

Organizational Behaviour-II
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Lecture-55
Factors of Success, Advantages and Disadvantages of Virtual Teams

Welcome to lecture 5, which is the last lecture of this module and in previous lecture, we discussed about the development stages of the virtual teams and also we discussed about the lifecycle of the virtual team. In today's lecture, we are going to discuss about some of the factors that are going to make the virtual teams beam successful and we are also going to discuss about advantages and disadvantages of the virtual teams.

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So, let us get into the lecture to understand what are the factors which are going to make the virtual teams successful?

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Critical Success Factors of Virtual Teams

Morley et al. has proposed some critical factors that attribute to the success of virtual teams. These are as follows:

Organizational structure
The successfulness of virtual teams required the structural support of the organisation including-

- human resource policies to recognize, support, and reward virtual team members and leaders; → Motivate / Reward
- training—both during the initiation of a virtual team and also on a continuous basis;
- a receptive organizational culture and
- continued management support

So, there are some of the critical factors that actually always attribute for the success of the virtual team. So, let us discuss in detail. First is an organizational structure. So, any virtual teams for successful it is primarily driven by the structural support of organization's provide. Now, it includes, talking about human resource policies, human resource policy with respect to recognizing somebody's contribution in a virtual team providing the necessary support.

In necessary support meaning that providing the number of required people to effectively carry out a task, rewarding the virtual team members and leaders, this is very important, because, when you talk about human resource practices, unless otherwise, you do not actually reward the best efforts or the performances of the virtual team members, it will be very difficult for us to motivate or expect the similar behaviour, repeat of the behaviour is important.

So, I have to do this, yes, you have to provide necessary support in terms of providing rewards or incentives or recognition, then, next important support is going to come from the organization is perfect the training. So, the training is essential, it is in the beginning of the program or maybe beginning when you create the trainer team, yes, you have to provide necessary training to the virtual team.

So, that they will be able to know, they are effectively collaborate and work and also provide a continuous support basis, because maybe some changes are happening or some development is

happening and some new products or a new changes has to be made, service been rendered. So, it is very important that this organization provides a continuous training not only at the beginning of team development; it is also to provide a continuous support, then provide a receptive an organization culture.

So, organization culture should be receptive in nature, it should not be a very rigid in the sense that we do not appreciate some development of some practices within the virtual team. So, the culture has to be in a way that it should be receptive and there should be continued management support. Unless otherwise an organization which promotes or provide a continuous management support; it will be very difficult for you to have an effective virtual team.

So, from the organizational support perspective, yes, from the human resource perspective, and in terms of a training in terms of very collegial or conducive organization culture and also providing continuous management support. These are very important for creation of a successful virtual team.

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The slide is titled "Critical Success Factors of Virtual Teams" and is divided into two main sections. The top section, "Team processes and the virtual environment", discusses the need to establish a supportive environment for virtual teams. The bottom section lists two key factors: providing interaction opportunities and providing an integrated service. A video inset in the bottom right shows a man speaking. The slide also features a network diagram of social media icons and logos at the top right and the NPTEL logo at the bottom left.

Critical Success Factors of Virtual Teams

Team processes and the virtual environment

The establishing an environment that can successfully support and requirement of virtual teams including:

- providing opportunities for interaction that can substitute for those experienced in a traditional team setting; providing visibility for team members on each other's activities, availability and work progress; providing support to different modes of work; and
- providing an environment that operates as an integrated service, as it supports many people engaged in critical activities

Second is, team process and virtual environment. So, establishing an environment that will actually successfully support the requirements of the virtual team, because you are talking about providing the opportunities for the interactions, that is very important, because, why we are

talking about it, yes, we are creating a virtual team, we are actually moving away from the traditional team settings. So, you need to actually create more opportunities for the interaction.

So, that this team will perform as better as the traditional work teams we are talking about, they are now providing the creating an environment that provides and operates in an integrated service, it supports people to engage in a critical activities. So, you have to create a team process in a virtual environment that actually enables a more interactions between the people, appreciate these interactions and that will also facilitate more interactions and more collaborations eventually that will result in a successful performance.

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The slide is titled "Critical Success Factors of Virtual Teams" and features a yellow box for the "People" section. The text in the box states: "A consideration of the interaction of personnel that comprise the virtual team and the virtual team's support system is also essential for success. Trust, for example, has been found to be crucial in virtual teams, as many tasks are carried out independently and team members must rely on each other's expertise to carry out these tasks successfully." The slide also includes an image of a world map with silhouettes of people, a small video inset of a speaker, and the NITEL logo at the bottom left.

Then comes people when we talk about a people, yes, it is very important that you have to provide necessary adequate people support we are talking about the personal worries, inclusion of the team member in a virtual team, so organization is to provide a person who are adequate enough to work in a virtual team.

So, when we talk about an adequate enough in meaning that the person should be skilled or who are showing an open or interest to learn technological perspective and trying to be a member in a virtual team. So, it is also essential for success. Because unless otherwise, you do not have a member who are open and who are showing strong inclinations or strong intention to learn or

interact or work in a collaborative manner in a virtual team that it will be very difficult for you to creating a successful virtual team.

So, because eventually the people are the one who are going to get involved and interact and collaborate eventually, they will also have to build a trust and build a relationship within the virtual team. So, people, is an important factor for creating a successful virtual team. So, who you are going to choose is your team member that is a critical factor in the creating a successful virtual team.

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The slide is titled "Critical Success Factors of Virtual Teams" and is divided into two main sections. The top section, "Managing virtual teams", contains two paragraphs of text. The first paragraph states: "Virtuality has its effect upon the type of management structures put in place to deal with virtual teams, as they begin to be deployed." The second paragraph states: "Virtual team leaders perform a variety of functions within the team, with their role being primarily to develop team members into one cohesive unit, and to constantly monitor and manage ongoing teams' performance for its successful functioning." To the right of the text is a small image showing several hands clasped together in a circle, symbolizing teamwork. In the bottom right corner of the slide, there is a video inset showing a man in a blue shirt speaking. The slide also features a gear icon in the background and the NPTEL logo at the bottom left.

Then managing virtual team: So, when we talk about managing virtual teams, now we are talking about leadership qualities you as an organization, is when you are having a virtual team you have to manage your virtual team. So, you essentially should have a member or a leader who can actually play a critical role rather as a catalyst role who can actually facilitate or enable more interactions, more collaboration between the people.

So as to create cohesion and build trust and who can actually constantly monitor and provide necessary support, provide necessary feedback and review their performances and provide time to time inputs, time to time feedback. So, that the team members are able to continue to perform. So, essentially, managing the virtual team is one of the important factors. Now, it is not about I create a virtual team and they will exist on their own. No not really.

So, when you create a virtual team, you have to have an organization, you develop or manage the virtual teams by creating a leader in the team or developing or maybe assigning a leader in a team who can actually drive these virtual teams to perform well, develop trust and of course, monitor them and then provide continuous feedback. So, as to we enable them to perform well.

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Critical Success Factors of Virtual Teams

Technology in virtual teams Technology

Using technology is a key enabler of the concept of developing virtual teams. It is immensely used to face team work, in that team members can be in widely dispersed geographic regions.

It follows that technology has a tendency to enable a much wider team discussion than formally held in a single point location.

Advances in technology facilitate communication, and the sharing of information among virtual team members; as well as giving organizations access to a larger pool of skills

Handwritten notes:
 A Tech
 → to know each other
 → 2-3-4-5-6-7-8-9-10-11-12-13-14-15-16-17-18-19-20-21-22-23-24-25-26-27-28-29-30-31-32-33-34-35-36-37-38-39-40-41-42-43-44-45-46-47-48-49-50-51-52-53-54-55-56-57-58-59-60-61-62-63-64-65-66-67-68-69-70-71-72-73-74-75-76-77-78-79-80-81-82-83-84-85-86-87-88-89-90-91-92-93-94-95-96-97-98-99-100
 → Collaboration is an activity
 → Tech. support

Then another important factor which are going to determine the success of the virtual teams are technology in virtual teams we call. So, when you are yes, as we say, people are going to be collaborating people are geographically dispersed distances, now they are going to be connected. Now, we are seeing that the important connection point is the technology. So, now, you have to identify the right technology and you have to see the knowledge which technology will help us to enable that teams can be connected effectively and maybe that will facilitate more communication, sharing of informations and what is going to support those kinds of necessities are appearing.

For example, when I have a team, I have created the A then I have this done, so what are the, frequent activities of the team, maybe, interactions or maybe sharing of information, maybe collaborating in an activity. So, now when I say these are the key activities I do. Now, my technology, I am going to choose a technology now. So, my technology has to support, facilitate

interactions, then it also have important factor that will also support sharing information, then it will also provide me an access to collaborate in an activity.

So, now, if I want to choose a technology, which actually supports all these 3 important functions of my team, then that will become a right technology. So, when you do not use a technology, let us say imagine a technology where it can only provide you interactions and the sharing of information, but it cannot support this one. So, now versus a technology which can support all 3? Now, this will determine the success of a virtual team because the technology is going to provide me all necessary functions that are requirement of a team.

So, the technology will also play a critical role in determining the success of a virtual team. Now, so, as we discussed what are the factors that determine the success of the virtual teams now, we are going to discuss about advantages of the virtual team because we are talking about promoting virtual teams, developing virtual teams, managing the virtual teams. Now, why should an organization do it? Why should a workplace to go for virtual teams, what are the advantages?

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The slide is titled "Advantages of Virtual Teams" and features a yellow background for the main text. The text discusses cost savings as the primary advantage, mentioning the elimination of expenses on office spaces, mobility support, and maintenance. It also notes that many organizations outsource to low-cost regions, leading to reduced production costs, operational costs, and lower wages for remote employees. Handwritten red notes include "Index" and "High Skilled Talents" with arrows pointing to the text. A small video inset shows a man speaking. The slide includes the NPTEL logo at the bottom left.

So, now let us discuss that advantage. So, first is cost saving, yes the biggest advantage of a virtual team is that it is associated with a cost saving, it can save you, a lot of expenses in terms of maybe if you remember in the very first session of this module I talked about company can

save lot of fixed costs or the recurring costs in terms of office space, mobility support and maintenance. For example, I am going to have a company with 2000 employees.

So, the space I should higher, placing them, then providing the necessary infrastructural support, creation of the workstations, then I am talking about the other recurring cost towards that and then mobility part, I might have to provide the transportation to my employees and the maintenance, so many costs involved. The moment I go for a virtual team, what I am going to do, I am going to only pay my talents, that yes, I am going to pay you or maybe I will provide, other infrastructural support required to set up a work setup at home, probably, I am going to save lot of cost on these aspects.

Then, this also provides an organization's to outsource their operations, so lowest cost regions, what is happening? So, I have you see India being a preferred destination for a lot of foreign companies, because India has highly skilled, skilled talents and are readily available or in large number it is available. So, now, what is it happening? So, because of these virtual, platforms or you going to use virtual teams, there probably you can actually go for low cost regions and you can hire and set up a team.

But you still you operate from another country and you still able to make a good business. And this will also reduce cost and operational cost and lower wages of the employees in a remote location. So, the biggest advantages is, of course, it is going to save a company a lot and it is going to pay back the company in a bigger manner.

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Advantages of Virtual Teams

Leverage global talent

Virtual Teams allows organizations to look for talent beyond their country of origin. This brings together the experts and specialists from across the globe to work together on the project.

Increased knowledge sharing and greater innovation happens as organization's human capital share their understanding of global and local markets as well as best business practices.

NPTEL

Then, second advantage is leveraging global talent, what is happening? Since I am not restricted to a particular place or a particular region, so what is the advantage I am going to get, I am going to leverage the global talent, I am not restricting myself, let us say, I operate here in this country. Now I am talking about a virtual workplace or a virtual team. So, what is the meaning, I am not going to restrict myself only to this country, where I am going to go beyond, probably, I can choose somebody from this country, I can have another person from this country.

I can have this some members from this country and other from here also, so, I am going to connect all of them in a virtual platform, I am going to work. So, I am going to leverage the global talent. So, I am not going to restrict myself when I see there are skilled talents, there are a good pool of talents available elsewhere, in the world globe, I am going to talent resource, I am going to use them.

And I am going to make them collaborate, I am going to use the best talents, I am not going to restrict myself in a specific region or a country. Now this provides me an opportunity to go global higher use global talents. So, that will be an advantage because I as a company, I am going to create a competitive advantage maybe I can create a lot of innovative products, innovative services, I am going to utilize the knowledge sharing these platforms is going to help me to go beyond grow even higher.

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The slide features a title 'Advantages of Virtual Teams' in an orange box. Below it, a yellow box contains the text: 'Increased productivity & higher profits', 'Members of virtual teams tend to have higher focus on the task at hand. As a practice virtual team supports flatter organization structure.', and 'The members do not have to deal with unnecessary bureaucracy which slows down the decision making. This enhances the productivity which shows as higher profits.' To the right is an illustration of a virtual meeting with a clock and a potted plant. A red handwritten-style note says '↑ Productivity ↑ Profits'. A video inset shows a man speaking. Logos for IIT Bombay and NPTEL are at the bottom left.

Then comes increased productivity and higher profits, because members of in a virtual teams tend to have a higher focus on the task at hand. Because when we say these are task oriented, even the interactions, when we learn learning in the previous lectures, you identify that yes, the interactions are most of the time it is task oriented, very specific to the task, because they may independently working and when they have a meeting or when they have an agenda to meet, they are very specific to the point they are having high focus on the task and also more flat organization structures.

And the members do not have to deal with unnecessary bureaucracy, because people are in a different places, they are only assigned for a task, assigned on goal. And they are primarily working on it, they can avoid working on the bureaucracy or maybe other political aspects which is happening within the organization. So, this actually will enhance more productivity and of course, which will have a higher profits, So, higher the productivity and higher the profit. So, this virtual team is going to enable me to come up with a higher productivity and then higher profits.

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Advantages of Virtual Teams

Reduced time to market

Since the members span the time zones, there could be different team working on the same project in 24x7 frame. As a result of that when one member sleeps there will be another one somewhere else who would start work where the former had left.

This shortens the product development time as well as faster response time to demands in both global and local markets.

Hand-drawn diagram notes:
 9-6 PM (PM-AM) - - -
 9-6 AM
 10 days
 2 days
 Reach out to Product/Service Deliver

Then what is the next one? Reduce time to market. What is the meaning of reduced time to market? So, now the team members are spread across different geographies, different time zones the different teams working on the same project from 24 x 7. So, what is it essentially happening, let us say in a imagine a situation that 9 to 6 I work on and then I only resumed my work next day 9 to 6.

Now in this multiple teams from different locations; working on the same project. So, let us say this team relieves at 6 pm, maybe other team were operating and working in a different side of the globe, different part of the globe, they will start at 6 pm and then they continue till 4 am, it goes on. So, meaning that it reduces time for you to reach out the market. Now reach out the market means they are coming with a new product or a service or a delivery anything you are talking about.

So, what is happening, they will say if you take in this mode you may take let us say 10 days to come up with a product or a service. In this way what happens within 3 days you will be able to deliver because you are having a team for collaborating from different, different time zones or you are working on the same project once 1 team relieves next team from a different place, they start working on the same project.

So, where you went and other person starts. So, what is happening? You are having a reduced time to deliver the product and shorten the product development time and it becomes more faster response time to demand both global and local markets. So, this is a greater advantage having a virtual team.

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The slide is titled "Advantages of Virtual Teams" and is divided into two main sections. The top section, titled "Newer opportunities", contains two paragraphs of text. The first paragraph states: "Looking at larger societal level, we can find that virtual teams have created newer opportunities for people who are less mobile and hesitant to relocate due to either family requirement or physical challenge." The second paragraph states: "Now any task that does not require the physical presence of a person and which can be supported by communication technology gives an opportunity for many deserving candidates." To the right of the text is a diagram showing a person standing next to a large smartphone. A red arrow points from the person to the phone, with the word "Relocate" written above it. Another red arrow points from the phone back to the person, with the word "Innovation" written below it. The slide also features a small video inset of a man in a blue shirt in the bottom right corner and the NPTEL logo in the bottom left corner.

Then and you will look for newer opportunities, so when we can find a virtual teams have created newer opportunities for people who are less mobile or maybe somebody have difficulty in relocating to a new place, maybe because of owing to their family difficulties or maybe some of the physical challenges, I do not want to relocate, let us say I am a good talent, let us say I as a person A, I am really good talent and I am really resourceful.

My problem is that I cannot relocate to your place. Of course, I want to contribute or come up with innovative products or maybe help a company to come up with a new product or do a better services. Now, this virtual team; actually helping me that to come out of this barrier, there is a barrier, what is the barrier? I cannot relocate. Now, because of this virtual setup, what I can do, I can stay at the same place and do.

So, the barrier is gone by providing the virtual setup. So, this provides new opportunities and task, do not require physical presence of a person's. So, let us most of the IT services and IT enabled services promote more of the virtual workplaces that is going to help people come up

use the new opportunities that you do not need to come to the physical office setups or maybe you do not need to relocate to take up a job opportunity. So, there are newer opportunities available.

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The slide is titled "Disadvantages of Virtual Teams" in an orange header. Below the header is a yellow text box containing the following text:

➤ **Cost to technology**
The successful working of virtual team is supported by the efficient use of multiple communication technologies such as instant messaging, emails and video-conferencing, among others.

No one tool can provide the complete support. The cost associated with these installation and maintenance tools is little on the higher side.

On the right side of the slide, there is a video inset showing a person in a blue shirt sitting at a desk with a computer, participating in a video conference. The background of the slide features faint icons of a clock, a person, and a network diagram. At the bottom left, there are logos for NPTEL and another organization.

Then comes let us also discuss about some of the disadvantages of the virtual teams, yes, have we discussed, yes, there are a lot of advantages and now companies are trying to take reap a benefit about having those advantages. Now, you as a company or you as a manager or you as a member in a virtual team, you should also make an awareness or be cognizant about what are the disadvantages or if you put it in other way, what are the limitations of a virtual team?

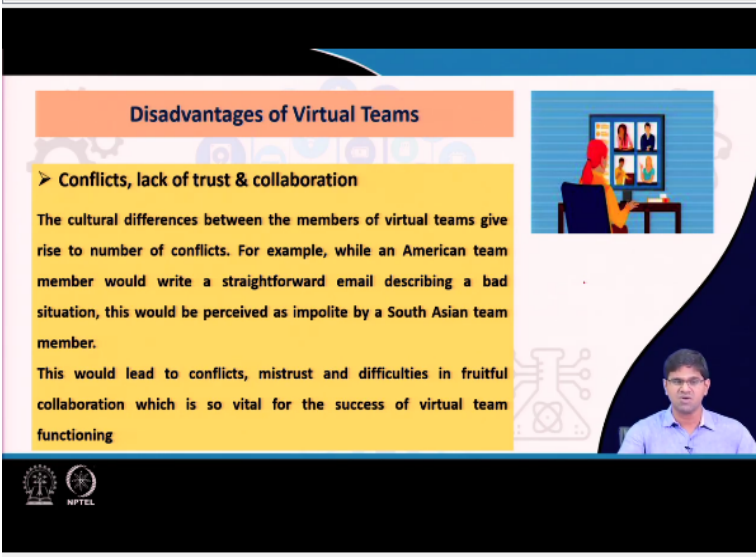
So, now, let us talk about technology. Yes, as you said, technology plays a crucial role for the success of the virtual team. So, now, cost to technology. So, now technology is an important factor is going to connect people from different places. Now, you have a company, you as a company, you have to invest lot on the technology platform, which are going to connect your employees or members working from different locations. Now, as I said, each team or each virtual team, their functions are more or probably the demands or the requirements are more.

So, let us say we are talking about I wanted to have a sharing informations, every time when you talk about your functions or the requirements are increasing, but the cost on the technological environment is going to increase maybe the service contract you are going to have with the

technology platforms or as and when you increase the size of people who are going to collaborate and work and there is of course a cost associated with the installation or buying a platform maintenance of the tool is a little higher side.

But of course if you do a trade off, maybe cost benefit analysis between the what is the cost I am going to put it on buying the technology versus the saving, which I want to make we know without having a physical office or maybe having to bring my people into my office. So, that will actually play in trade off for you to choose which one is preferable, but of course, cost to technology is one of the disadvantages, probably maybe if you talk about the cost of technology, we also talk about some technology may not provide you all requirements or may not meet the required setups or the modules for your team to effectively work that will also act as a limitations for the virtual teams.

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The slide is titled "Disadvantages of Virtual Teams" in an orange header. Below the title is a yellow text box containing the following text:

➤ **Conflicts, lack of trust & collaboration**

The cultural differences between the members of virtual teams give rise to number of conflicts. For example, while an American team member would write a straightforward email describing a bad situation, this would be perceived as impolite by a South Asian team member.

This would lead to conflicts, mistrust and difficulties in fruitful collaboration which is so vital for the success of virtual team functioning

To the right of the text box is a video inset showing a person in a red shirt sitting at a desk with a computer monitor displaying a video conference with four participants. In the bottom right corner of the slide, there is a small video inset of a man in a blue shirt speaking. The NPTEL logo is visible in the bottom left corner.

Now, there is also another important from the people front, if you record conflict, lack of trust and collaboration. So, when we talk about people from a different culture are going to collaborate or work on a same team. So, now, there is a high chance that yes, people come from different cultures, there is more likely to have more conflicts. Why, because people have a team were having from North America, maybe some from European countries and some from South Asian countries, probably each of the cultures are different, their orientations are different, how do they approach the problem are different.

How do they manage the teams, somebody may be more individualistic nature, somebody very collectivist nature, somebody are very sensitive to some perspective, some are not sensitive to that. So, now, whatever happened, let us say there are more conflicts to high rates, maybe the interactions pattern may differ. Now, this will eventually lead to more conflict or maybe people may not trust for example, information sharing or withholding informations will become a major issue in virtual setups.

So, that will develop conflict and that might also develop a not trusting your team members, the moment, you are not trusting the team members, then it does have consequences of not able to provide or deliver on time and this will eventually hamper the collaboration between the team members. So, there can be potentially more chances of conflict, because, another problem is that yes the conflict management may be much better handled, when we have a physical box setup.

In a virtual work setup, yes, you will be able to definitely be able to handle the conflict, but maybe in a different sense, maybe we are missing out some of the physical cues or nonverbal cues to understand a person, respond to a person that might be missing.

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The slide is titled "Disadvantages of Virtual Teams" and features a yellow box with the following text:

- **Social isolation**
- Many members of virtual teams are adversely affected by the lack of physical interactions. Most of the communications in virtual environment is task-oriented.
- In today's society where job is an important social force for most of us as many of our workplace colleagues constitute our close friends, this gives a not-so-good feeling of social isolation.

The slide also includes an illustration of a person at a computer screen with a video call, and a small inset video of a man speaking. Logos for NPTEL and other institutions are visible at the bottom.

So, that will be one of the disadvantages of virtual teams. Then there is also called as social isolation where many members in virtual teams are adversely affected by lack of physical

interaction. So, you are only interacting for a very few time and less number of times are probably we maybe you on a day probably your interactions are maybe virtual video conferencing or maybe for 30 minutes or 1 hour and rest of the time will be on your own and delivering the task and even that 1 hour of meeting probably you would not have more of the non work related conversation.

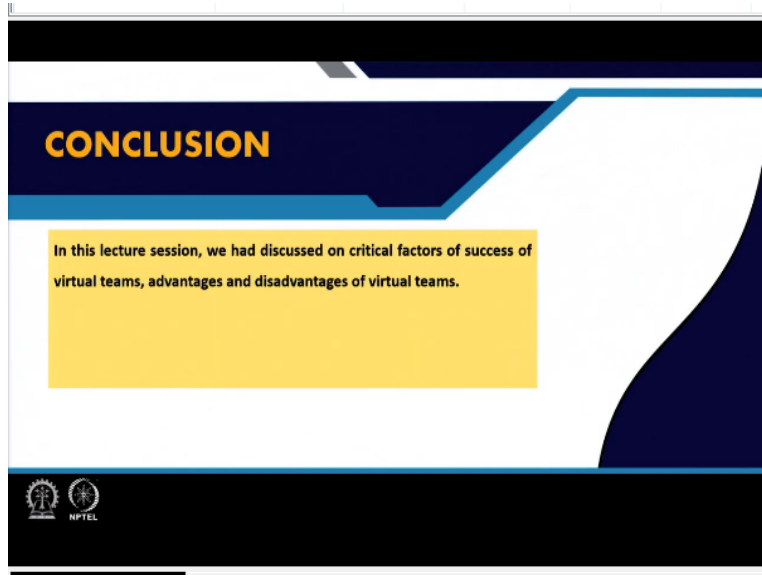
So, there is very less room for you to have non work related conversations, because we talk about working in a team or group the non work related conversations is going to strengthen your relationships, it is going to increase your cohesiveness than it will listen to you to perform well. So, what will happen? It is a kind of a social isolation. So, we are isolating our self having from a social interaction. So, this is one of the disadvantages of a virtual team.

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And these are the references.

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So, having discussed about now in this today's lecture, we discussed about and some of the important perspectives, which we discussed about what are the success factors, which are determining the success of virtual team and arranging from organizational structure and we also discussed about human support, training support and we also discussed about technology platform, what kind of a technology which is going to provide a support.

And of course, we also discussed about people being one of the successful factor, which will determine whether my virtual team is going to function effectively or not, then we also discussed about the advantages and some of the disadvantages of the virtual team and advantages is of course, a lot of advantages in terms of saving cost and having global work talents and now having newer opportunities bringing more innovations and no geographical barriers.

Now, for the disadvantages of course, we say the cost on the technology or maybe identifying a right technology may be a challenge. And another important problem we are encountering in a virtual teams that yes more conflict and the opportunity for conflict management is maybe limited compared to the physical setups, then also other things we are talking about the social isolation because people do not engage in any social interactions or rather they only focus on task specific interactions, which are not going to help to build a very strong relationship and also build a strong trust between the members.

So, that might act as disadvantages in a virtual team centers. With this, we are concluding this module and in the next module, we are going to discuss about evaluating the performance, rewarding the performance of the teams. So, we will see you in the next module. Thank you.