Virtual Leaders: Born or Made?
By Mary Key, Ph.D. and Donna Dennis, Ph.D.

Distance matters. An effective leader who has regular face-to-face contact with employees might not be as effective in cyberspace. Good conventional leadership skills are necessary but not sufficient to lead others at a distance. Therefore, it's alarming how few organizations offer any special development for virtual leaders.

Perhaps the assumption is that good leaders should just know how to transfer their skills to a virtual environment — as if they were "born" rather than "made." For example, a Society for Human Resource Management study focused on the development of virtual leaders and reported that 80% of the respondents stated that special training was "not at all" a priority for virtual leaders. Over 60% of the respondents went on to say that their organizations provided no specific training for either the virtual team leader or virtual team members (Rosen, Furst, & Blackburn, 2006).

A similar finding occurred in a large survey conducted by the Human Resources Institute (HRI), now the Institute for Corporate Productivity (i4cp), and commissioned by the American Management Association. It asked respondents to allocate 100 points to various characteristics that support strategy execution. The highest-ranked characteristic was "openness to change" and the lowest was "virtual management" (AMA/HRI, 2005).

So, the good news is that leading virtually is on the radar screen; the bad news is that it isn't a priority. This could turn out to be major problem. Additional research conducted by i4cp clearly shows that the ability to foster innovation is one of the top characteristics of leaders, both today and, especially, in the future. Yet, there is mounting evidence that innovation and working stand virtually at odds with each other. A study on "virtual distance" and innovation as applied to virtual teams at 17 organizations indicates that virtual distance has a significant and negative relationship to innovation (Lojeski, Reilly, & Dominick, 2006).

"Virtual distance" in this study was defined as both perceived and physical distance, highlighting the point that leading virtually is often a blend of virtual and face-to-face interactions. What seems to matter here is the perception of distance between leaders and those who are supposed to be following them. With so many organizations setting innovation as a goal for a competitive advantage, additional attention needs to be paid to how to enhance innovation virtually. One clear way is to minimize the perception of distance and take time to focus on stimulating and reinforcing innovation.

Innovative practices generated virtually, need to be captured or they become lost knowledge. Unfortunately, organizations still don't place a priority on knowledge retention and transfer. Experts have gone to great lengths to develop and articulate best-in-class strategies for organizations to follow. But

while knowledge retention is an acknowledged talent management strategy, it is not widely practiced in most organizations; in fact it seems to be more of an afterthought (DeLong, 2004; Liebowitz, 2007; Liebowitz, 2009). In a 2009 survey conducted by i4cp, only 21% of the respondents participating rated their organizations as retaining knowledge "pretty or very well." Almost 80% (78.8%) of the respondents reported that they didn't retain knowledge well or only moderately well. So with almost 80% of organizations setting themselves up for a significant drain of business wisdom, innovation will decrease. Interestingly, the remaining 20% in the i4cp study who stated that their organizations retain knowledge "pretty well" or "very well" showed a direct correlation with higher market performance (market share, profitability, revenue growth and customer satisfaction) (i4cp, 2008). Clearly, strong consideration needs to be given to capturing innovative processes and practices when they occur virtually and otherwise.

If innovation is enhanced by reducing the perception of distance, then how do you accomplish that? What is different about leading virtually? Distance impacts a leader's ability to collaborate, communicate, reach common goals, build community and connectedness, manage conflict and coach. Recent research (Siebdrat, Hoegel and Ernst, 2009) shows that dispersed teams can actually outperform groups that are collocated. To succeed, however, the authors conclude that virtual collaboration must be managed in specific ways. To get to higher levels of performance virtual leaders need to work harder at

relating to follower needs and aspirations in order to have the same level of positive impact that they would if collocated (Howell, Neufeld, and Avolio, 2005).

Broken down to its simplest form virtual leaders need to be competent in three broad areas: technology, task and relationship. First consider technology, virtual leaders need to be able to use available technologies well. Technologies are, after all, a double-edged sword. Video conferences, online chats, instant messages, polling, email, the use of avatars, social media and other forms of communication can be powerful tools and can accelerate the development of rapport among strangers. However, integrating these forms of communication to enhance effectiveness isn't easy, especially if you consider differences in communication styles, cultures and expertise among the virtual team members.

Managing technology in a virtual environment is complex. Consider teams that are dispersed over more than three contiguous time zones, or team members whose native language is different from the majority of other team members, or team members who do not have equal access to electronic communication and collaboration technology.

Virtual leaders not only use technology well, they also select appropriate technology for the team's work. They do this while accommodating the

special needs of team members. Over reliance on email is common in today's work environment, but can be particularly damaging in virtual work. Alternatives like instant messaging and wikis should also be integrated into the leader's tool kit. Utilizing a shared space is often more efficient and avoids conflict from misunderstood email. Virtual leaders set standards for the use of technology on the team. The best leaders form agreements within the team for response time with email and voice mail.

Virtual leaders set standards for knowledge sharing. Nearly every virtual team is focused on the problem of effective knowledge sharing. Each member of the team brings significant expertise in some areas but noticeably less knowledge in others. Many organizations have developed a role called chief knowledge officer (CKO) to pay attention to the processes and support systems that virtual teams rely on. The CKO can assess whether the team has the necessary resources and tools to ensure successful collaborative results in terms of communication tools. Knowledge sharing and knowledge management in general need to be part of the way an organization works as an ongoing set of processes and not viewed as a project. Building a culture that captures, retains and manages knowledge is critical to effective virtual leadership.

The best virtual leaders are especially vigilant in task-related competencies. These competencies include setting up work coordination

processes, team agreements or norms, clarifying roles and responsibilities, setting goals, measuring milestones, and following up. Setting aside the time to lay a strong foundation for the team is time-consuming and yet pays off in the long run. Teams with a high level of task-related processes outperform teams with a low level. The more dispersed the team is the more important it is to excel in this competency. Teams with high dispersion find using formal team charters, rules of engagement, and group rooms where goals can be posted for all to see as useful tools that allow work to be done more easily. When work is ongoing and consistent, trust is built. Accountability also gives a sense of fairness in how standards are applied so trust can be accelerated because team members perceive that despite the distance, the playing rules are the same.

In their study on collaboration and team behavior at 15 multinational companies, Gratton and Erickson (2007) found that diversity among virtual team members can initially be a deterrent to collaboration; the greater the number of strangers on the team from different backgrounds, the less likely team members will share knowledge or show other collaborative behavior. The researchers conclude that although teams that are "large, virtual, diverse and composed of highly educated specialists" are increasingly critical to complex projects, these same factors stand in the way of getting things done and being effective in getting along(p. 102).

In another study (Earley and Gibson, 2002) it was found that heterogeneous teams (teams comprising members from different cultures) do become more effective than their homogeneous counterparts. But there is a time lag of approximately 17 weeks due to a lack of shared understanding of communication strategies in the early stages. The amount of communication that is deemed to be appropriate within work contexts varies according to the cultural norms of each country. Cultures vary according to the amount of context that communicators have in each situation. Getting the right frequency and detail of communication is difficult. What is perceived as over-communication in some cultures can be perceived as under-communication in others. This data points to another aspect of what's different in virtual team leadership and why virtual team leaders work harder to achieve success.

Virtual leaders need to be competent in the socio-emotional or relationship side of virtual team leadership. Increasing cohesion, trust, and a sense of connectedness are critical drivers of success. Specifically, virtual teams that have processes that increase the levels of mutual support, member effort, work coordination, balance of member contributions and task-related communications consistently outperformed other teams with lower levels (Siebdrat, Hoegl and Ernst, 2009). Team spirit in virtual teams is especially difficult to achieve. However, team engagement can make a big

difference when conflicts surface on how issues get resolved and on how the team moves forward. Clearly one difference in virtual work is the need for individual team members to assume accountability for key processes such as providing mutual support, communication, and coordination.

Perceived distance can lead to a higher level of distrust, and trust is among the core building blocks for high-performance leadership (Reina and Reina, 2006). In the absence of familiar visual cues, conversations become harder to decode and trust-building becomes a tougher challenge. A lack of trust can also result in communication problems, which are often compounded by differences in language backgrounds among global teams (Manning, 2003). Yet, having diverse global teams working on complex business issues is often critical to success because varying views and backgrounds can offer new ideas and innovations that like minded teams can't produce.

It's difficult to "perfect" virtual leadership in today's environment where preparing virtual leaders is not usually a priority and where the technological and market environment is changing rapidly. But organizations can rest assured that working virtually is on the upswing. So, helping leaders apply best practices in this area will help separate the best companies from the rest. What are some ways that organizations can develop virtual leadership? The remainder of this chapter will focus on what leaders and organizations

can do to build virtual leadership as a core competency.

Developing Virtual Leadership Competencies

Developing top-notch virtual leaders often requires good planning as well as developmental support and practice. Leadership development programs should include segments on how any given leadership skill or practice can be applied virtually. However, given that many organizations don't have formal programs of this sort, leaders often don't get the necessary training and support. Getting started can be a daunting task.

One effective way to start is by assessing where you are in terms of the three meta virtual leadership competencies: Task-Technology-Relationship.

<u>Technology Competencies</u>

List the technology your team currently uses; are you matching the electronic technology to the needs of your team? Do you model good use of the technology and have you developed agreements about response time and when not to use email. Does training need to be provided on how to use the technology available? Often leaders answer "yes", that training is available through e-learning. Experience confirms that some degree of "required-ness" is essential to get people on board and further that leaders establish a link between business needs and desired outcomes. Leaders set the tone by clarifying expectations, and participants set the pace at which

they engage with the e-learning.

<u>Task-Related Competencies</u>

List what agreements the team has for communication and other work processes. Are you and team members following your processes? Are team members clear about their roles and responsibilities? Do they know the goals of the team and individuals on the team? Is there open discussion to improve processes? Are best practices and critical processes being captured so that new members don't have to re-invent or take time to ferret out needed knowledge? How is knowledge being managed?

<u>Relationship-Related Competencies</u>

List what you have done to build relationships and a sense of team spirit or engagement on the team. Rate where team trust is on a scale from 1-5; (5 is great and 1 is not).   Do all team members know that you expect them to build positive relationships with other team members? How do you communicate your expectations and provide feedback? Have you established communication guidelines or "rules of engagement?" Do you set aside time routinely to connect with each team member? Do you respond quickly when team members need assistance with conflicts? Do you actively build your knowledge of other cultures? Do all team members feel included? What is the level of comfort team members have in sharing information and

ideas with each other?

To make this assessment more helpful ask the team members for their input. This could take the form of a meeting dedicated to a "Team Check-Up" discussion, or a more formalized questionnaire that could be posted or sent via email. Review results with the team and solicit suggestions for improving areas that offer opportunity for improvement. In addition you can solicit best practices and tips from other virtual leaders. Use a knowledge management system to begin to create a place where new leaders can go to get help and share ideas.

Tips, and Best Practices

 If a leader shows that s/he is particularly skillful in managing performance with virtual teams, involve them in the development of other managers who might be struggling with virtual team practices. Perhaps they could conduct a webinar or podcast to share their perspective and ideas.

Another starting point might be the development of communities of practice where leaders who have had some successes with virtual leadership share what has worked and what hasn't with other managers. The community becomes an internal think tank of sorts for what can be applied and what might be avoided when leading virtually. It's also important to capture the tacit knowledge generated by the community and make it

available for ongoing management development. Retaining valuable information on internal practices and actively sharing it leads to competency development and culture change.

Evidence indicates that a culture of collaboration is a key factor in the performance of teams and organizations. If virtual teams made up of diverse members are less likely to collaborate and in turn perform at higher levels, what are some of the things that leaders need to do to bridge this gap? First, leaders need to be conscious of how to build trust and collaboration and infuse it into the culture of their teams – and ultimately, the organization as a whole.

Research on communication and trust in virtual teams suggests that to facilitate trust early on in the team's existence team members need to focus on social communication as well as task-related communication. In one large study an analysis of emails exchanged for different teams during the first two weeks of the team's formation found that the highest performing teams largely communicated about non-task things such as hobbies, families, etc., in other words the best teams spent time on sharing social things about one another (Jarvenpaa and Leidner, 1999). In addition messages in the best teams showed enthusiasm and optimism. Best practices for building trust in virtual environments includes taking individual responsibility to build a relationship with each person on the team, this

means engaging in social conversation, providing timely responses, forewarning team members of upcoming absences, and providing quality responses to requests for information. Research on how virtual teams can collaborate faster and work more effectively shows that by involving or "seeding" clusters of team members who have worked effectively in the past, you can accelerate the movement of a team to higher levels of performance (Gratton and Erickson, 2007).

High performing teams set up procedures that support achieving the tasks they are accountable for. The use of richer media (voice and video communications in particular) helps when establishing and building virtual relationships. Effective communication tools such as instant messaging help team members to avoid misinterpreting the actions of their colleagues and gives a less formal way of getting to know each other. The best teams have learned that 'silence'- or non-response to communication (email, voice mail, etc.) can be very damaging to virtual team effectiveness as it leads individuals to misattribute explanations for the silence.

In addition to social communication virtual team leaders facilitate cognitive trust building at the outset by sharing information about each team member's accomplishments, experience, competence and integrity. To further relationship building, consider socialization strategies such as virtual coffee breaks/online chat rooms, social conferencing via video or telephone.

Another strategy to increase trust and relationship building is to provide guidelines for communicating within multi-cultural teams. For example in some cultures, the use of "feeling words" can be confusing and team members have been known to spend hours trying to figure out the meaning of messages sent when the sender expresses how they feel about a certain next step. Clarification of what you are communicating, why and what action if any you want the receiver to take is essential to communicating effectively.

Creating a collaborative culture requires scrutinizing the work environment to make sure that collaborative behavior gets rewarded and behaviors that waylay collaboration get extinguished. A simple way to initiate this thinking is to devote time in virtual meetings to involve team members in defining what's collaborative and what's not. For example, team members can get started by addressing three simple questions:

1. What behavior is NOT collaborative?

2. What will be saying and doing with each other if we are displaying collaboration?

3. What will we be saying and doing with our internal and external customers if we are displaying collaboration?

After collecting the behaviors that they team members have targeted,

use them to define the ground rules or "how" the virtual team agrees to behave. Those team members that model the agreed upon interaction behaviors should be rewarded and recognized for their collaboration while those that don't should experience consequences. Just as project results and milestones or the "what" of performance should be celebrated, collaboration or the "how" should be as well.

When possible, at the onset of forming a virtual team, leaders can build trust by taking time to conduct interviews with each team member one on one to get to know them and their motivations. It's important to remember to set a mutually convenient time for each party and be sensitive to time zones. When it's time to recognize a job well done, the leader will be able to personalize the recognition because they know something about the team member and have taken the time to better understand what's motivating to them. Also, virtual leaders can build trust the tried-and-true way: by showing consistency and doing what they promise they'll do.

If you have a budget to bring your virtual team together to meet in person and for training it will facilitate developing trust more quickly. If this is not possible use of richer media like voice and video in initial stages of a project will speed up relationship building (Kandola, 2006). Research shows that it's often more effective to bring team members together for a team-building session after they've begun to work together so they have a

context for the training (Zigurs, 2003). It's useful for leaders to develop a communications plan that reflects the frequency and types of communication. And since ongoing feedback can be more difficult in a virtual environment, it makes sense to develop a calendar for regular coaching and performance feedback.

Because team members within the same culture and across cultures have different communication styles and needs, virtual leaders might also want to use a communication style assessment that gives the team members feedback on how they like to communicate and how they like to be communicated with. Effective virtual leaders make themselves available across time zones and plan regular virtual team meetings for progress reports, updates, milestones, recognition and brainstorming (Mullich, 2005).

Coaching and mentoring programs support collaborative behavior. Coaching virtually brings its own set of challenges. However, technology can assist so that the managers and team members can see each other as they discuss performance expectations and feedback. Some organizations have instituted peer coaching programs where peers support each other's development and performance on projects. If teams are large, peer coaching to improve team results may be a useful, low cost alternative.

Being able to spur innovation is especially important for such leaders.

To build innovation into the process, they can designate a specific time to focus on innovation during meetings and then implement new ideas in real time. This can be an effective way to show an openness to ideas and approaches. When appropriate, innovation can be reinforced by illustrating the impact it's had on the work at hand.

At SRI International, a think tank that has produced innovations for over sixty years, they created something called the "virtual watering hole". A "Watering Hole" is a multidisciplinary, collaborative environment where participants come together virtually to improve their value propositions and create more customer value. In an SRI Watering Hole, you might hear elevator pitches and innovation plans where participants give feedback on how to make the value propositions more accurate, crisp, and comprehensive (Carlson and Wilmot, 2006). What SRI learned is that innovations require a synthesis of many ideas to succeed, including the new product or service, enabling technologies or capabilities, barriers to entry from competitors, a compelling business model, and essential partnerships, they live by a belief that, "only by regularly tapping into the genius of the extended team will new, high-value innovations be created rapidly enough to keep up with the exponential economy" (Carlson and Wilmot, 2006).

In the end the question of Virtual Leaders Born or Made is: Yes! Many authors have addressed this question for traditional leadership. John

Gardner in his book entitled *On Leadership*, noted: "Many dismiss the subject with the confident assertion that 'leaders are born not made.' Nonsense! Most of what leaders have that enables them to lead is learned. Leadership is not a mysterious activity...And the capacity to perform those tasks is widely distributed in the population" (p. xv).

Achieving high levels of performance virtually can be learned. Organizations need to pay more attention to how they teach leaders to apply their skills in virtual environments and to create awareness that the virtual environment requires additional thinking, skills, application, and transfer. Utilization of knowledge management systems to pass on learning will speed up the learning process and ensure that knowledge management and transfer become part of the organization's culture. With planning and attention, virtual leadership can become a core competency of your organization and an asset for the future.

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Mary Key, Ph.D., is the president of Key Associates Inc., a leadership development company that helps individuals, teams and organizations transform and grow. Her most recent book is *CEO Road Rules: Right Focus, Right People, Right Execution.* She can be reached at mary@keyassociatesinc.com.

Donna Dennis, Ph.D., is the president of Leadership Solutions Consulting, LLC a company that is focused on Leadership Assessment, Coaching and Training. Her recent book is *Preparing for Leadership: What it Takes to Take the Lead.* She can be reached at donna@leadership-solutions.info