



**Ghislaine Caulat** is an Ashridge Consultant. Her interests lie in helping executives to make strategies happen, cultivating change and learning throughout their organisations. Ghislaine has worked and lived in several European countries.

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Email: [ghislaine.caulat@ashridge.org.uk](mailto:ghislaine.caulat@ashridge.org.uk)

# Virtual leadership

**In today's global economy, virtual teams are a fact of life. Drawing on three years' research, Ghislaine Caulat examines the skills, competencies and techniques needed by managers to lead teams successfully in a virtual environment.**

Virtual teams are increasingly becoming the life-blood of most companies: they tend to undertake the most global, strategic and complex projects. They have the strong advantage of gathering the best people for a specific task independent of their geographical location in a sort of 'Just in time talent' approach.

There are practical reasons for this development. Given the ongoing, relentless globalisation of organisational life with a growing emphasis on India, China and Latin America, an increasing number of employees tend to spend an increasing

amount of time working virtually. Furthermore, multinationals are becoming wary of the costs of having their employees travelling around the world for a meeting lasting just a few hours. We also observe that an increasing number of professionals are developing a strong sense for sustainability, both in terms of protection of the environment and carbon footprint reduction, as well as maintaining a healthy 'work-life balance'.

Knowing how to develop and maintain high performing virtual teams has therefore become a critical competitive advantage.

## Current reality

The last decade has seen an impressive amount of literature about virtual teams. The focus has been changing over the years. After a strong preoccupation with technology and processes (the thinking was mainly that if you got the right technology and the right processes in place, the team would automatically perform)<sup>1</sup>, there followed the realisation that there was something else to learn in order to develop high performing virtual teams: the aspects of team work and management in virtual teams got more and more into focus<sup>2</sup>. However, developing and leading effective virtual teams still remains a big challenge. Less than 30% of virtual teams are seen to be effective and successful<sup>3</sup>. Furthermore, there is often frustration around virtual working: people consider it to be only a necessary (but often poor) substitute for face-to-face meetings.

Intrigued by the current situation – characterised by this paradox of increasing virtual working on the one hand and unresolved difficulties and growing challenges on the other – Ashridge has been researching this topic for the last three years to explore what is happening: Why is virtual working still representing such a challenge?

We found out that the crucial differentiator between mediocre and high performing virtual teams is the *development of virtual leaders* who are *able to develop and lead* virtual teams. Effective management of virtual teams is necessary but not sufficient: there is a real need for *virtual leadership*. Geographical distance needs not be a distractor but can become an enabler. Virtual working can lead to very rich results and high performing virtual teams can be developed, provided that the right leadership is in place, with the right skills and competences in the team.

## The research

We did several types of qualitative research:

<b>Virtual Action Learning Research from 2004 – 2005</b>	<b>---Scope:</b> <ul style="list-style-type: none"> <li>• Conversations in teleconference settings with several test groups</li> <li>• Audio Action Learning</li> </ul> <b>People involved in the research:</b> <ul style="list-style-type: none"> <li>• Two test groups at Ashridge Consulting</li> </ul> <i>The aim of these test groups was to inquire into the experience of the group members of virtual working and to identify the key themes.</i> <ul style="list-style-type: none"> <li>• A test group with four employees of a global telecommunications company</li> <li>• A test group with four employees of a global FMCG company</li> </ul> <i>The aim of the work with these two test groups was to experiment with a new format of virtual action learning and to inquire into the results with the participants afterwards in a collaborative action research mode.</i>
<b>Virtual Working Study from February – April 2005</b>	<b>Scope:</b> <ul style="list-style-type: none"> <li>• 18 qualitative interviews with managers of different organisations in 11 different industries</li> <li>• One inquiry workshop with seven managers from five different industries</li> </ul>
<b>Secondary research in virtual working (2004 – 2005)</b>	<ul style="list-style-type: none"> <li>• Detailed analysis of existing literature and research</li> <li>• Review of virtual working development provision by various training providers</li> </ul>
<b>Ongoing research while working with virtual teams in different organisations since 2004</b>	We have worked with four groups of clients from three different global organisations in an Audio Action Learning format on a regular basis since 2004. The second person inquiry methodology is used to identify the emerging themes around virtual leadership and virtual working, in a systematic way at the end of each session.

In this article we share the results of our research in the areas of virtual working and virtual leadership and explore the implications for the development of virtual leaders who can create high performing virtual teams.

## Challenges for leaders of virtual teams

### Recognising the need for support

Often leaders and managers just ‘end-up’ leading and managing virtual teams without having necessarily learnt to do so. They often don’t realise that developing high performing virtual teams requires some different leadership and management skills. Often they actually don’t dare admit/express that they need help:

**“I can manage – leading a virtual team is no different from managing an office-based team face-to-face.”**

**“It is a different situation that’s all – I am an experienced manager, I should be able to do this – all I have to do is adapt my existing skills and have the right communications technology.”**

Also only a minority of organisations have realised that virtual working needs specific support and endorsement. In our research we found that some individuals felt that their organisations did not actively support them in virtual working as well as they would have liked. They felt that although their organisations sanctioned virtual working, they did not visibly and culturally support the virtual working ethos. At this stage it seems that only a few organisations have explicitly assessed the value of virtual working and developed a strategy for it, or have a programme to attend to the technological, social and psychological needs of their employees.

## Keeping the technology simple

We found out that virtual working works well when there is:

- clear communication (both at an informal and formal level)
- good systems and processes
- reliable simple-to-use, well supported technology.

Technology used was relatively basic: often respondents found that they and their organisations chose the lowest common denominator and stuck with it. The awareness of options and opportunities to change/develop technology support was relatively low. In almost all cases the basic tools appear to have been a notebook/laptop and a mobile phone. In some cases individuals also used Blackberries, Palms and webcams. There was very little dedicated remote working software apart from that used to access files from the main system remotely. Generally the most widely used communication platform seems to be teleconferencing in synchronous mode (people from different locations communicating at the same time) followed by NetMeetings (audio and computer based communication in synchronous mode), and finally, much less frequent use of videoconferencing.

In the last few months we are also experiencing that some companies have started using Internet based phone technology such as SKYPE, although the level of security (in terms of protection against unauthorised access) still needs to be checked in detail. The occasional inferior quality of connection is also a factor that sometimes gets in the way of developing good connectivity in virtual settings.

## Establishing trust and intimacy

What seems to make the biggest difference in virtual team work is the ability to develop fast and to nurture trust and intimacy in the virtual environment. Here the team leader (or the line manager leading a team across geographies) has an important role to play. While most of the literature seems to suggest that for a virtual team to become high performing it is important to have met face-to-face beforehand, **we found out that prior face-to-face meeting is actually not necessary.** In one of our test groups we explored how a certain degree of anonymity from the outset might actually help people get closer to each other faster because of the lack of baggage or accumulated perceptions of the person in the past and/or in a visual mode. Much more critical for the team is the need to dedicate a sufficient amount of time to properly 'contract' how they will work together. Every team needs to create its own unique ways of working – a code of conduct where a minimum of rules is developed and agreed upon.

Another important parameter related to the development of trust and intimacy is the degree of spontaneity and informality that a team can develop when working together. Often in the audio and web based environment, deadlines and goal driven meetings offer little room for the messy, loose, animated conversations that help develop human connection and the all-important personal touch that is important in developing intimacy. Introducing some element of informality to formal meetings can help people relax and connect at a deeper level. There is a real need in any kind of virtual team work to find a way to introduce the 'coffee machine' conversations to the group. Planning proper chat time before work begins or organising a virtual coffee break half way through a meeting are two simple ways of letting people across the

world build a mental picture of the person they are working with. "What did you do over the weekend?"... "What is going on in your area?"... for example, help to develop some emotional connection.

## Establishing a new etiquette

Teleconferences have been a popular way of communication for a decade and generally the rules of communication in such settings have mimicked the rules of face-to-face meetings. In our test groups we found that **the traditional teleconferencing etiquette becomes counterproductive** when trying to develop trust and intimacy. In a teleconference we have usually been taught that only one person should speak at a time; there should be a clear agenda where the conversation would move systematically from one point to the other; there should also be a clear Chair of the meeting, etc. We experienced that while there was a minimum of structure and order needed for productive conversations to emerge, there was also a fair amount of openness needed to let the real themes emerge in the virtual environment. Encouraging spontaneity in the virtual environment starts, for example, with something as simple as letting or encouraging people to interrupt each other during a phone meeting.

**"We didn't wait for each of us to end a sentence. We even kept on talking on top of each other" said Minna. "It was more comfortable and it made an impact". Pierre, another participant, explained that he didn't expect such closeness in the work: "It felt so close and the discussion was so open. Even if the (physical) distance is there, the distance didn't mean anything in terms of the relationship between us." Jenny, from another group where we also encouraged spontaneity, also reflected at the end: "I was amazed how well it has worked. It is almost like being in the same room."**

Furthermore we found out that the traditional rules of teleconference encourage a culture of advocacy rather than free flowing conversation. If a team leader becomes a debate monitor, asking questions by rote, the conversation can quickly disintegrate, with each member taking up a defensible position on a topic. The patterns make it difficult for the members to relax and really listen without feeling the necessity to have to defend a point of view when they are asked. Not only is it very hard work for the team members, but it does little to foster an environment of collaboration, curiosity and discovery; particularly as we began by acknowledging that virtual teams in global organisations work on high profile, strategic themes where curiosity and innovation are critical success parameters.

### Recognising that each individual is unique

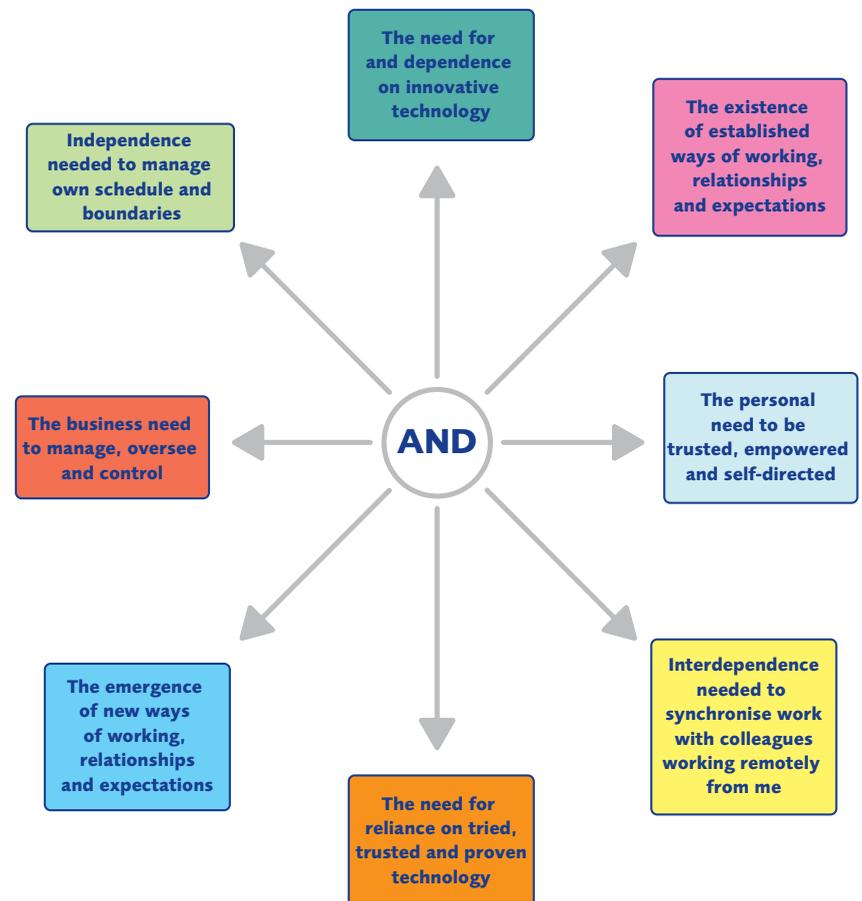
It is a common view that working in virtual teams around the globe requires a good degree of cultural awareness. While we acknowledge the importance of this, our research shows that this topic should not be overemphasised. In each culture each individual is different and this is precisely the individual uniqueness that is most critical to understand in each group: nothing less than that. Each member is unique and hence the crucial importance of contracting properly with each specific group or team in a way that respects everybody's needs. Virtual leaders need to dedicate specific time for a contracting session during which individual assumptions and expectations with regard to people and the tasks at hand can be voiced upfront, so that a common ground to develop ways of working specific to the group can be created. Having worked with teams involving cultures as varied as Japanese, Indian, Swedish and Russian, we realise that cross-cultural awareness may help in understanding each other, but is certainly not sufficient to establish a sound basis for trust to develop in the team.

### Recognising and managing tensions and dilemmas

Besides the importance of contracting ways of working and developing trust, one of the most critical parameters of virtual working seems to be a set of specific tensions and dilemmas often present in a virtual setting. We have represented those in the diagram below. As with many tensions/dilemmas there is no way to really 'solve' them. It seems that the most effective approach is to acknowledge them and work actively with them. Here the team leader in particular has an important modelling role to play.

### Implications for virtual team leaders

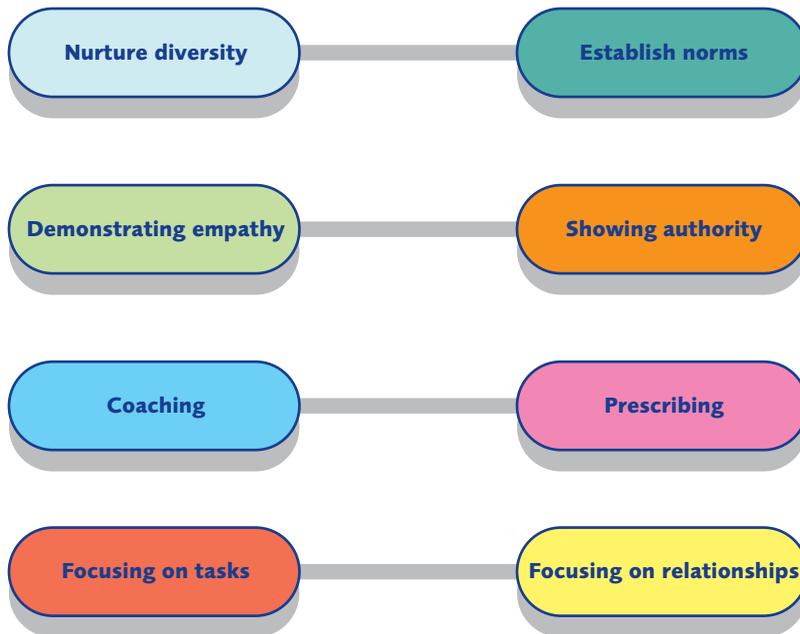
The research has shown us that to develop high performing virtual teams, a specific type of leadership and management is required. In some cases we found that successful ways of managing and leading in face-to-face situations may actually be counterproductive in virtual settings. There is a real need for virtual leadership in its own right. Our research has identified some of the specific competences and skills that managers and leaders need to develop.



### Role versatility

More than ever before leaders must learn to become more versatile in the roles that they take on when leading teams virtually. There is a wide range of roles that it is critical to assume, and it is key to know when to act and from which perspective. In the diagram below we attempt to capture the key roles in their variation.

#### Learning how to move on the axis...



#### To be successful the virtual leader should

- be a relationship builder
- be a facilitator of social and work processes
- be a care taker
- be a communication designer
- align group structure, technology and task environment.

### Self-awareness

It goes without saying that virtual leaders (as well as all other team members) need to have an acute awareness of themselves and their impact on others in a virtual environment. This might include, for example, revisiting how one's MBTI profile may serve one well or get in the way of effective virtual work. For example, people who are very process oriented and structure driven might be effective at managing the virtual process of communication between the members during a project, but might find it challenging to facilitate and participate in virtual meetings (audio meetings) where spontaneity is required. Leaders of this type can easily become task driven in a teleconference and allow no space for interruptions, silences or real inquiry to emerge.

Furthermore we categorise what we perceive to be the key competencies and skills for successful virtual leadership under two main labels: 'Leading in the moment' and 'Managing the virtual process'.

### Leading in the moment

In synchronous virtual meetings (audio and web based) where team members work from different time zones but at the same time, virtual leaders must:

- Have sharpened listening skills and learn to listen not only to what is said/written but also to what is not said/written. They need to learn to listen to the words as well as to the voice, the intonation, the speed of the delivery, etc. In each conversation there is a huge richness of data about the speaker and we only understand a little part in face-to-face. Virtual leaders need to learn how to understand the rest.

- Learn to work with silences: silences might appear in an audio environment much longer than they actually are (three seconds of silence in an audio environment might feel like ten face-to-face). It is important to resist the need to jump into the silence too fast because it feels unpleasant. Silences bear in themselves exactly as much data as words. For leaders it is key to learn to explore them in an unthreatening manner to develop intimacy in virtual teams.
- Find a way to go with the flow of the conversation and facilitate at the same time.
- Combine structure and emergence.
- Foster an atmosphere of inquiry rather than advocacy.
- Redefining the 'etiquette' for their own specific team
- Project managing
- Managing conflict
- Working with diversity
- Establishing the context
- Managing workload in relation to time available and time zones
- Managing own and others' stress.

### Into the future

We hope that what we have shared of our research will contribute to mastering the challenge of virtual working. Research seems to have only just started to get to the essence of successful virtual working,<sup>4</sup> and calls for the development of specific virtual leadership competences and skills. And there is still so much more to discover. At Ashridge our research is ongoing and we continuously update it based on the growing amount of consulting and developing work that we do in a virtual mode with more and more organisations. Virtual leadership is above all 'Learner-ship' where much still remains to be discovered.

### Managing the virtual process

We are here particularly focusing on the asynchronous mode (people working from different locations at different points of time). Virtual leaders must work on:

- Building and nurturing relationships where social aspects are essential
- Maintaining presence in spite of being remote
- Generating information as an act of co-creation rather than a content
- Co-creating shared realities
- Allowing for planning and emergence
- Monitoring what people achieve rather than what they do
- Bringing the informal into the formal

## References

1. See, for example, Duarte, Deborah, L. and Snyder, Nancy Tennant, (2001) *Mastering Virtual Teams*, Jossey Bass.
2. See, for example, Willmore, Joe, (2003) *Managing Virtual Teams*, ASTD Press.
3. Goodbody, Jenny, (2005) Critical Success Factors for Global Virtual Teams, in *Strategic Communication Management*, Feb/March. 9. (2).
4. Powell, Anne; Piccoli, Gabriele; Ives, Blake, (2004) Virtual Teams: A Review of Current Literature and Directions for Future Research, in *The Database for Advances in Information Systems*, Winter. 35 (1), p.20.