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The need for better employee engagement and productivity has become pressing in an international marketplace. Forward-thinking organisations are responding to this by structuring themselves in a more responsive and flexible way. Rather than setting up hierarchical and geographical structures, there is a move towards matrix configurations, building skills-based project teams as needed to develop new products or services or to enter new markets.

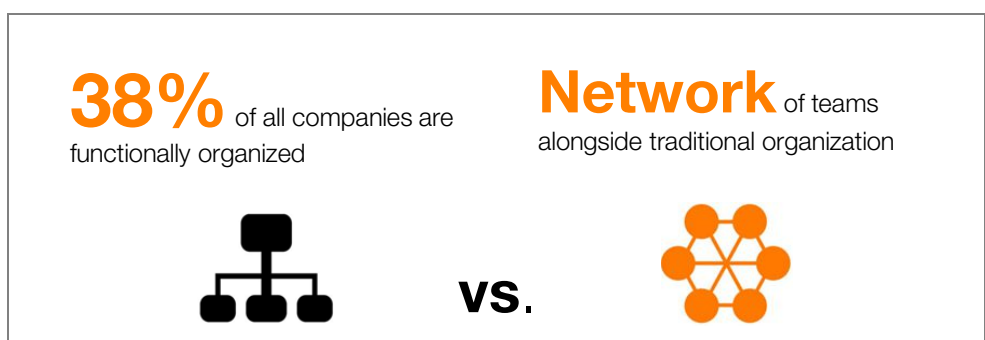
Moving Away from the Functional Structure

The Deloitte Human Capital trends report 2016¹ described this trend as ‘the rise of teams’. The report reveals that 92% of companies it surveyed believe that redesigning the organisation is ‘very important’ or ‘important’. It adds, “Many companies have already moved away from functional structures. Only 38% of all companies and 24% of large companies (those with more than 50,000 employees) are functionally organised today.”²

Interestingly, the report and other industry observers believe this new mode of organisation, comprising networks of teams with relevant competencies, strong communication skills and agility to deliver is on a steady rise. The challenge organisations face is to make this work across international borders, where different languages and cultures can hinder the effective communication that needs to be at the heart of global virtual teams. This whitepaper will provide valuable insight into how to make global teams work – and how to engage employees to create the most efficient and optimised teams.

Function vs. Network

Fast moving global markets force companies to focus on redesigning their business organisations, moving away from functional structures and favouring dynamic networks of teams.



What is the Appeal of the Virtual Team?

A major driver for the rise of virtual skills-based teams is the emergence of technology that enables easy collaboration and development 24/7 throughout the world. Even more importantly perhaps is the HR factor. Organisations are engaged in a race for talent and are more likely to attract and retain the best staff if they can offer flexible working and opportunities for global development. Optimising the team-based model brings benefits

¹ <http://www2.deloitte.com/us/en/pages/human-capital/articles/introduction-human-capital-trends.html>

² <https://www.linkedin.com/pulse/organizational-design-rise-teams-tamerlan-viskhadzhiev>

“Misunderstandings arising from cultural and language differences are the biggest challenge facing virtual-team managers.”

including increased productivity, creativity, knowledge sharing, and flexibility, improved employee satisfaction, and a closer match between available talent and organisational needs.

Organisations can maximise their global talent pool while minimising costs. At the same time as being able to pick and choose the best and lowest-cost global talent for each project, there is potential to reduce real estate costs, as there is no need to house static teams of people.

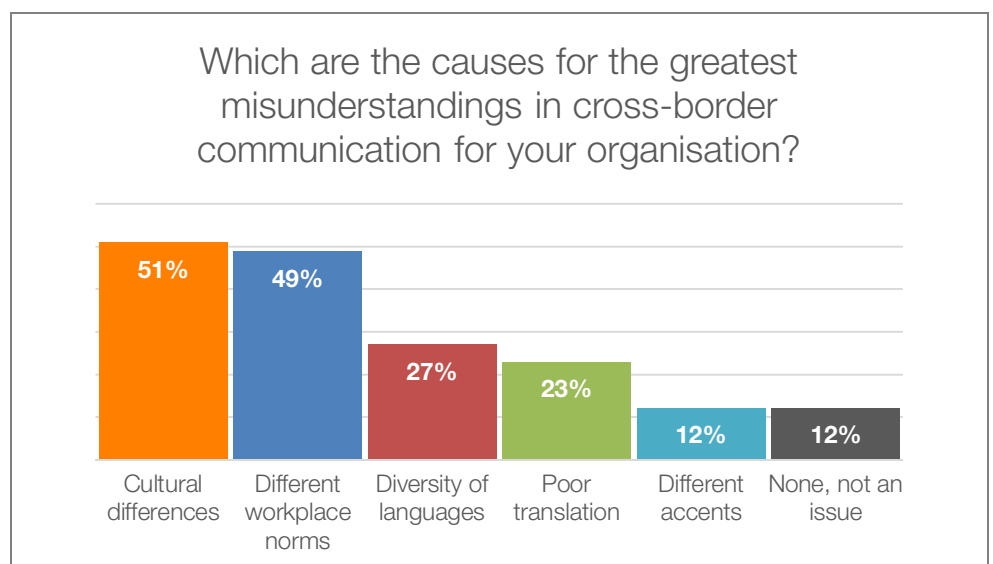
The rise of the team has its roots in military strategy. In his book “Team of Teams – New rules of Engagement for a Complex World”³, General Stanley McChrystal advocated a dramatic departure for the military – a move away from the centralised model of command to a system whereby officers could switch flexibly between teams to meet the fast changing requirements of ongoing missions. In business, this translates into the creation of mission, product or customer-focused teams rather than functions such as customer service or R&D. Central to the success of this model is to move leaders out of head office and rotate them around teams, as teams are created and dissolved.

This organisational model is very different from what has gone before and poses challenges for those responsible for talent management. Soft skills such as language and communication skills become at least as important as technical or business sector specific competencies. It also poses a challenge when it comes to communicating the organisation’s visions and values across an international and flexible workforce.

The Single Biggest Challenge

Misunderstandings arising from cultural and language differences are the biggest challenge facing virtual-team managers, according to the majority of managers responding to an Economist Intelligence Unit (EIU) survey⁴.

The Big Misunderstanding
Differences in culture, workplace norms as well as linguistic diversity leading to misunderstandings have an undeniable negative impact on the harmony of cross-borders relations. The business will suffer if diversity is not handled correctly.



³ <https://mchrystalgroup.com/teamofteams>

⁴ Managing virtual teams. Taking a more strategic approach. A report from the Economist Intelligence Unit. http://graphics.eiu.com/upload/eb/NEC_Managing_virtual_teams_WEB.pdf

Cultural misunderstandings may arise from simple variations in use of the same language, preferences for different means of communication from email to instant message, or expectation for responsiveness – one person may expect a response to an email within an hour while the recipient may consider that two days is fine. Attitudes toward management hierarchies, loyalty and different time zones can all play a part too.

In some cultures, the turn of phrase, especially alongside gestures and body language, carries much of the context for communication. In other cultures, the words alone carry the message and no one is expecting to search through every communication for a subtext. In addition, the vocabulary used for negotiation and conflict resolution may vary widely, even in the same language, from country to country.

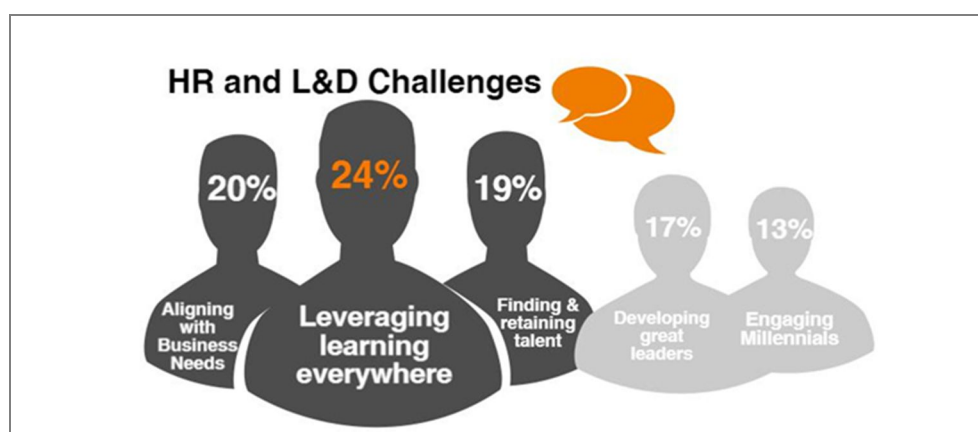
Around one-half of respondents in a survey for another EIU report agreed that communication misunderstandings have stood in the way of a major cross-border transaction, resulting in a quantifiable financial setback⁵. Almost half (49%) of respondents said that different norms of workplace behaviour were most likely to cause the greatest misunderstanding in cross-border communication – compared with 27% who believe that different languages were the problem. The survey indicates that over three-fifths of companies (61%) encounter difficulties at least sometimes when communicating across borders. This figure is much higher in some countries – 71% of Spanish respondents reported difficulties, for example.

The Challenges

Better language and communication skills will help HR and L&D build more flexible and responsive teams, at the same time as helping address the main challenges they face, according to the SpeeXX annual HR and L&D audit. The SpeeXX Exchange survey analyses responses from hundreds of participants from Europe, Asia and North America, including HR directors/managers, L&D professionals, content developers, training managers and C-level executives who are charged with the development of staff. The 2016 survey found HR and L&D challenges are:

Communication Challenges

Communication skills are intrinsically linked to organisational priorities.



⁵ 'Competing across borders. How cultural and communication barriers affect business A report from the Economist Intelligence Unit'. https://www.jku.at/zsp/content/e273302/e273317/Competing_across_borders_ger.pdf

The Heart of Your Strategy: The Team-Based Approach

Businesses will continue to be subject to changes in the market, as a result of internal and external factors. Creating an agile, mobile network of teams based on skills rather than location will give organisations the ability to respond more quickly to change. This team-based approach should be core to organisational structure and strategy. Getting the right people in place to make this work is key. As the EIU reports, one of the most significant benefits of cross-border collaboration is the ability to draw on a much deeper global talent pool. Yet the majority of survey respondents said that local managers are mostly (58%) responsible for recruiting virtual team members, suggesting, in the EIU's view, that most companies only recruit in locations where they have an office, severely curtailing the size of the talent pool on which they can draw.

Project-based organisations that take a truly international view will achieve benefits for the business and for individual employees. When employees share a common purpose and understand the values of the organisation, they will work together and communicate more effectively. People are an organisation's greatest asset in any case, but employees who are highly skilled in language and communication competences add massive value to an organisation enabling it to keep ahead of the competition with a flexible network of teams-based structure. Investment in these skills is a direct investment in the business, increasing the value of an employee and boosting their enthusiasm for remaining with the company, while creating a responsive organisation with enviable levels of innovation and unrivalled time to market.

Five Tips for Supporting Successful Virtual Teams

HR and L&D professionals have a key role to play in supporting the language and communication skills development needed to underpin an effective team network model. Here are some top tips for success:

1. **Define a minimum required level of written and spoken business language.**
This is a crucial first step to prepare for effective collaboration within international teams.
2. **Analyse team members' language and communication skills.** It is vital that this analysis is consistent across the globe, and is not based on individual regional assessment. This can easily be measured by using the ACTFL or CEFR framework. Identify complementary skills and experience across the workforce and either create teams based on that analysis or offer training to the team members to close the gap.
3. **Tailor language and communication development to individuals and teams.** Not everyone needs the same foreign language knowledge or level, so the approaches to training should also be different. For example, an executive communicating exclusively with business clients may need a different vocabulary than an employee in sales, marketing or customer support.
4. **Foster communications that enable knowledge sharing between team members.** Encourage team members to present project results to the team on a regular basis and create case studies of knowledge and good practice that may be shared throughout the organisation. Frequent meetings stimulate a flow of healthy communication but employees must feel that the meetings have value.
5. **Understand the technology and communication channel preferences of people in teams.** Accommodate those differences. If not, cultural misunderstandings will remain the main barrier to effective team-based working.