



The Psychology of Effective Business Communications in Geographically Dispersed Teams

An Executive Summary of the
Research Report by Pearn Kandola
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Introduction

The Economist Intelligence Unit's Foresight 2020 research outlines five key trends for the next fifteen years. Of these, three trends – globalisation, atomisation, and knowledge management – will have significant impact on the structure, functioning and distribution of teams within and across businesses. As organisations become global, and cater to global markets the prevalence of multi-cultural and geographically dispersed teams will increase, especially as work gets broken down into ever more granular units to be managed and delivered by specialist teams or individuals linked by technology. At the same time many see the future value of their organisations becoming ever more closely linked to the knowledge they can leverage; knowledge which is frequently an amalgam of individual experience, behaviour and understanding.

With this in mind we at Cisco are interested in understanding how communications work in dispersed, multi-cultural and virtual teams. How does knowledge flow and how can individuals achieve the best balance between task-orientated and wider relationship-building communication? How can trust be built across geographic and cultural boundaries? Which communications technologies are most effective and what's the right mix of communications channels to use?

It is our belief that teams and individuals are most effective when they are presented with a range of communications options and clear information on which will be most effective at any given time. Knowing the communications preferences of your team members, and being able to see their status or 'presence' in advance of making contact can have a significant positive impact on the effectiveness of team working and knowledge sharing. Simple and instant access to a range of rich communications options that brings together text, voice and video allows individuals and groups to benefit from much of the additional information that co-located teams take for granted – without the hassle-factor of booking specialist facilities.

Research outlined in the report, **The Psychology of Effective Business Communications in Geographically Dispersed Teams**, supports our view that rich, immediate and easy to use communications have a significant impact on the effectiveness and success of virtual teams – helping them to match, or indeed surpass in certain circumstances, their more traditional face-to-face versions in effectiveness, creativity and productivity.

Executive Summary

The report was commissioned from occupational psychologists Pearn Kandola by Cisco Systems to examine the dynamics of virtual, geographically-distributed teams and how the application of electronic communications in the workplace could impact the effectiveness and success of teams. Pearn Kandola has researched a variety of sources, including business journals such as the Harvard Business Review and the Academy of Management Journal, and academic sources such as the Journal of Applied Psychology and Communications Research to establish the current best thinking on the psychology of communications across virtual teams. The researchers have focused in particular on any evidence that may suggest the positive or negative impact that different communications technologies can have on the process and success of building virtual teams.

The report is broken down into key findings or headlines, explanations and implications, as well as top tips and dos and don'ts for business managers. The core focus of this first research project is to examine the implications of communications technology on relationship building in virtual teams.

Note: throughout the report, the term 'virtual' is used to refer to any form of non co-located working. This includes virtual or remote team working, multiple site organisations, remote or home working, and geographically distributed or dispersed working.

Relationship Building

Relationships, both personal and professional, are, needless to say, fundamental to successful team working. Much research has been conducted into the way in which virtual team members can build effective relationships with their colleagues and the advantages and disadvantages that the virtual status of their teams gives them. The research reveals that people are driven to build relationships with others regardless of the geographic dispersion or cultural mix of the teams they work in. With all types of teams trust is crucial and the speed with which it is built and the strength of resulting bonds has a major effect on the effectiveness of the team.

Much of the research compares computer mediated communication (CMC) with face-to-face (F2F) communication as an efficient and effective way of building relationships. What is clear is that effective use of technology can significantly

shorten the time to effectiveness for virtual teams, but that care must be taken over the selection and deployment of different forms of CMC.

Here is a summary of the key findings, grouped under the three main areas of relationship building: trust and first impressions, cross-cultural issues and conflict.

Trust & First Impressions

Trust plays a critical role in influencing group effectiveness. Trust has been identified as the defining issue in understanding the effectiveness of virtual teams (Handy, 1995)ⁱ. If members of virtual teams are going to engage in cooperative activities they must trust each other or be able to monitor each other.

When members are working in different locations and interacting primarily by telephone or computer, most traditional forms of monitoring and control are not feasible (e.g. people cannot observe the amount of effort or overhear what team members say when they are interacting with others).

This 'behavioural invisibility' is likely to be associated with added risks such as neglecting others' interests and mis-anticipation of others' actions, which can undermine the development of trust.

- Research suggests that it takes a minimum of two weeks before CMC relationships are as socially grounded as F2F relationships.
- The use of richer media (voice and video communications in particular) does help when establishing and building relationships.
- The research also demonstrates that trust, a critical factor in influencing group effectiveness, is more readily generated in high-quality, media-rich forms of communication.
- Effective communication tools and a variety of communications channels help team members to avoid misinterpreting the actions of their colleagues.
- '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 this silence.

Cross-cultural Issues

Communication differences within multicultural teams are most apparent during the first two phases of constructing the message and choosing the communication medium. This is likely to be most evident when team members are working

virtually. This is because our cultural values affect what we perceive to be the correct thing to do when we think about how we are going to phrase what we need to communicate, as well as the method we use to communicate (Earley and Gibson, 2002)ⁱⁱ.

- Heterogeneous teams (teams comprising members from different cultures) do become more effective than their homogenous 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.

Conflict

Virtual teams experience significantly more conflict than do F2F teams as their distant members struggle to come to terms with different perspectives, unshared information and tensions between distant subgroups.

Conflict tends to be more prolific in virtual teams because team members are less likely to have a history of working together. This, coupled with the impersonal nature of virtual communication, means that such teams have much weaker interpersonal bonds than do F2F teams.

Distant team members are prone to misjudging the reasons for others' behaviour and this causes misunderstandings and conflict (Cramton, 2002)ⁱⁱⁱ.

- Spontaneous and clear communication is key to reducing conflict in all teams. This is especially important in virtual teams where there may be more ambiguity about what colleagues are doing.
- And in helping virtual teams to establish their own identity which is critical for motivation and team cohesion.

Conclusions

The evidence from research suggests that today's communication technology can play a powerful, positive role in assisting virtual team development and success in all of these areas. However, technology can also lead to misunderstanding, misattribution and conflict if it is not well used. Ultimately team members and team managers must use a range of communications techniques and technologies to ensure that messages are conveyed in the most transparent, timely and efficient manner. Any technologies that help individuals negotiate the complexities of virtual team working must be a boon.

As organisations become increasingly global in reach, distribution and constitution; as effective knowledge sharing becomes a main driver of value and success; and as more complex eco-systems of individuals and groups with specialist knowledge come together in virtual teams, the importance of effective communication cannot be over-estimated. Our research into the psychology and technology of communication strongly suggests that new 'best practices' need to be established to ensure that team and individual behaviours are modified to maximise the value of the communications technologies now available.

Best Practice: Communication etiquette and media choice

The type of technology used by virtual teams is an important input as media richness has been found to positively impact team effectiveness, efficiency, amount of communication, the relationships among team members, team commitment, and teams' abilities to plan, exchange ideas, and to reach consensus.

The addition of video-conferencing results in significant improvements to the quality of a team's decisions and the use of richer media also results in increased levels of performance and trust (Martins, Gilson, and Maynard, 2004)^{iv}.

Choice of media should be determined by the communication capabilities, i.e. immediacy of feedback, symbol variety, parallelism, rehearsability and reprocessability (Maruping and Agarwal, 2004)^v.

Immediacy of feedback relates to the synchronicity of the medium (i.e. how quickly someone is able to respond). **Symbol variety** relates to the availability of multiple cues that are supported by the medium. **Parallelism** captures the possibility that some media permit multiple simultaneous conversations. **Rehearsability** represents the ease with which communications can be rehearsed and edited prior to their transmittal. Finally, **reprocessability** concerns the ability of the medium to maintain a history or memory of the communication that has occurred.

Different media have different levels of communication capabilities. Examples of different media are outlined below:

Video-conferencing

- High immediacy of feedback as all communications are conducted in real time.
- High symbol variety as the visual nature of the medium means that multiple cues are available (e.g. nonverbal cues, vocalic cues, verbal cues).
- Parallelism is enabled as communication is allowed with multiple participants simultaneously.
- Ability to rehearse communication is low because communication occurs in real time.
- It is also difficult to maintain a record of all communications, making it low on reprocessability.

Email

- Low immediacy of feedback as communication is asynchronous and depends on respondents regularly checking and responding to their emails.
- Low symbol variety as no nonverbal, vocalic or verbal cues can be transmitted.
- Parallelism is enabled to an extent as emails can be sent to multiple distribution lists.
- Ability to rehearse communication is high because communication does not occur in real time and drafts can be edited.
- It is easy to maintain a record of all communications, making it high on reprocessability.

Communication capabilities of different media

	Immediacy	Symbol Variety	Parallelism	Rehearsability	Reprocessability
Email	Low	Low	Enabled	High	High
Instant messaging	High	Low	Enabled	High	Low
SMS text messaging	Low — Medium	Low	Enabled	High	Medium
Telephone conference	High	Medium	Enabled	Low	Low — High (if recorded)
Web conference (with audio)	High	Medium	Enabled	Medium — High	Medium
Video conference	High	High	Enabled	Low	Low — High (if recorded)
Unified communications	High	High	Enabled	Varies, low to high	Medium — High

The nature of the task is an important factor in determining which communication media are best suited to the task's requirements. For example, during the first stages of a project, when relationship building is key, the use of richer media is important because of its high symbol variety and high immediacy of feedback. Conversely, when communication is more task-related, such as sharing guidelines and documents, leaner communication such as email is preferable due to its high rehearsability and high reprocessability.

Our review has demonstrated the importance of matching communications technologies to the cultural, organisational and behavioural expectations and demands of virtual teams. Although multimedia communications technologies are now more widely available – virtual teams need guidance on best practice to use them effectively and in a cohesive manner.

Summary of Best Practices

- Plan extra time for relationship and trust building in virtual teams.
- Use richer media in initial stages of a project to speed up relationship building.
- Facilitate cognitive trust building at the outset by sharing information about each team member's accomplishments, experience, competence and integrity.

- Facilitate development of affective trust using socialisation strategies such as virtual coffee breaks / online chat rooms, social conferencing via video or telephone.
- Be aware of the negative effects of 'silence' – explain expected delays in response, communicate your availability / unavailability to team members.
- Provide guidelines and establish protocols for communicating within multi-cultural teams.
- Agree protocols with the team on response times and message acknowledgement.
- Encourage team members to be explicit in communicating what they are thinking and doing.
- The use of a communication mediator and informal discussion forums can help to overcome intercultural communication difficulties.
- Help teams to develop a shared identity and shared context by encouraging socialising and the use of spontaneous communications, but ensure team members are able to establish their optimal level of communication and signal availability to avoid over-communication and interruption.
- Give the team access to a range of communications media and guidelines to help them select the most appropriate media to meet the objectives and tasks at hand.

Read the full report

The full report “The Psychology of Effective Business Communications in Geographically Dispersed Teams”, which includes more research, explanations, implications and advice on effective virtual team communication, is available from Cisco Systems at <http://newsroom.cisco.com/>

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