdependently. Employees might be a part of several virtual teams simultaneously and do not necessarily consider themselves emotionally as a part of virtual teams as such, but just members of teams with a bit of mobility, looser boundaries and alternative ways of communication. (Nemiro 2004:30)

When team members are forced to use varying methods of communication due to distance, it changes the patterns of work, relationships of the team members, decision-

making processes and general understanding of the tasks at hand. Even though remote work forces to use virtual procedures in these teams, they still share some of the same dynamics and characteristics of regular teams. (Berry 2011:186). According to Berry, virtual teams often have some attributes in common and these qualities are shown in Figure 1. here below

<b>Definable and limited membership vs. casual project teams or work groups</b>	<b>Interdependent function, shared purpose</b>	<b>Joint responsibility for outcomes</b>
<b>Collective management of relationships across / between organizational boundaries</b>	<b>Geographical dispersion</b>	<b>Technology-mediated communication rather than face-to-face communication</b>

*Table 1.: Common Qualities of a Virtual Team*

The bottom part of this figure is what distinguishes a virtual team from a conventional one, as the top half is common with all types of teams. As Lurey & Raisinghani (2001) point out, virtual teams share many common features with regular teams and the greatest difference comes from the operating environment and boundary crossing, technology-mediated interaction.

### 2.1.2. Virtual Team Models

Fisher & Fisher (2001: 42-55) have distinguished six types of virtual team settings. To make it simple, virtual teams usually differ from regular teams by crossing the boundaries of time, space and / or culture. In their example, the possibilities of virtual team settings are shown below. By finding out which type of team it is that needs to be lead, the team head in question can prioritize certain aspects, which relate to the situation at hand.

*Table 2: Types of Virtual Teams*

Team Type	Same Time	Same Space	Same Culture
1	No	Yes	No
2	No	No	No
3	Yes	No	No
4	No	Yes	Yes
5	No	No	Yes
6	Yes	No	Yes

For instance, team types 1 and 4 share the same space, which is a great advantage. According to Fisher & Fisher, sharing a common space helps create team identity,

means of collaboration and a sense of closeness. The biggest challenge these teams face, relates to lack of mutual time. Teams 2 and 5 can rely on neither common time nor space, so they need to focus on rock solid technology, stable processes and clear communication methods. Team types 3 and 6 have a potential possibility for face-to-face meetings and they benefit from shared time, but consideration needs to be applied when dealing with potential cultural differences. (Fisher & Fisher 2001: 50-55)

## **2.2. Working in Virtual Teams**

### 2.2.1. Technology & Communication Tools

Kauppila et al. (2011) agree that sharing information across organizational borders and boundaries is one of the most important functions of a virtual team. Sharing knowledge typically requires daily face-to-face encounters, shared norms, trust and strong social ties. When virtual teams are concerned, the same ways of sharing still apply, but in a technology-enabled environment without actual personal interaction. (Kauppila et. al. 2011:397).

The technology currently available supports the use of telephone, email, teleconferences, electronic bulleting boards and intranets, teamware, whiteboards, collaborative communities, group chats and use of information and data sharing banks. (Kostner 1994: 161-171, Fisher & Fisher 2001: 181-193).

Kostner also suggests that one-site meetings, electronic yearbooks and virtual round table meetings to be considered for encouraging communication among team members. These technologies allow also asynchronous communication for those teams members working in different time zones or shifts.

The term “CMAC”, which refers to “computer-mediated asynchronous communication”, allows all contributors to have access to the data and take part in the communication process during self-chosen times. This is an improvement from the turn-taking communication used in the first teleconferencing systems. What makes CMAC-systems less reliable than face to face-communication, is the lack of real time facial expressions, exact tones of voice and general body language. Creating social relationships becomes slower when having to rely solely on computer-based communication. (Berry 2011: 188-197)

When choosing between types of technology used for communication, Nemiro (2004: 163) suggests appropriate consideration concerning the tasks at hand. Some ways of communication are more personal than others, some offer better clarity and leave a “mark” of what has been agreed on and some are more suitable for creative work, rather than daily routines. Nemiro offers a rule of thumb for selecting the communication media for each circumstance, by guiding to use “*communication tools high in social presence and information richness to transmit complex, non-routine and ambiguous messages*” for activities like strategy planning and implementation, conflict management, brainstorming and other interactive discussions. For more routine-based

information sharing, updates and business as usual she suggest the use of methods that are less personal and support rapid information flow.

### 2.2.2. The Skills and Needs of a Virtual Team Member

According to Duarte & Snyder (2006:125), one of the main qualities of a successful virtual team member is the ability to autonomously manage the fine line between freedom and obligations. Coordination and collaboration need to be fitted together with increased amounts of independence, and commitment levels should stay on a sensible scale without the danger of feeling indifferent or possibly over performing. Duarte & Snyder list five essential skills for the virtual team member and they are shown in the figure below.

*Figure 1: Five Competence Areas of Virtual Team Members*



Necessary project management skills needed in virtual teams include the abilities to plan and report progress and problems, monitor and control budgets, planning of personal work to fit the team goals and schedules and active, well documented performance. Networking skills that are useful for a virtual team member are made up of being familiar with the organizational setting and key players in it, the ability to navigate within groups of different people while maintaining proper conduct, and using tact and emotional intelligence to interact with all necessary shareholders. (Duarte & Snyder: 130-131)

According to Duarte & Snyder, being technology-savvy with programs and devices, carrying the ability to choose the proper communication channels for each issue and being familiar with the general technology etiquette of the company is beneficial for the virtual team member. Duarte & Snyder also stress the importance of self-management skills as a team member in a distributed setting, as opportunity handling, prioritizing and self-motivation and creating initiatives are what distinguishes one well performing team member from an ordinary one.

The final two competence areas of a virtual team member that Duarte & Snyder have listed, involve spanning boundaries and fostering interpersonal awareness. Malhotra et al. (2007: 63) state that since virtual teams are made up of individuals representing a potentially culturally rich diversity of stakeholders, functions, organizations, decision

making styles and interest, a team's ability to successfully innovate and foster creativity is very much related to the ability to understand, appreciate and leverage diversity. Therefore good "people skills" and practicing sensitivity and awareness of organizational, cultural and personal differences are key qualities of any successful virtual team member.

### **2.3. The Advantages and Disadvantages of Virtual Teams**

Virtual teams foster productivity, quality and flexibility in an organization and create potential savings for the company in terms of reached scalability and reduced real estate and travel expenses. Virtual teams also offer speedy solutions and rapid knowledge transfer in today's hectic business environment and the technology available has made us all practically neighbors in terms of connectivity potential and market access. These distributed teams defy time zones, organizational barriers, hierarchies and distance. In an optimal situation, innovation and learning across the organization becomes easier and creativity blooms. (Lipnack & Stamps 2000: 1-18)

*Figure 2: Advantages of Virtual Teams*



Jones et al. (2005: 33-57) have singled out three main advantages that clarify the benefits of the use of virtual teams, shown in Figure 2. The main reasons companies have started investing in the development of virtual teams are organizational agility, cost savings and the ability to hire the best person for the job, no matter where he/she is located. Inter-company relocations are expensive for the employer and often trouble-inducing and a source of stress for the employee. Distributed working abilities offer solutions for this and also reduce significantly the costs for business-related travel and real estate management.

Employees based in virtual teams have reported on facing a better work/life balance after getting used to the new autonomous setting and some parts of the integration

processes of mergers and acquisitions have been smoothed out by enabling virtual interaction between the parties. Also, sales representatives have been more on the move since the development of virtual ways of working, since they have been now able to address the customer at site, while still performing other duties on the side. Regional representation abilities for projects, enhanced customer support and all-round savings have made virtual teams a must have for global companies. (Jones et al. 33-57).

Kirkman et. al (1995) bring up in their research the dangers and pitfalls of virtual teams, starting with team member isolation. Issues relating to a feeling of loneliness or nonreliance lead to quick detachment from common goals and centralized team efforts. Decisions are harder to reach, partly due to trust building, synergy creation and communicational challenges that form the core issues of working in virtual teams. For the leader there are extra challenges in store concerning evaluation, motivation and personal assessment of geographically separated team members. Additionally, the ambiguous role of technology mediated communication and use of different medias poses new challenges for the virtual manager. On the other hand, a successful leader is expected to be technologically savvy, but should not rely excessively in the sole use of electronic media on the expense of fostering interpersonal relations. (Kirkman et. al 1995, Martins et al 2004)

### **3. LEADING VIRTUAL TEAMS**

#### **3.1. Leadership in Virtual Teams**

*Leadership:*

“Leadership is the use of noncoercive influence to shape the goals of a group or organization, to motivate behavior toward reaching those goals, and to help determine the group or organizational culture.”

-Griffin &Pustay 2005: 434

"Leadership is that process in which one person sets the purpose or direction for one or more other persons and gets them to move along together with him or her and with each other in that direction with competence and full commitment.”

- Jaques & Clement 1994: 4

The trend “smarter together”, which refers to intelligently networked organizations and flexible virtual teams within, results to an increased amount of remote work, telecommuting and borderless leadership This has provided a new challenge for managers, who have formerly lead their teams face-to-face and thus been able to maintain close personal contact with the team members. Maintaining trust in teams, ensuring efficient knowledge transfer and juggling with differing cultural and

geographical working environments is an additional challenge concerning everyday work. To achieve established goals and to ensure satisfaction among a virtual organization, all team members and managers should understand how the organizational change benefits all the participants. As virtual teams are in time becoming the standard way of working, contributions should be made to ensure efficient and successful leadership which suits the needs of this decentralized way of working. (Haywood, 1998:6, Lipnack & Stamps 2000 14-15, PI International 2013: 2)

Katzenbach (1999:13-16) points out that teams are generally thought to be the most versatile unit that organizations possess, when struggling with the tempo and pressure of today's changing business environment. He states that teams should not be formed upon on an organization's functional desire to create them, but instead they should be born on a need basis and off an expectation of achieving heightened collective performance results. Katzenbach also argues that one should not confuse single-leader disciplines with team leadership and fail to understand that individual performance is not an option for real team performance. This being said, the virtual leader or manager has to obtain certain competencies and a strategic skill set for being able to successfully form and lead his/her team.

Leading virtual teams differs somewhat from leading conventional teams, but both share the mutual concerns of creating openness, trust, involvement and togetherness, while aiming to avoid confusion, frustration and meaningless rhetoric. Virtual teams may occasionally be more flexible, cost-sensitive, effective and agile than regular teams, but on the other hand they offer the leader additional challenges concerning

process and workflow, team spirit, cultural sensitivity and use of technology. (Katzenbach 1999: 14, Lipnack & Stamps: 14, Haywood: 9) The main focus areas of the virtual leader defined by Fisher & Fisher (2001: 10) are listed in the following chart.

*Figure 3: Main Focus Areas of the Virtual Leader*



For a virtual team leader, some additional and varying methods from those of leading a regular team come in critical when striving for team success. As the distance between the manager and team members poses additional challenges, the leadership qualities and competencies of the team head (or the lack of them) becomes more transparent. Hoefling (137-145) suggests that since controlling team members becomes increasingly difficult in virtual circumstances, the team leader should aim for member commitment instead. Additionally, communication should step ahead of commanding, and connecting team members with information and resources is believed to be the better alternative for gatekeeping precious information and unnecessary boundaries.

According to Hoefling, managing results instead of sight and not lapsing into micromanaging is more sustainable in the long run, since not all daily information is available for the manager to conclude upon, but results are. Coaching team members and obtaining an ongoing dialogue, combined with considerate and appropriate use of conferencing technologies and integrated guidelines and rules of the road help in creating structure, trust and cohesion among the members and build a better foundation for team success. (Hoefling: 137-154).

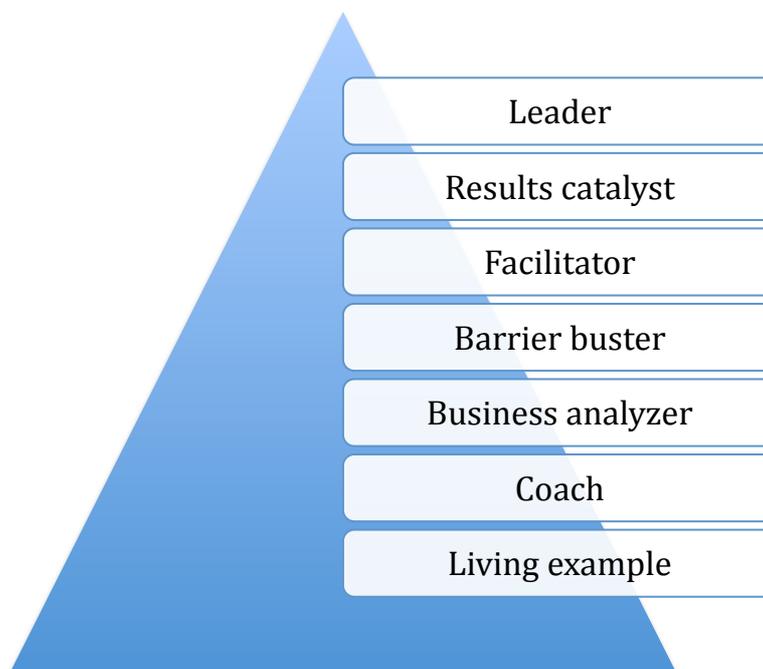
With great change and expectations comes eventually doubt, and virtual team leaders also need to take into account a certain set of fears, suspicions and myths an employee might be facing during organizational restructuring. Vakola & Wilson (2004) state in their study that change still takes place on three levels, no matter if the setting is virtual or not. The individual, group and organization all need to be convinced about the advantage of upcoming change in order for the strategy to pull through. Mastering

change management is critical when the transformation towards virtual teams begins, because when traditional organizational boundaries start to fall and roles and responsibilities change, employees might feel threatened. This might cause disruptions in internal day-to-day processes, customer deliveries and personal motivation. (Cleland 1996:68, Haywood: 143)

### 3.2. Aspects of an Effective Distance Leader

Fisher & Fisher (2001: 10) have defined seven clusters of competencies that are common for a successful virtual leader. In Figure 6 these competencies are presented and the contents of these clusters are explained in the text.

*Figure 4: Competencies of a Successful Virtual Leader*



Fisher & Fisher believe that if a leader would be able to possess most of these qualities and competencies and wear hats of several types of leaders simultaneously, successful virtual team leadership could be established. The “Leader” role is there to inspire, create visions, foster enthusiasm and take care of team energy levels. The job of the “Results catalyst” is to manage by principle instead of policy, helping team members focus on important issues and deliver expected results. “Facilitators” controls the use of technology, takes care of necessary tools and infrastructure needed to perform daily operations and focus on sharing data and enabling fluent communication. (Fisher & Fisher: 12-13)

“Barrier busters”, according to Fisher & Fisher, have the job of overcoming barriers and opening doors for the team, while handling organizational politics. Defending the team’s work and making sure all members are heard, is also a task for the barrier buster. “Business analyzers” keep track of the big picture and observe changes in the business environment. Sniffing trends, focusing team energy on important issues and prioritizing time spent on projects is on their to-do list as well. “Coaches” mentor team members and ensure growth and motivation among the group members. Reaching the full potential of individuals is something a coach can help push for and they are also expected to take care of team member synergy. Last but not least, “Living examples” are what makes a truly stellar leader. Being able to live up to one’s own standards of working creates integrity, respect and positive responsiveness among team members. (Fisher & Fisher: 14-15).

### **3.3. Common Myths Related to Virtual Teams**

Since the concept of virtual team leadership is relatively new to organizations and their leaders, some false assumptions, beliefs and theories have surfaced when adapting to this electronic way of working. Duarte & Snyder (2006:76-94) have identified seven unsafe assumptions, pitfalls and unnecessary fears that a virtual leader should take into account when planning team building, daily activities and strategic actions of the team. These seven myths are defined in the following table.

MYTH 1:	“Virtual team members don’t need attention.”
MYTH 2:	“The added complexity of using technology for communication and collaboration in a distributed organization is exaggerated.”
MYTH 3:	“The leader of a cross-cultural virtual team needs to speak several languages, have expat experience or a history of working in several functions.”
MYTH 4:	“If you can’t meet people regularly, helping them with current assignments and career progression is difficult.”
MYTH 5:	“Building trust is unimportant in virtual teamwork.”
MYTH 6:	“Networking matters less in a virtual environment.”
MYTH 7:	“Virtual teams need precise planning, organizing and controlling to avoid surprises.”

*Table 3: Seven Myths Concerning Virtual Teams*

Tackling the myths presented above is recommended for each virtual team leader and being able to handle these obstacles will improve the competence of the team leader.

The first assumption of virtual team members not needing attention is one of the most dangerous ones and a potential obstacle for general team leader success. (Duarte & Snyder 2006:76).

Team members in general need clear direction and feedback, help on managing issues, performance management, coaching and compensation. Tension management is vital and clarity in processes and workflow help set a structure on daily activities. Duarte and Snyder suggest that a balance should be found between laissez-faire and micromanagement leadership and the leader should be clear on setting a mission, vision and strategy for all members to fully adapt and understand.

The second myth concerning technology usage and the complexity of it in a distributed organization is one of the most concrete problems a virtual team leader will face. Jones et al. (2005) point out that developed technology will not indeed solve all problems, but is much likely to create some additional ones. Use of fully functional technology would not diminish other issues that teams face, but offers a convenient excuse for why problems arise. (Jones et al. 2005:11). Duarte & Snyder (2006:79) state that matching the technology available with the team's needs is important, for there is no use of devices or programs no one knows how to use or which do not fulfill the requirements needed for effective workflow and communication. During the team's lifecycle the needs may change, and it is suggested to check periodically that the technology used keeps up with current needs. (Duarte&Snyder: 81).

The third myth presented, which deals with the competencies expected for a virtual leader, is not all that accurate according to Duarte & Snyder. What matters most according to them instead of the leader's personal experience, is the ability to relate and understand the existing differences, control personal biases related to them and not underestimate the effect of nationality and culture when it concerns team members. Hofstede (1993: 342-343) backs up this by stating that a leader is commonly "culturally managed by his/her own employees" and that he needs to be able to encounter his subordinates on their ground level of culture. Hofstede states that as a leader one can decide himself upon the tactics and leadership methods used, but the cultural influences and limitations faced are commonly a larger issue than expected.

The fourth myth that concerns the leader "being there" physically is tricky, as the leader still needs to carry actions and responsibilities of team member career development issues and current assignments, even though the distance might pose challenges for both parties. Team members have no one else to delegate or report these issues to and leaders should be able to address these concerns, present or not. (Duarte&Snyder: 84).

Lipnack and Stamps (2000: 7) admit that everything that might already be tricky face-to-face, is also difficult to handle in a virtual environment, with the exception that these problems appear much faster and less gracefully online. Virtual gaps of communication and trust need to be dealt with and performance reviews, conflict resolution and successful actions of employees can not go unhandled even though the team leader is not physically present. (Duarte&Snyder:84).

The fifth myth, the importance of building trust, is a key issue for all virtual team actions. Underestimating the importance of trust is one of the biggest mistakes a virtual leader can make, according to Duarte & Snyder. Technology can support communication and connectivity, but it cannot drive trust. Lipnack & Stamps (2000:70) simplify the importance of trust in teams by implying, that “*successful virtual teams pay special attention to building trust at each stage of their development.*” Trust among the leader and team members is achieved by leader integrity, actions and consistency, clear communication and generally planned efforts for building a radius of trust. (Hoefling: 41, Duarte & Snyder: 87)

The sixth myth, which is about the necessity of networking, is self-evident in a way, because work is accomplished through people and individuals are not senseless units, without needs of belonging and interaction. Malhotra et al. (2007: 66) stress the importance of networking both inside and outside of the team, since it is one of the team leader’s tasks to enhance the visibility of his/her team also in the organization. Various external stakeholders need to be tended to and managing interpersonal relations via virtual means requires an extra amount of diligence and effort. Several reporting lines, internal project groups and other internal formalities need to be properly collaborated with and this falls under the act of networking. (Malhotra et. al. 67)

The final, seventh myth, which concerns avoiding surprises in a virtual setting, is somewhat challenging to reach in reality as virtual teams exist in rapidly changing environments and flexible circumstances organization-wise. Obtaining balance, stability

and adaptivity is something to strive for, but in reality as most team leaders don't even get to choose their team members, let alone the circumstances, schedules and tasks they work with, the chances of avoiding unexpected twists and turns are thin. (Haywood: 61).

To contradict these myths and to offer scientific base for the theories presented, several researchers have performed empirical studies around the subject of virtual teams. Below a table is built to offer comparison on different findings and to answer parts of the research questions of this study.

*Table 4: Table of Empirical Findings on Virtual Team Leadership*

<b>Researchers:</b>	<b>Findings:</b>	<b>Aspects an effective virtual leader takes into consideration (RQ1):</b>	<b>Qualities and traits of a successful virtual leader (RQ2):</b>
Bell & Kozlowski 2002	Leadership is affected by temporal distribution, boundary spanning, lifecycle and member roles	Focus on team development, performance management, fluent communication	Ability for distribution and collaboration, structured clear approach, proactivity, technological knowledge and cultural sensitivity.
Lurey & Raisinghani 2001	Processes, team member relations and member selection affect the most on team performance	Virtual teams are similar to conventional teams and share the same needs, but need formal processes and clarity in structure	Selection of leadership style defines success. Leader needs to be able to keep up personal relations with team members
Lee-Kelley & Sankey 2007	Time zones and cultural differences are the root cause for most difficulties in a virtual team- a structured project management approach is needed.	Management agenda, creeping requirements, process asymmetry & unclarity, overcommunication	A successful leader of a virtual project needs to have a defined strategy in place in order to overcome the challenges of working virtually.
Hambley et. al 2007	Transactional and transformational leadership styles both work in a virtual setting, but selection of communication media has an impact on the results	The richer the communication media, the stronger influence on team members	Ability to understand which leadership strategy to execute and which media to use for different types of communication.

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Kayworth & Leidner 2002	Effective leaders initiate structure and consideration	Projections of empathy and understanding need to be visible for team members	Mentoring qualities are respected and clarity and natural authority and execution skills are considered vital
Hertel et. al 2005	Electronic performance monitoring for virtual teams is not a solution, management by objective is more efficient and self managing teams might work in a virtual setting	Clarified team roles and goals needed, efficient communication, feeling of interdependence	Ability to create motivation, trust, team spirit and good abilities for knowledge management and sharing
Klitmüller & Lauring 2013	Careful consideration in content and context and choice of rich/lean media usage is beneficial	Sensitivity in intercultural communication is necessary, local inter-unit mediators might help	Ability to navigate with tact within language barriers and cultural differences
Dekker et. al 2008	Cross-cultural capital is necessary for successful leadership of virtual teams	In addition to Hofstede's known dimensions, a new aspect of "respectfulness" should be considered	Engagement and commitment to activities that help to understand and explore cultural diversity among team members
Kirkman et. al 2004	Virtual team empowerment boosts process improvement and customer satisfaction	Successful team empowerment has a stronger effect on team achievement the less they share face-time together.	Ability to inspect the degree of virtuality in a team and act accordingly concerning encouragement, empowerment, face-to-face meetings and power transfer

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Schweiger et al. 2003	Transnational project teams need most of all to achieve a clear focus and common goals in order function as a successful team.	Focus on team performance and motivation, diversity can be an asset. Need for keeping an open, humble mind.	Understanding of functional skills needed in a team, multilingualism, negotiation and project management skills and good ambition levels
Stahl et al. 2009	Cultural diversity in virtual teams is both an asset and a liability	Diversity hinders convergence and triggers divergence, but at times increases team satisfaction and boosts communication as extra efforts are taken	Ability to manage processes on a suitable level according to the team's composition
Vakola & Wilson 2004	Importance of the human element should not be overlooked while operating in a virtual environment and organizational change needs to happen on three levels in order to take place	Focus on information sharing, suitable organizational culture implementation and strong teamwork	A good virtual leader accepts and welcomes change and is ready to train and develop both the team and him/herself on a regular basis
Kirkman et al. 2002	Companies that consider the use of virtual teams need to take into account and battle a set of certain managerial challenges in order to gain true benefit over additional issues	Building trust, overcoming process loss, fostering inclusiveness and involvement, selection of team members and assessment and development of team members	Readiness for continuous improvement and ability to master team performance management from a distance

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## **4. METHODOLOGY**

This chapter introduces research methods starting from description and justification of the chosen research strategy to adopted ways of collecting data and analysis. After that, the survey respondents are introduced and their backgrounds opened up, in order to explain why they have been chosen as subjects for this study. In this research, the concept of “team” is always in the context of a remote, virtual team. No conventional team members or theories concerning regular teams are touched in this study. For the sake of clarity, it is convenient for the reader to remember that all referrals to teams here on touch solely virtual teams and their members and leaders.

### **4.1. Motive for Research**

The existing theoretical base and previous research conducted on the topic of virtual teams offer some evidence of the benefits and challenges of operating in a virtual environment. As most of the studies focus on general, daily operations in virtual teams or singular theme-based problematic (see Figure 8), I have chosen an all-around leadership-centered point of view for my research.

After assessing the existing groundwork on current literature and research on the matter, I found some recurring themes that affect performance of virtual teams. It is dependent on the leader whether he/she takes initiative in taking these issues seriously and focusing on key matters and it is hard to deny the overall effect a team leader has on the success rate and outcome of team performance. I decided to base my personal research on these themes and see if existing team members and team leaders can identify specific strong themes that affect the overall success rate of virtual teams.

## **4.2. Data Collection**

I chose a qualitative approach for conducting my analysis, since leadership reflections and measures of experience and success are open for interpretation and such intangible experiences cannot be accurately numerically measured. Qualitative methods offer answers to questions such as how, why, which (Maylor & Blackmon 2005: 220) and focus on the people aspect of data, allowing meanings, thoughts and nuances to show in the information found. According to Maylor & Blackmon qualitative methods are also more personal and touch investigated issues on a deeper level, so it was an obvious choice for me to choose these methods over quantitative techniques. Also the sample size affected my choice, since I chose to go after quality instead of quantity and decided on a study size of max. 30 respondents.

My research questions aim to find that extra something that distinguishes a successful virtual team leader and I have formatted these questions to serve as tools for finding out **what are the aspects considered and qualities possessed by successful team leaders**

**that operate in a virtual setting.** I have not outlined any separate leadership theories or strategies as a baseline for this study, as the meaning is to simply find out proven success factors of any type of real life virtual leader. I will compare the findings to the existing theory and this goal affected my choice of research methods.

I chose a semi-structured, open-ended question-based online survey as a method for data collection for conducting my research. According to Saunders (2012), in order to achieve a deep understanding of issues investigated, such a method is efficient for allowing participants to reflect on their own opinions and not limiting them too much in their answers.

Since leadership issues and experiences gathered are always personal and not quantifiable, I chose to be creative in my research technique as suggested by Maylor & Blackmon (2005) and combined a written questionnaire with these open-ended questions. The aim was to give time for the respondents to ponder and consider issues on a deeper level than during a discussion-based interview, where the pace is more rapid. On the other hand, it was important for my research goals that the answers come out as they are felt and considered by that particular person and that the questions posed give freedom of interpretation for the respondents. This study is exploratory, as it does not try to compare variables with each other or to address relationships between them, but is more focused on finding out new viewpoints or theory.

The data was collected via an internet-based online-survey tool, to which all the respondents received a link for access. Time given to complete the electronic survey

was two weeks in the beginning of June 2013 and given the short timeframe, the percentage of respondents vs. survey invitees was quite satisfactory. The online-survey included 10 questions for assessing background information of the respondents and 12 themed open-ended questions on operating in virtual teams. Most of the respondents decided to answer by utilizing their full name and profession, but three respondents chose to stay anonymous in order to be able to answer all questions with utmost honesty while not compromising their personal or company policy on privacy. Based on the diversity of desired privacy levels, I made the decision to remove all respondent's names from the study and opt for full anonymity of the survey participants.

## **4.2. Data Analysis**

After receiving completed versions of the online surveys, I printed them out to separate Excel-sheets, sorted per person. First I read through all single respondents' answers person per person, to see if everyone understood the survey questions in the same way and I was also curious to see the extent of the replies, as no minimum or maximum length was previously advised. This was a conscious decision due to the exploratory nature of the study and the assumption that most of the respondents are quite busy and I did not want to risk receiving answers if they considered the survey to be of too much trouble to begin with.

Happily I received a good percentage of extensive replies (18 out of 30 people contacted) and seems that the survey questions were clearly formatted and easy to understand, as respondents has a similar technical approach to answering them. Only one respondent decided to group her answers directly to “aspects” and “ways” with a shortlist method, other opted for a more generic, discussive approach.

After reading through singular survey results per person, I grouped the responses per question and went through them again, looking for differences, similarities and recurring themes in context. When that process was finished and new excel-sheets sorted by research question formed accordingly for support of thought, I started comparing my findings per research question with the existing theory found previously in the literature review. This process was finalized by forming the two summary tables shown in this study and going through them to check for coherence. Not in any point did I contact any of the respondents to clarify anything, but worked on assumptions based on personal interpretation of the written survey results. Finally I ran through the responses again to find quote-based support for the empirical findings-section and conducted my conclusions based strongly on the last question of the survey: pro’s and con’s of working in a virtual team.

### **4.3. Reliability and Validity**

The goal of this study is to achieve a broad understanding of success factors of leaders in virtual teams and the aim was to gather a heterogeneous crowd of different

respondents, both virtual team leaders and virtual team members, for gaining different viewpoints on the matter. A careful selection of respondents was conducted, because the aim was to reach respondents both male and female, young and old, experienced employees and fresh starters, people from various industries and from differently sized companies to gain an insight as realistic as possible to the routines and experiences of these virtual team members in order to make assumptions that are not based on a too generic study base.

A common nominator for all the targeted respondents was a strong experience of working in virtual teams and a desire to explore different options for developing work and/or leadership in virtual teams. Also, all participants were committed to answering to their best and fullest ability in order to offer as much honest context and quality for this study as possible.

Due to the fact that the respondents answered the survey questions by writing their comments personally in the research sheet, replies and opinions behind them are somewhat open to the interpretation of the reader. No double-checking of the context of the answers is possible due to the fact that the survey was a one-time action, and does not offer the possibility to ask additional questions along the way. Understanding what the respondents have meant in the first place is up to the reader and several varying assumptions can be made if trying to find tones of voice and nuances from the text. Also, defining the fortitude of comments is difficult, as no numerical scale is in place to define how strongly certain benefits or challenges are experienced when mentioned in the survey.

Generalizations cannot be made due to the single nationality of the respondents, as these results reflect only a Finnish point of view even though most of the interviewed people work in multinational companies and international teams. Additionally, the background information received has not been compared with the results and there is no knowledge about the influence or dependence of these factors concerning the responses. This study has been conducted by following Vaasa University's ethical guidelines and all respondents have given their consent for publishing the results.

Due to the fact that all of the respondents are of Finnish nationality, cultural differences in perception are not covered in this study. I contacted 30 people that I saw fit for this purpose and reached a number of 18 participants for this study. The main features and professional details concerning the respondents are shown in upcoming Table 5 and in Table 6 the composition of the study group as a whole is briefly introduced. Professions of the reached respondents included the following:

*VP Business Development, Project Director, Commercial Manager, Consultant, Director: Corporate Tax, Project Manager, General Manager, Country Manager, District Manager, Development Engineer, Commercial Manager, Team Leader: Technical Training, Researcher, Controller, HR Specialist, Marketing Communications Specialist, Strategic Purchaser and Client Service Manager.*

*Table 5: Features of the Respondents*

TOTAL	18
PARTICIPANT GENDER	Male 10, Female 8
TEAM LEADER	12
TEAM MEMBER	6
< 6 YEARS OF EXPERIENCE	8
> 6 YEARS OF EXPERIENCE	10
COMPANY SIZE < 1000 PAX	5
COMPANY SIZE > 1000 PAX	13
RECEIVED TRAINING ON TEAMS	10
AVERAGE TRAVEL DAYS / YEAR	37

In the table below, the respondent's professional and demographic profiles are shortly presented. Even though I received full rights from most participants to publish their actual names and contact details for this survey, I chose to build up only an informative table as a source of information based on the background and professional profile of the respondents. This is done to prove existing diversity among the study group and open up the fact that these respondents really do work in actual functioning global virtual teams on a daily basis, as opposed to many previous study groups that have been used for previous research. In my study, it is of great importance for the light of the results and conclusions that all replies gathered represent the opinions of experienced professionals, and not just students or temporary or simulated virtual team members.

*Table 6: Profiles of Respondents*

Profile, VP Business Development

<b>SEX</b>	Male
<b>TITLE</b>	VP Business Development
<b>WORK EXPERIENCE (years) &amp; EDUCATION</b>	8 years, M.Eng Information Engineering, MBA
<b>ROLE</b>	Team leader
<b>Please state the size and industry of the company you work for</b>	40 employees, technology industry
<b>Could you kindly describe the team you work in (size, your position, place in organization):</b>	I lead business development (partnerships, key technology suppliers, licensing, etc.), reporting to the CEO. I have no permanent direct reports; instead, I will assemble temporary project teams as needed, drawing on resources from product management, R&D, engineering, or marketing. I also frequently manage external legal counsel.

**Does your team consist of people from different nationalities / functions cross country borders? Please define:**

Recon's staff is all physically located in the same office (Vancouver, BC) but consists of multiple nationalities. I have worked with teams spanning multiple continents & time-zones in previous roles at Nokia and McKinsey.

**How many days do you spend on business trips per year?**

40-50

**What type of training have you received targeted for leading / operating in teams?**

At Recon, it's all been on the job learning, in true start-up fashion :-). I did attend a number of formal leadership training programs at McKinsey (everything from project planning to communication to effective interaction with team members with various MBTI profiles), and my MBA also included Organizational Behavior as one of the core courses.

Profile, Commercial Manager

**SEX** Female

**TITLE** Commercial Manager

**WORK**

**EXPERIENCE**

**(years) &**

**EDUCATION**

BBA

Work experience: 14 years

**ROLE**

Team member

**Please state the size and industry of the company you work for**

PepsiCo is a world leader in convenient snacks, foods and beverages  
<http://finance.yahoo.com/q/ks?s=PEP+Key+Statistics>

**Could you kindly describe the team you work in (size, your position, place in organization):**

Commercial Manager in PepsiCo Nordics , Foods (Brands: Quaker, lays, Doritos etc)

Responsible Finland, Iceland and Norway

Located in Copenhagen

Approx 35 people in Nordic organization, work closely with bottlers/distributors such as Carlsberg, Synnove, Hartwall, Valora Trade etc...

Strategic planning, revenue management, agreement negotiations, setting up annual operation plans with the distributors, including marketing platforms, new product introductions and volume targets. Full P/L responsibility. In addition working with various PAN Nordic projects

**Does your team consist of people from different nationalities / functions cross country borders? Please define:**

Yes. Our team consists of people from Finland, Sweden, Denmark, Norway, Greece and Netherlands. In addition there is close contact to western Europe ie. Germany, UK, France, Belgium etc..

**How many days do you spend on business trips per year?**

I'm on business trip approx every second week for 1-3 days

**What type of training have you received targeted for leading / operating in teams?**

- o Finance management, PepsiCo 2008
- o PR training, PepsiCo 2008, 2009
- o Leadership training, PepsiCo 2009
- o Franchise management, PepsiCo 2009
- o Consumer Insights, PepsiCo 2011
- o Marketing 360, PepsiCo 2012

Profile, Project Director

**SEX**

Male

**TITLE**

Project Director

**WORK EXPERIENCE (years) & EDUCATION**

15 years, PhD (Business & Econ)

**ROLE**

Team leader

**Please state the size and industry of the company you work for**

Research organization (University of Vaasa), ca. 500 employees, ca. 40mEUR turnover.

**Could you kindly describe the team you work in (size, your position, place in organization):**

Team leader of research project(s). Will relate my answers here for the project team the team of 6 researchers (4 post doctoral researchers and 2 doctoral researchers)

**Does your team consist of people from different nationalities / functions cross country borders? Please define:**

Yes. 1 Norwegian based in Australia, 1 Finnish based in UK, 1 Austrian based in Finland (and 3 finns based in Finland in 2 different cities)

**How many days do you spend on business trips per year?**

50

**What type of training have you received targeted for leading / operating in teams?**

hmm. very little specifically with regards the practicalities of team leadership, but PhD in Management and Organization probably helps a bit, albeit it was focused on Strategic management. My Master degree in Business (Entrepreneurship) contained management, leadership related topics. So that is probably the more accurate description.

Profile, Commercial Manager 2

**SEX**

Male

**TITLE**

Commercial Manager

**WORK EXPERIENCE (years) & EDUCATION**

2013 - Commercial Manager, Metso Automation  
2011 - 2013 Manager, Pricing, Service Business, KONE Corporation  
2010 - 2011 Project Manager, Service Business, KONE Corporation

**ROLE**

Team leader

**Please state the size and industry of the company you work for**

Industrial services, over few billion euros

**Could you kindly describe the team you work in (size, your position, place in organization):**

Leading people to develop, sell and implement new service business offering

**Does your team consist of people from different nationalities / functions cross country borders? Please define:**

Team consist of people all over the world

**How many days do you spend on business trips per year?**

80

**What type of training have you received targeted for leading / operating in teams?**

I have participated in a leadership program, mentoring and gained practical experience

Profile, Consultant

**SEX**

Male

**TITLE**

Consultant

**WORK**

**EXPERIENCE**

**(years) &**

**EDUCATION**

M.Sc systems engineering &amp; MBA

4 years in industrial engineering and 3 years in management consulting

**ROLE**

Team leader

**Please state the size and industry of the company you work for**

Industry + 1000M€

Company 255 000 employees

**Could you kindly describe the team you work in (size, your position, place in organization):**

Team leader of 2 project delivery teams:

1. 11 person team with 8 people in offshore delivery location
2. 7 person team working from 3 delivery locations

**Does your team consist of people from different nationalities / functions cross country borders? Please define:**

Yes.

For project 1: Team consists of 3 Finnish nationals and 8 people from India

For project 2: Team consists of 2 Finnish nationals, 1 person from Latvia and 4 people from Denmark

**How many days do you spend on business trips per year?**

15

**What type of training have you received targeted for leading / operating in teams?**

On the job training. Formal training on project management, estimation and control.

Profile, Director, Corporate Tax

**SEX**

Female

**TITLE**

Director, Corporate Tax

**WORK EXPERIENCE (years) & EDUCATION**

HTM, Master of Administrative Sciences, Public law; Tax law, Law & economics

10 years experience as an tax consultant at PwC and Head of Tax in Grant Thornton, Elcoteq SE and Pöyry Plc.

My role includes building up a Tax function, management of relevant tax matters, such as tax planning, design and implementation of a tax efficient operating model, legal organization re-structuring, transfer pricing, tax processes as well as tax compliance.

**ROLE**

Team leader

**Please state the size and industry of the company you work for**

7 000 employees

Website: <http://www.poyry.com>

Industry: Design, international consulting and engineering

Pöyry's net sales in 2012 were EUR 775 million and the company's shares are quoted on NASDAQ OMX Helsinki (Pöyry PLC: POY1V).

**Could you kindly describe the team you work in (size, your position, place in organization):**

Reporting to CFO and CEO

Group Tax Function is located within the Group Finance organization

As a Director, 2 people are directly reporting to me plus around 10 people reporting dotted line.

**Does your team consist of people from different nationalities / functions cross country borders? Please define:**

Direct team consists of a Finnish and a Swiss citizen. Indirect team consist of people located globally e.g. in Finland, Switzerland, Sweden, Germany, China, Brazil.

**How many days do you spend on business trips per year?**

20 (should be closer to 50-100 but currently no time to travel)

**What type of training have you received targeted for leading / operating in teams?**

None besides practical experience. Training is more or less substance related.

Profile, Project Manager

**SEX**

Male

**TITLE**

Project Manager

**WORK EXPERIENCE (years) & EDUCATION**

3 yrs. / M. Sc. Econ.

**ROLE**

Team leader

**Please state the size and industry of the company you work for**

Company size: over 10.000 employees  
Industry: Insurance

**Could you kindly describe the team you work in (size, your position, place in organization):**

5 persons. My responsibility is to manage a project. The project is between different units and other members are chosen accordingly.

**Does your team consist of people from different nationalities / functions cross country borders? Please define:**

Team includes one person with different nationality, but all members are from same country, but from different units. No cross-cultural aspect is involved.

**How many days do you spend on business trips per year?**

5

**What type of training have you received targeted for leading / operating in teams?**

- presentation skills  
- writing skills for sales / communication

Profile, General Manager

**SEX**

Male

**TITLE**

General Manager

**WORK**

**EXPERIENCE**

**(years) &**

**EDUCATION**

3 years as General Manager in Shanghai in two different Finnish logistics companies. Degree BBA, Vaasa University of Applied Sciences

**ROLE**

Team leader

**Please state the size and industry of the company you work for**

Worldwide approx 50 PAX. International freight forwarding

**Could you kindly describe the team you work in (size, your position, place in organization):**

We have various teams in various countries, in China we have 15 employees. Kazakhstan 5, Finland 20, Estonia 3. Other countries are handled by our agents.

**Does your team consist of people from different nationalities / functions cross country borders? Please define:**

Mainly Chinese, Finnish, Kazakhs, Russian, Estonian.

**How many days do you spend on business trips per year?**

150

**What type of training have you received targeted for leading / operating in teams?**

Self-learning and supervision by my superiors.

Profile, Country Manager

**SEX**

Male

**TITLE**

Country Manager

**WORK EXPERIENCE (years) & EDUCATION**

8, M.s Econ

**ROLE**

Team leader

**Please state the size and industry of the company you work for**

Export and Market Entry consulting, 8 people.

**Could you kindly describe the team you work in (size, your position, place in organization):**

Heading the country operations

**Does your team consist of people from different nationalities / functions cross country borders? Please define:**

Yes.

**How many days do you spend on business trips per year?**

50

**What type of training have you received targeted for leading / operating in teams?**

- University
- Military leadership training
- Leadership and management courses and training provided by private coaching services.

Profile, District Manager

**SEX** Male

**TITLE** District Manager

**WORK EXPERIENCE (years) & EDUCATION** 5 years & M.Sc

**ROLE** Team leader

**Please state the size and industry of the company you work for** Retail, 1.1 billion euro in revenue nation wide.

**Could you kindly describe the team you work in (size, your position, place in organization):** 78 persons, supervisor, middle management

**Does your team consist of people from different nationalities / functions cross country borders? Please define:**

Yes it does consist but everyone works in one specific area.

**How many days do you spend on business trips per year?**

Around 20 days

**What type of training have you received targeted for leading / operating in teams?**

Three different leadership courses and "hands on" training for half a year.

Profile, Development engineer

**SEX** Female

**TITLE** Development engineer

**WORK EXPERIENCE (years) & EDUCATION** Master of Science (Technology)

**ROLE** Team member

**Please state the size and industry of the company you work for** Marine and energy. 18000 employees.

**Could you kindly describe the team you work in (size, your position, place in organization):** I work in several teams at the same time, both virtual and non-virtual. This is one example of a virtual team: 10 people, I am representing my location / business line. The team consists of people from different business lines within our company.

**Does your team consist of people from different nationalities / functions cross country borders? Please define:** Yes, people from different countries in Europe.

**How many days do you spend on business trips per year?** 10

**What type of training have you received targeted for leading / operating in teams?** Project management and lean training.

Profile, Team Leader, Technical Training

<b>SEX</b>	Female
<b>TITLE</b>	Team Leader, Technical Training
<b>WORK EXPERIENCE (years) &amp; EDUCATION</b>	15+ years, MSc, Business Administration
<b>ROLE</b>	Team leader
<b>Please state the size and industry of the company you work for</b>	5000, Minerals & metals industry
<b>Could you kindly describe the team you work in (size, your position, place in organization):</b>	team leader, 6-10 product management with links to local organizations in training delivery

**Does your team consist of people from different nationalities / functions cross country borders? Please define:**

Yes: Finnish, Canadian, American, Australian

**How many days do you spend on business trips per year?**

5-10

**What type of training have you received targeted for leading / operating in teams?**

Basic training (6 days) - no specific contents in virtual teams

Profile, Researcher

**SEX**

Female

**TITLE**

Researcher

**WORK EXPERIENCE (years) & EDUCATION**

10 & PhD Candidate/ M.Sc.(Econ.)

**ROLE**

Team leader

**Please state the size and industry of the company you work for**

University of Vaasa, I don't know exactly...

**Could you kindly describe the team you work in (size, your position, place in organization):**

About 6 persons but depends on the project. Depending on the project I'm leading it or then just doing what I'm told. Teams where I work are virtual and "voluntary" i.e. no corporate "agreement" ties team members together. Therefore, I think my response as a team leader is not the optimal one but I have tried to answer some of the questions that I found relevant.

**Does your team consist of people from different nationalities / functions cross country borders? Please define:**

Yep. From different universities (USA, SWEDEN, SWITZERLAND) and people from different nationalities (Swedish, Chinese, Indian, US, Finnish)

**How many days do you spend on business trips per year?**

60

**What type of training have you received targeted for leading / operating in teams?**

Nothing

Profile, Controller

**SEX  
TITLE**

Female  
Controller

**WORK EXPERIENCE (years) &  
EDUCATION**

M.Sc. Economics and Business Administration;  
CEMS Master in International Management; 3 years  
in Accounting/Controlling; Previously in  
Communications, Sales etc

**ROLE**

Team member

**Please state the size and industry  
of the company you work for**

Pulp, paper and packaging. Large multinational  
company.

**Could you kindly describe the  
team you work in (size, your  
position, place in organization):**

10 people, Accounting and Reporting team,  
Controller

**Does your team consist of people  
from different nationalities /  
functions cross country borders?  
Please define:**

Yes, we have 2 people working permanently in a  
different country. We also have frequent travelers in  
our team.

**How many days do you spend on  
business trips per year?**

20

**What type of training have you  
received targeted for leading /  
operating in teams?**

The CEMS MIM master's degree had specific  
courses on working in multinational teams.

Profile, HR Specialist

**SEX  
TITLE**

Female  
HR Specialist

**WORK  
EXPERIENCE  
(years) &  
EDUCATION**

MSc, Organizations and Management 2009

**ROLE**

Team member

**Please state the  
size and industry  
of the company  
you work for**

5000 employees, mining industry

**Could you kindly  
describe the team  
you work in (size,  
your position,  
place in  
organization):**

Officially I have a team of five people, two of them are in matrix positions and report to other teams as well. In addition we have currently a summer trainee in the team, also in a matrix position.

I work in the global organization in corporate functions (HR).

Also, now here in Sydney I'm part of the team here, even though I don't officially report to the manager. We have team members in 3 locations, both in specialized HR and in generalist roles.

**Does your team  
consist of people  
from different  
nationalities /  
functions cross  
country borders?  
Please define:**

I (Finnish) am currently located in Sydney, Australia, our team leader (Finnish) is located in Abu Dhabi but will be moving to Shanghai in September. Other team members (Finnish x2 and Indian) are located in the head office in Espoo, Finland. But because many of us have matrix positions across functions, we don't all sit together even when in Espoo.

In Australia the team members are (apart from me) local, but do have their background in Asia and Europe, just have lived here for several years. We have team members in Sydney, Perth and Melbourne, which means there's also time difference.

**How many days do  
you spend on  
business trips per  
year?**

Currently I'm in Sydney for 6 months, in addition to that couple of interstate trips here (10-20 days).

**What type of  
training have you  
received targeted  
for leading /  
operating in  
teams?**

Well, my education was highly related to this topic, and I have a natural tendency to read and learn more about the topic. I haven't participated in any other official training, but been studying myself and discussed with some experts in the area.

**SEX** Female

**TITLE** Marketing Communications specialist

**WORK EXPERIENCE (years) & EDUCATION** Masters degree in International Marketing 2010  
bachelors degree in International business 2003  
7,5 years in marketing in global process / mining industry  
2 years in national educational sector

**ROLE** Team member

**Please state the size and industry of the company you work for** 5000, technology - mining, metals, process

**Could you kindly describe the team you work in (size, your position, place in organization):** Small marketing team in Finland - colleagues in market areas across globe. Work closely with 7 product lines globally interacting - serving 50 people daily

**Does your team consist of people from different nationalities / functions cross country borders?** yes - global team

**Please define:**

**How many days do you spend on business trips per year?** 150

**What type of training have you received targeted for leading / operating in teams?** none

Profile, Strategic Purchaser

**SEX** Male

**TITLE** Strategic Purchaser

**WORK EXPERIENCE (years) & EDUCATION** Purchase experience 2,5 years (operative & strategic purchaser).  
Education MBA, main subject strategic management.

**ROLE** Team member

**Please state the size and industry of the company you work for**

Company I work for is Wärtsilä, that is marine industry's leading solutions and services provider. Wärtsilä has approx. 20 000 employees.

**Could you kindly describe the team you work in (size, your position, place in organization):**

My team consists of nine strategic purchasers (I am one of these) and a team leader that is responsible for team performance.

**Does your team consist of people from different nationalities / functions cross country borders? Please define:**

Yes, we have six SP here in Finland and three SP is located in Norway so we work as a cross-functional virtual team that has integrated all daily working processes.

**How many days do you spend on business trips per year?**

20-30

**What type of training have you received targeted for leading / operating in teams?**

I have received training that supports developing in my work, such as legal training, negotiation strategy training, technical training regarding Wärtsilä & Wärtsilä supplier's products.

Profile, Client Service Manager

**SEX**

Male

**TITLE**

Client Service Manager

**WORK EXPERIENCE (years) & EDUCATION**

3 years, Msc. Business

**ROLE**

Team leader

**Please state the size and industry of the company you work for**

Marketing communications, locally 100 employees and a turnover of 170 millions euros, globally 5 billions dollars and over 100 offices.

**Could you kindly describe the team you work in (size, your position, place in organization):**

I lead client teams. Each client has a specific team assigned for their disposal. A client team has anything from 2 to 8 members. Client Managers report to Client Directors who then again are 'contract owners'. Client Managers are in charge of daily operations and yearly media strategy.

**Does your team consist of people from different nationalities / functions cross country borders? Please define:**

We work on a Nordic level. We have people from Fin, Swe, Nor, DK.

**How many days do you spend on business trips per year?**

20

**What type of training have you received targeted for leading / operating in teams?**

6 month training from Trainers House.

## **5. FINDINGS**

In this chapter I will go through the findings based on the performed surveys, relying on the respondents' direct answers. Aspects and qualities to be discussed were chosen based on contemporary theory and existing literature on the subject of leading virtual teams. Even though many of these issues and matters investigated relate to both conventional and virtual teams, I chose these specific themes based on the heightened role that the virtual environment sets to these challenges.

I decided to divide the findings in to two categories, where there the first group reflects aspects, matters and issues a good virtual team leader has to take into account and the second category focuses on traits and qualities a successful leader carries him/herself. Roughly described, the first half focuses on leadership actions and the second half on the personality of the leader. As some respondents represent team leaders and some team members, the answers vary from issues already experienced to theoretical self – reflection and hypotheses.

As anonymity of the respondents was a conscious choice for this study, I have chosen to refer to all people with their title only. Therefore, instead of names, the reader will find only real positions and titles as reference to the following comments.

## 5.1 Aspects of a Successful Virtual Team Leader

### 5.1.1. Roles, Responsibilities and Tasks

Bell & Kozlowski (2002) and Lee-Kelley & Sankey (2007) both stress the importance of clarity in workflow and necessity of structure in leading virtual teamwork. The survey findings show that team members expect responsibility and opportunities from the leader, leveraged to match their own qualification and skillset and value a proactive dialogue with involved team members (VP Business Development, Project Director, Controller). Trust is thought to be one of the most critical issues when managing responsibilities and daily workflow.

*“Start with trust. As leader you need to signal you trust your employees to deliver the results independently. Important to set clear targets what is expected of them and follow up in mid-year, end-year reviews from both business and personal point of view.”*

*-Commercial Manager*

Clarity in task distribution prevents double work (HR Specialist), and a goal setting provides motivation (Project Manager).

*“When the team is virtual and can't easily check what the others are doing all the time, it's very important that roles and responsibilities are clear. They need to be agreed on so that each team member is aware of them to minimize confusion and double work.”*

*– HR Specialist*

Clear deadlines, trust and responsibility areas are respected (Client Service Manager, Commercial Manager, Strategic Purchaser) and an equal workload is desirable among team members (Marketing Communications Specialist).

*“The right balance depends on a number of parameters, including how much coaching I (or another experienced team member) can provide, time pressure (under tight timelines or mission-critical projects tendency is to leverage existing skill sets more), etc. Having a proactive dialogue with team regarding what capabilities they want/need to work on will definitely help make more informed assignments. “*

*- VP Business Development*

When conducting meetings, team leaders should always follow a clear agenda with preset action points and a reasonable schedule (Commercial Manager 2). Director, Corporate Tax highlights the importance of openness among team members and General Manager and Country Manager add that it is vital for success to ensure that all team members have understood what is expected of them and how they should perform their tasks. The whole process of task and role assignment begins with need recognition; need analysis and then understanding what is needed to complete the task at hand.

(District Manager) Finally it is essential to agree who will deliver the final outcome.

(Researcher)

*“I think the most important thing is to agree on the responsibilities before launching a project (i.e. who does what and what are the schedules). Also clearly state who is responsible of delivering the final outcome so that the leadership role is clear to all. “*

-Researcher

#### 5.1.2. Motivation, Goal Setting and Rewarding

Kayworth & Leidner (2002) and Kirkman (2002) agree in their research that projections of empathy, understanding and feedback from the leader are vital for team success and Kari confirms this by stating that a feeling of working for common goals and common good enhances the performance of team members. According to Researcher, additional feedback among project phases increases motivation and Training Manager highlights that it is beneficial to give credit to the ones that deserve it, so that glory belongs to the ones who have done the hard work and not for those who appear to the limelight during launch.

Commercial Manager and VP Business Development additionally point out that monetary compensation is rarely the most rewarding form of feedback, but there is no

one best solution because feelings of content are personally experienced. They feel that recognition commonly is forceful. HR Specialist confirms this by stating that a public “thank you” is always efficient.

*“A key realization for motivating people is, one size does not fit all. Tailor rewards to an individual's preferences (e.g., mix of base comp, performance bonuses, equity/options, vacation time, opportunity to work remotely/part-time, etc.). Little gestures, like thanking people for good work, taking a team out for dinner following a tough period, etc. also go a long way. Where goals are tied to compensation, it is critical to make sure they are set realistically (neither too low nor too high), can be measured accurately & objectively, and are within the individual's control. “*

*-VP Business Development*

Commercial Manager 2 and Client Manager on the other hand point out, that even negative feedback might be motivational, if distributed with grace. District Manager offers a fresh view on compensating good work, as he states that he believes in motivational surprises.

### 5.1.3. Tasks, Routines and Project Schedules

Bell & Kozlowski (2002) agree that the most important focus area for a virtual team leader is process fluency and overall team performance monitoring through mundane

actions. VP Business Development, Strategic Purchaser and Client Manager vouch for transparency and consideration and Project Director believes in supporting the junior team members with their development during routine tasks. HR Specialist stresses the importance of “tone of voice” while performing routine tasks via electronic channels and she believes that excessive formality might hinder relationship building at times. Controller reminds of the importance of social channel usage for informal agenda as well, as she believes the leader feels more present and interactive if informal communication occurs during the day as well. The overall opinion of the respondents is to rather overuse all possible information distribution channels, instead of sitting on information or distributing too scarce instructions.

*“Should spend more time ensuring that we have the same basic understanding of what we are targeting to do. Especially in virtual set-up. Rather too much information than too little. Have to help the virtual team members communicate easily about the work in their real environment with good communication material. “*

*-Training Manager*

#### 5.1.4. Communication, Information Flow and Building Trust

Kirkman et. al (2004) found out during their research that empowering teams and distributing excessive trust among team members results in efficiency and added satisfaction among team members. Cultural differences are visible in the answers to this question, as General Manager, who works in Asia, believes in daily follow up instead of added freedom. Consultant backs up this, stating that international teams cannot be left

alone for a single day, and a follow up-call is vital once a day. Opposedly, Training Manager and Commercial Manager advise the leader to leave the team alone and give supporting by making yourself available during problematic situations. Project Manager concludes that the level of empowerment and independence granted should rely also on the preferences of the team members.

*“It is up to the manager to recognize different types of team members: members who are self driven should be granted space and results expected on weekly or monthly meetings. Then members who need more guidance should be able to get support from the manager/project coordinator. “*

*-Project Manager*

VP Business Development warns about not putting too much pressure on team members and District Manager has a method for building trust by sharing “secret” information with subordinates and involving them this way to strategy work.

*“Give your sub-ordinates a little bit of that information that you get from your supervisor, which is basically meant for your eyes only, this builds trust and motivates your subordinates. When it comes to schedules...my style is to be well ahead of my time schedule, this gives you time to react when problems and surprises occur.”*

*-District Manager*

Controller advises about the dangers of cliques, that might distribute wrongful information or hinder trust development and encourages a team leader to take actions if such a problem occurs.

#### 5.1.5. Strategy Work, Development Tasks and Consulting

Vakola & Wilson (2004) state that involving team members in strategic decisions and not overlooking the human element during interaction significantly enhances the effectiveness and experienced happiness of team members.

*“These should be taken into discussion during a project. This is something that the manager/coordinator needs to bring up and urge the members to tell their point of views. If there are issues that need to be changed it is up to the manager to execute changes. “*

*-Project Manager*

According to VP Business Development, common strategic tools (SWOT, Five Forces), etc. ease the collaboration of a team when performing strategic work, but Marketing Communications Specialist brings up the constant lack of time and resource, which typically kills strategy work. Controller and Client Manager confirm this by adding that strategy work always should have a clear deadline and goal setting set by the team leader, otherwise it will never happen.

*“What do you want to achieve? What do you want people to consider? Brief in advance. Be specific and clear. “*

*-Client Manager*

Commercial Manager stresses that strategy planning and implementation requires rich communication channels and should never be done via email or telephone. General Manager agrees by proposing that interactive strategy work should be conducted once or twice a year, in the form of a face-to-face meeting.

#### 5.1.6. Leading via Technology and Distance

Klitmøller & Lauring (2013) speak in their research about the importance of choosing suitable media for different communication purposes. Nearly all of the respondents stress the necessity of functional, reliable and easy to use tools that mediate communication when face-time is not possible.

*“Technology --> makes sure that the technology works. Nothing is more irritating than having a virtual meeting and not hearing / seeing the presentations properly.*

*Keys to success: good virtual meeting tools!”*

*-Development Engineer*

Most use intranets, videoconferencing electronic whiteboards, chats, Skype and various instant messaging solutions.

*“There are possibilities to share your screen, have conference calls, and share emails. So it is not so difficult to work with distance. However, it is good to start a project with a face-to-face meeting in order to get some personal connection. When things get stuck you need to visit the project members face-to-face. “*

*-Commercial Manager 2*

District Manager declares that use of up to date technology should be a top priority of the management, Training Manager points out that time difference poses problems at times and Controller agrees that tools have no use if no one is online, as people should commit more to the use of new digital channels. HR Specialist points out that especially team leaders should be committed to mastering this technology and developing alternative channels for communication. Project Director feels that despite all efforts to use rich communication media, all team members should meet face-to-face at least once and take great care that no member of the team feels left out, isolated or detached due to different or location based treatment from the leader.

*“It’s very common to "forget" people who are not located in same country / building with you. Very important to inform everyone in the team same timing of everything important and also socially keep everyone "in the loop" so no one feels left out. “*

*-Commercial Manager*

#### 5.1.7. Change Management and Stress

Vakola & Wilson (2004) state that organizational change needs to take place on three levels in order to go through. Strategic purchaser refers to the importance of leading change towards company strategy and Project Director reminds of the importance of team member involvement during times of stress and change. VP Business Development believes in honesty during difficult times, as he feels that avoiding talk of unpleasant issues as a leader just creates more rumors and speculation in the organization. Consultant & Project Manager say that for a team leader the key among change is staying positive and projecting trust and hope toward the team, as feelings impact the surrounding team members and a positive approach might help reduce the stress of other team members.

*“Key is to stay positive! I feel the leader has a strong influence on this, his/her attitude towards change and stress will surely impact the whole team. As a team we try to act our best in the stressful situation, and then take the time to relax and recognize the efforts afterwards. When you know that will happen, that the stress will "have its prize", it's much nicer to push yourself forward. “*

*-HR Specialist*

Director, Corporate Tax includes the responsibility of the company CEO and communications department when major changes take place, according to her not all efforts have to be handled alone by team leaders. Stress handling can also be trained, both by the team leader and team members. Committing to training before problems arise is a recommendation from Development Engineer.

### 5.1.8. Conflict, Chemistry and Underperformance Management

Dekker et al (2004) talk about the significance of “cross-cultural capital”. This refers to sensitivity towards diversity and respect towards potential chemistry problems or conflict issues. Development engineer recommends both private and common discussions during problematic times and reminds about the importance of regular feedback- both positive and negative. District Manager states that a sharp leader is able to spot potential underperformance before it has time to take place and he proposes on quick actions before problems arise to full extent.

*“A good leader can spot underperformance before it occurs. Chemistry problems can be avoided by reacting in time but sometimes it's hard because it's hard to know everyone so well. ”*

*-District Manager*

Project Manager warns about potential personality disruptions and admits that such personality disorders are extremely difficult to deal with. Controller stresses that any problem brought up to the team leader should be taken seriously. Belittling the problems faced by an employee eats up the trust between the leader and subordinate and additional problems arise.

*“Management of a good working atmosphere is number 1 on each supervisor's TO DO list. The people who feel there is a conflict are taken seriously. The conflict is taken through to resolution, top management is involved. People are listened to; there are*

*anonymous ways to report conflicts; supervisors do not take anyone's side and listens to everyone fairly. The matter is not left unresolved. This is extremely important, as what goes around, comes around.”*

*-Controller*

VP Business Development suggests that if problems do not disappear after the root cause is discovered, it sometimes helps to bring in a 3<sup>rd</sup> party mediator. If this does not help, maybe a change in tasks or team composition might help.

*“It is good to make compromises in some issues. When it is a bigger issue it needs to be escalated to higher management. Chemistry problems should not be let to impact work. Underperformance often comes from the fact that objectives are not clear. If underperformance continues, one can offer support. If it still continues, the person might not be right for the role / task. “*

*-Commercial Manager 2*

#### 5.1.9. Team Spirit, Development and Learning

Kirkman et al. (2002) talk about the importance of fostering inclusiveness and involvement, selection of team members and assessment and development of team members. Project Director sums up that people inside a team have no need to be friends, but it is a leader's responsibility to see that they do not become enemies.

*“Open discussion, no need to be friends but enemies is not allowed. Teams success is important, but also individuals are celebrated. Mistakes, failures are great learning opportunities. Encourage team members to work together to learn from each other. “*

*-Project Director*

Open discussion and common celebration of achievements helps build team spirit according to HR Specialist and many respondents, Commercial Manager among them, agree that informal gatherings and reward trips boost a feeling of belonging and help team members to get to know each other. General Manager states that the team ambience is the leader's responsibility from the start and he/she needs to start working on these issues immediately when receiving such a role as a team head. Feedback is highlighted once again, as working in a team is, well, teamwork and what your peers think of you matters during every single day and common task.

*“It is important to give credit and to highlight the members who exceed expectations. Also credit needs to be given to all who achieves their goals. But giving some extra to members who exceed can be a motivation for others to try to do that as well. “*

*-Project Manager*

## **5.2. Makings and Self-perceptions of an Effective Virtual Team Leader**

### 5.2.1. Important Features of a Virtual Team Leader

Communication skills have been highlighted throughout this thesis, both in written theory, empirical research and in the study conducted for this paper. Nearly all respondents chose to mention communication as one of the main attributes that defines a successful team leader. Being virtually present somehow and willing to help, non-dependent of media chosen, came in as second most common feature among the responses received for this study.

*“Being virtually present. Being able to delegate correct tasks to right people. Being active and giving feedback (positive and negative) right away. “*

*-General Manager*

*“Being present and available. Prompt responding to any inquiries. Keeping the team up to date on new projects and internal development. “*

*-Director, Corporate Tax*

Cultural sensitivity was mentioned as well (Development Engineer), as was the importance of integrity and honesty (Commercial Manager) and drive for success (Consultant). District Manager and Consultant highlighted the importance of time management and organizing skills and Project Director concludes that a good virtual leader is able to develop and implement a shared vision about the team's goals for all to follow.

*“Ability to create the sense of shared vision about the team's goals. Align the goals of the team. Ability to communicate individual roles, responsibilities and goals effectively. Build trust, and some 'shared' reporting procedures, communication forums. “*

*-Project Director*

### 5.2.2. Attitudes, Attributes and Assumptions to Avoid

Lack of communication skills, denying or ignoring the challenges distance might pose problems (Development Engineer), leaving team members with too big responsibilities (General Manager), unclarity in tasks or goals and “taking without giving back” or empty promises (Project Manager, Training Manager) came up as negative attributes of virtual leaders. Surrendering to the lack of physical proximity, without opting to arrange some casual face time occasionally and keep in touch informally is listed as a form bad judgment.

*“The biggest issue is the lack of "casual face time" and you should have a clear plan how to tackle it. For instance, if you can't meet your people on a weekly basis "casually" over a cup of coffee etc, you should arrange an in-depth casual session, i.e. go to Lapland for a long weekend and drink until you drop. Another way is just to have casual phone calls without business agenda. “*

*-Country Manager*

Not taking cultural differences seriously and micromanaging was considered dangerous and unfair (Commercial Manager, Project Director). It was clearly declared, that assuming things leads to problems quickly.

*“Assumption. It is the mother of all f\*\*\* ups. Never assume, never take things for granted. Managing virtual teams is purely about communication and strict rigorous tracking of progression against tasks and rapid issue resolution. “*

*-Consultant*

Finally, not being interested in your team members' development, actions or wellbeing was the ultimate mistake for any virtual leader. No matter how the team is composed, where it is positioned and what nationalities or cultural backgrounds it represents, they are made up of individual people, who require having their needs taken care of and function as a team only if they are first happy as individuals. (Country Manager)

## **6. DISCUSSION AND DEVELOPMENT IDEAS**

### **6.1. Implications for Practice**

If I were in a position to give advice to any current or future virtual team leaders, I would ask them to focus their attention on fostering integrity, transparency, flexibility and empathy. In today's fast paced business environment and virtual setting where almost all communication is recorded and monitored somehow, it is up to leader's own morale and sensibility to take care of ethical actions both on a personal and business-related level. Kept promises, equal and just treatment of team members and openness of communication are key issues in any type of team, but seem to be of utmost importance especially when operating in a global, virtual environment.

Transparency of the leader in both team actions and leadership methods helps all participants understand what is desired of them and why they are doing it in the first place. The old "Taj-Mahal" leadership folktale of carrying rocks just for the need of it versus carrying rocks in order to build the most beautiful building in the world has an impact right here. In order for the team members not to feel detached in the virtual setting, they need to be served with a purpose for action and clear goals, along with sufficient rewards.

Flexibility issues relate to the duality of fairness expected in virtual teams, as it is not clever for companies and their leaders to abuse the new technology systems that allow to reach anyone, any time, for any issue. Taking and expecting without giving back has short tracks in terms of sensibility, if virtual team members grow tired of being milked dry without receiving any thanks for their struggle. Therefore I suggest the flexibility-matters to be offered both ways, also from the company towards the employee. This way mutual benefit is gained and commitment levels rise due to just treatment and sense of trust and satisfaction.

Last but not least, the importance of the leader's projections of empathy and understanding has received my attention when reading through the survey results. Contrary to the past philosophies of leading with authoritarian methods, most successful leaders now choose to gain respect by leading with example. This is particularly useful in virtual teams, as the hierarchical boundaries are typically low to begin with and if no contact among the leader or member is ever established on a slightly more personal level, chances are that the employee will never contribute enough for the team because it is relatively easy to hide in a virtual environment. My study shows that the more motivated and committed an employee is, the more effectiveness and clear benefit for the organization is gained. Therefore, as we all are humans, treating your colleagues, subordinates and superiors in a respectful and warm manner rarely projects into anything bad.

## **6.2. Implications for Research**

Having gone through a large selection of material on virtual teams and leadership methods for dealing with distributed teams, I find the existing scientific offering and theory base very similar to the data found in my own research.

Empirical data previously found (see Figure 8) on the subject is relatively shallow and focuses mostly on found general problem points and not so much on structures of teams or the leadership aspect of virtuality. Most virtual teams are compared to conventional teams, and not investigated as separate entities.

Based on the theoretical frames discovered and empirical evidence uncovered, answers to my research questions, that focus on the aspects that a virtual leader needs to take into account and the qualities he/she needs to possess in order to succeed, revolve based on similar themes. The necessity of clarity of processes and communication come up repeatedly and mentions of building trust, motivation, and fostering team spirit and sense of belonging pop up several times in the material read for this study. What bothers me the most about the existing empirical data base, is that a large portion of these studies seem to have been conducted in make believe-laboratory settings and/or performed within student teams or purposely built inexistent teams, instead of authentic and fully functional ones.

Based on this, I suggest that themed along with the literature and survey results covered in this study, further research would be conducted on the basis of trying to find out how cultural, age and experience based or gender based attributes would determine such results. My interviewees were genuine team members and team leaders in 2013, who work in an existing and functional virtual team, but I didn't investigate the dependence of those qualities compared to the gathered results.

Most of the literature used for this thesis was written in the beginning of the 21<sup>st</sup> century, when researching virtual teams and their leadership was just an emerging topic. Companies that used virtual teams in their organizations were not yet that common at the times and because dispersed ways of working were new, problems encountered in the transformation process seemed self evident and minor due to the massive change in structure and methods. Nowadays, much importance is laid on the cultural diversity occurring in virtual teams, but less significance is directed on evaluating the impact of differences in organizational structures.

The articles and books read for this study were somewhat based on a checklist mentality and managerial to-do type of advice, but lacked the ratio of what really is strategically important to focus on and how the balance between a happy team leader and content team members is found.

## 7. CONCLUSIONS

Virtual teams, no matter how tricky to lead or hard to define, are here to stay. Organizations worldwide slowly convert into networks, structural boundaries begin to fall and the development of technology is able to provide us with increasingly sophisticated tools and programs for conducting remote work. Virtual teams are able to accommodate us with diverse knowledge in a larger and faster context than regular teams before, and geographical, cultural or time based dispersion is no longer a hinder for efficiency, but a catalyst for it. (Hackman 2002:130-132).

The new, virtual type of working is changing our perception of organizational development and the economy, and countless new possibilities are suddenly arising due to the disappearance of structural limitations that concern virtual teams. Leadership challenges on the other hand are bigger than before, as these teams change the way that people interact and notably affect the cultural ambience of the organization in question. (Cleland 1996: 286).

Culturally diverse, geographically separated teams are not necessarily dysfunctional without concentrated leadership efforts as Stahl et al (2009) point out, proving in their study that cultural diversity can be an asset and team members experienced overall higher satisfaction and communication effectiveness in such teams. On the other hand, Kerber & Buono (2004) prove in their research that locality hinders the development

and impartial behavior in virtual teams, as casual face-to-face encounters strengthen the option of favoring local incentives first.

While virtual teams might be more independent in their activities and require less daily discipline in the form of managerial actions, they still possess the same main needs of any type of regular team. These needs need to be tended to by the team leader and the scattered environment poses additional challenges for building trust, enabling efficient communication, clear workflow and a motivational setting. (Hackman 130-132, Wardell 1998) Vakola & Wilson (2004) stress in their study, that even though efficient virtual team leaders can master communication technology and the use of electronic media, the human element and importance of real flesh and blood interaction should not be overlooked.

“Walking before you run”, which means being able to effectively lead a regular team before settling to a virtual context, is a given condition before rushing in to virtual team leadership. “Lighting a fire in the belly” of team members is essential for ensuring that the team members find purpose for what they are trying to accomplish and establish a passion for nailing results within the team. It has been said that assumptions lead you on thin ice and clarity in communication saves lives, so communication to the fullest is one of the best strategies one could offer for any team leader- virtual or regular. Compensation management, conflict management and mastering the art of giving and receiving feedback are vital when building a content team and it never hurts to walk the talk and live up to your own expectations and examples. Some lessons have already been learned, some are still on the way, but successful leadership of virtual teams or

researching them is without doubt tempting and an art yet unfinished (Hackman 130-132, Wardell 1998)

## 7.1. Summary of Aspects and Qualities

In following tables I have compared the theoretical base explored to the real life responses of my online survey respondents based on both research questions of this study, first focusing on the leadership point of view and the concentrating on the leader as a person.

*Table 7: Summary of Aspects*

<b>Theory and previous findings RQ 1</b>	<b>Empirical findings of this study RQ 1</b>
Focus on virtual team development, performance management, fluent communication	Fluent communication experienced vital by both team leaders and members of teams. Members experienced need of development possibilities for motivation.
Virtual teams are similar to conventional teams and share the same needs, but need formal processes and clarity in structure	Clarity was key, experienced by both parties. Clear responsibilities and structure in workflow is a desire of both leaders and members.
Management agenda, creeping requirements, process asymmetry & unclarity, overcommunication	No problems of overcommunication were mentioned, neither creeping requirements. Asymmetries found related mainly to scheduling and not processes.
The richer the communication media, the stronger influence on team members	No mentions on this, the only desire of the respondents was to choose an electronic media or platform that actually

Projections of empathy and understanding need to be visible for team members	works and does not create disruption or excessive stress due to usability issues.  Fairness and understanding were mentioned, but empathy projection was not mentioned as a singular focus area.
Clarified team roles and goals needed, efficient communication, feeling of interdependence	Hugely important based on the replies, clarity was one the most frequently mentioned target areas by both parties. Feelings of interdependence were mentioned by members only, leaders did not comment on this.
Sensitivity in intercultural communication is necessary, local inter-unit mediators might help	Relatively little mentions on cultural aspects of life in virtual teams, seems all respondents were satisfied on the matter and took certain sensitivity for granted
In addition to Hofstede's known dimensions, a new aspect of "respectfulness" should be considered	No mention
Successful team empowerment has a stronger effect on team achievement the less they share face-time together.	No mention
Focus on team performance and motivation, diversity can be an asset. Need for keeping an open, humble mind.	Desired focus was suggested more to the direction of communication and clarity. Motivation was considered relevant, but no a top of the list-issue.
Diversity hinders convergence and triggers divergence, but at times increases team satisfaction and boosts communication as extra efforts are taken	No mention
Focus on information sharing, suitable organizational culture implementation and strong teamwork	Very important according to both leaders and members, oversharing was preferred as an option if chosen over sitting on information and formal boundaries

Building trust, overcoming process loss, fostering inclusiveness and involvement, selection of team members and assessment and development of team members

Hugely important from the point of view of all respondents. Virtual teams don't function without great levels of trust.

*Table 8: Summary of Qualities*

### **Theory and previous findings RQ 2**

Ability for distribution and collaboration, structured clear approach, proactivity, technological knowledge and cultural sensitivity.

Selection of leadership style defines success. Leader needs to be able to keep up personal relations with team members

A successful leader of a virtual project needs to have a defined strategy in place in order to overcome the challenges of working virtually.

Ability to understand which leadership strategy to execute and which media to use for different types of communication.

Mentoring qualities are respected and clarity and natural authority and execution skills are considered vital

Ability to create motivation, trust, team spirit and good abilities for knowledge management and sharing

Ability to navigate with tact within

### **Empirical findings of this study RQ 2**

Distribution of information and ability to perform well with technological devices was a strong target for leaders and a wish concerning them from members as well

Importance of personal relations and informal communication was a desire from team members, leaders rarely commented on this.

No mention, which I consider a bit odd. Seems that virtual teams are still run on a touch and go-basis, without even a desire for trying to create a strategic approach

Again, no mention of strategies as a whole and no hopes or wishes detected concerning leadership philosophies. Media used did not matter as long as the message came through.

Surprisingly few comments found on this, mentoring was mentioned but authority was probable considered as a given

One of the most important qualities and traits as experienced both by leaders and members

No mention, probably though to be self-

language barriers and cultural differences	evident for any leader
Engagement and commitment to activities that help to understand and explore cultural diversity among team members	No mention
Ability to inspect the degree of virtuality in a team and act accordingly concerning encouragement, empowerment, face-to-face meetings and power transfer	One mention of empowering the team according to the team's competences and tolerance.

Research conducted in this thesis shows that when dealing with a virtual setting, remote teams can at best offer flexibility for the whole organization and offer access to the best talent and expertise available for each case. Findings and the responses of the contacted virtual team leaders and team members show that savings of time and money are reached, team members can enjoy added freedom and autonomy and diverse cultural settings can have a surprisingly positive effect on employees' experienced satisfaction.

Work efficiency grows through team member empowerment and the ability to operate in shifts due to different time zones means better reactivity to markets and customer needs. In a virtual environment most data is recorded by some means, which adds structure, responsibility and credibility for work conducted and offers better basis for task delegation. Communication skills develop also on the way, as more attention needs to be paid on clarity and prompt manner of operating in order to perform daily tasks.

On the negative side, creativity, team spirit and cohesion are tricky to maintain when team members are scattered around in different locations. Feelings of detachment appear, risks increase, problems and frustrations might arise after being hidden first. Linguistic challenges evolve easily when team members do not operate with their own most proficient language and information often travels slower to remote locations compared to head offices or other hubs, creating inequality among colleagues.

Motivating colleagues or subordinates via distance requires new ways of coming through and not being able to show in practice how things are done hinders the pace of learning. Being apart from the rest of the team requires discipline and planning and reduces the option for ad hoc solutions and improvising on the spot. Freeriders tend to often appear when control and regulations loosen up and trust is easily lost or never built to begin with. Relationship building is difficult without common casual encounters and using personal relations to achieve desired goals requires additional efforts. Based on all material assessed for this study, the lack of sufficient face time poses the greatest challenge for the virtual leader of 2013.

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## **10. APPENDIX**

### Appendix 1: Online survey questions

**NAME:**

**SEX:**

**TITLE:**

**WORK EXPERIENCE (years) & EDUCATION:**

**ROLE:**

**Please state the size and industry of the company you work for:**

**Could you kindly describe the team you work in (size, your position, place in organization):**

**Does your team consist of people from different nationalities / functions cross country borders? Please define:**

**How many days do you spend on business trips per year?**

**What type of training have you received targeted for leading / operating in teams?**

**1. Assigning roles, responsibilities and tasks:**

**2. Motivation, goal setting and rewarding:**

**3. Managing the team's everyday tasks, routines and project schedules:**

**4. Communication, information flow and building trust:**

**5. Strategy work, internal development tasks and consulting with the team members on these issues:**

**6. Management via distance, technology used for virtual management and support from organization:**

**7. Change management and stressful situations:**

**8. Conflict management, chemistry problems and managing underperformance:**

**9. Team spirit, team member development and learning:**

**10. In your opinion, what are the most important features of a good team leader:**

**11. In your opinion, what are the most dangerous pitfalls for a virtual team leader and what are the common mistakes to avoid?**

**12. What are the pros and cons of working in a virtual team?**