



CALDO Model for Successful Global Virtual Teams

Cultural Diversity

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Outcomes

Whitepaper



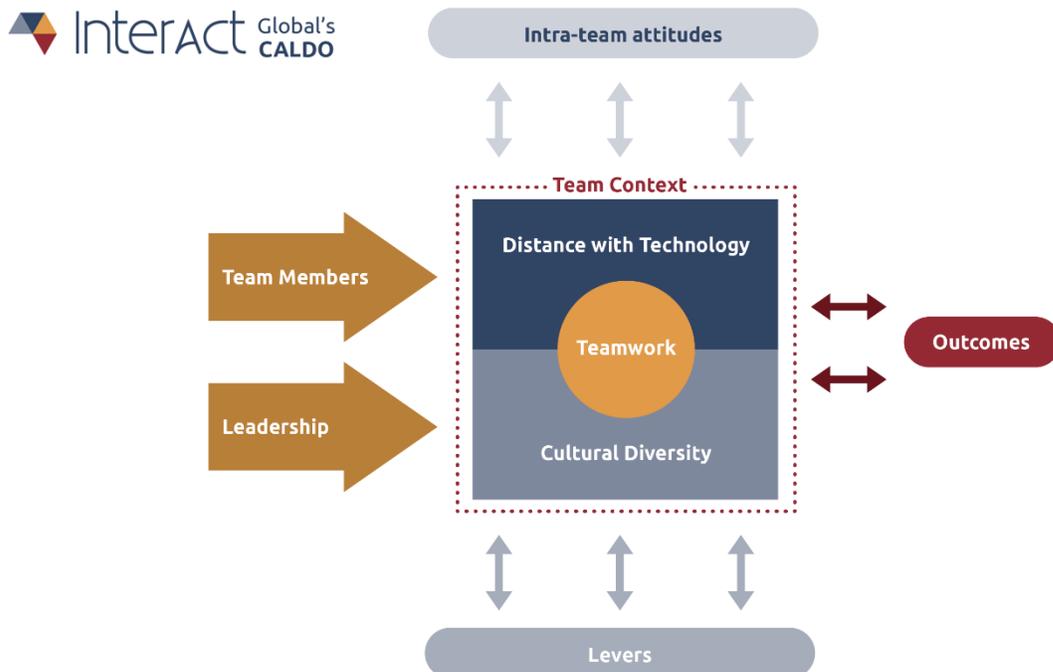
The CALDO Model: delivering increased impact and success for virtual teams

Virtual working has reached into the very fabric of the workplace, riding on a wave of unprecedented technological and social change. Enterprises are seeing exponential growth in faster, easier communications and ubiquitous connectivity – and some are deciding to go 100% remote. It is a trend that shows no signs of abating.

Virtual teams, with their clear vision and synergies, will often outperform co-located teams; they are more agile and often belong to bigger, more diverse talent pools. They are also better attuned to a broad range of stakeholder needs across multiple geographies. And they regularly use technology to span huge distances.

But herein lies the challenge for teams embracing virtual working. The combination of technology and distance can often lead to a focus on structure, processes, and outcomes and this, in turn, can erode the essentials of human interaction. These essentials – relationships, engagement, psychological safety and team identity – are indeed the key to unleashing the energy required for connecting, sharing information and ultimately making sound decisions.

With this in mind, Interact Global has developed the CALDO Model for successful virtual teamwork. Based on a far-reaching study of concepts, insights and academic research, it explores the dynamics, achievements and impact of virtual teams compared with co-located teams. What it reveals are the two key differentiators – Distance with Technology and Cultural Differences – essential for understanding how teams can make a successful transition to virtual working and make a lasting impact.



Distance & Technology

Virtual teams are often geographically dispersed, with inevitable assumptions and behaviors that arise from the use of technology as a *modus operandi*. The CALDO Model explores, measures and demonstrates in a context of *distance and technology* just how much impact these assumptions have on individuals, their leadership and teamwork. For example, a well-documented study shows that when we read e-mail, we will often project *negativity* onto written words (far more than if the very same words were spoken). Misinterpretations impact the attitudes and behaviors of receivers and can be hugely damaging on teamwork.

Inherent in communicating with technology is the limitation of using all our senses for connecting with others. This can have profound impact on individuals as humans and should not be underestimated. By understanding these dynamics, teams can devise solutions to strengthen the team in spite of the distance.

Culture and Diversity

When we travel, it is easy to capture a mental image of cultural differences through architecture, food, music, clothing or art. Yet culture manifests at a far deeper and less visible level, through social values, norms, and assumptions, and potentially impacting working styles. Take common business processes like decision-making, communication styles, information sharing, or team management: each will be approached by employees according to their cultural mindset, where they live and local influences.

It is not about the latest tools and technology. It is about the mindset to work virtually and to be open to that type of collaboration.

Director, Global Bank

So, this begs the question, *what happens within a virtual team*? Studies show that members do bring their cultural assumptions and practices into the team, all of which makes perfect sense. What is normal in a local office could still be normal with remote colleagues. This is why *cultural diversity* is such a key element of the CALDO model: the diverse assumptions of team members will definitely make an impact on virtual teamwork and as a result on a virtual team's performance.

Picture this: a Japanese manager feels frustrated in conference calls where US colleagues feel empowered to give their opinions, expecting discussions and answers. She finds it tough to speak out because she prefers to reflect on questions and consult with colleagues, to avoid a hasty answer. She also prefers to respond via email, using the appropriate English words. The Americans, on the other hand, find the virtual meetings a waste of time because nothing is decided. Cultural differences are alive in a virtual team.

Beyond the *type* of cultural differences, the mere fact that differences exist can damage virtual teamwork. Individuals may bond with others of apparently similar backgrounds, based on culture, function, age, location or gender, because it is simply less risky and feels easier. Individuals perceive colleagues from the same group as more predictable in their behaviors and reactions. If left unchecked, such assumptions and subgroupings can cause deep rifts in the virtual team. Instead, what truly unites a virtual team is a shared identity, which provides the space for the diversity of ideas and ensures competitive edge in a multilateral world of “Volatility, Uncertainty, Complexity and Ambiguity” (VUCA). Virtual teams who recognize, embrace and leverage their diversity can achieve higher performance based on a real sense of belonging and strong engagement.

Levers

Teamwork is at the center of the CALDO model. It represents the work done to achieve goals and objectives of the team and is *where* the team makes decisions, agrees plans and completes tasks. However, *how* Teamwork is done offers a variance or influence on its *modus operandi* which becomes an essential *lever* that in turn responds to the question: *how can virtual teams become more successful?*

Often the nuances in a virtual team, compared to co-located teams, equate to little more than a few degrees on the spectrum of influence. For example, *individualized consideration*: it is the attention a leader gives team members, such as one-to-one meetings, coaching and general caring, that benefit both co-located and virtual teams. Yet how it is woven into the respective teams is quite different.



A co-located team leader can engage informally with team members and notice changes in personal interactions; team members can easily connect with the team leader and other members alike. But in a virtual team, the spontaneity and cues are missing, and the leader must implement a more conscious and planned approach to giving the individual the attention and support they need.

Another impactful lever is *interdependence*, often expressed through task, objective or reward interdependence. It is invaluable in distance and technology context and acts as an antidote to the detrimental tendency to work alone. The lever positively influences trust-building, motivation, and shared team identity, and although apparently counter-intuitive, gives virtual teams exactly what they need: organized moments of collaboration to develop greater engagement and higher performance.

Other levers include team composition and location, relationship building, creating a transitive memory system and shared team leadership, amongst other things. Team leaders and members who recognize the unique characteristics of virtual teams can skillfully apply the levers to their own team environment and ensure a transition from challenges towards achievements and performance.

Leaders and Team Members

The CALDO Model for virtual teams includes the *mindset, competence and knowledge* of the entire virtual team is a source of strength for success. It simply makes sense – individuals who are prepared for their roles on a virtual team can make greater contributions. However, various formal and informal research indicate few employees are trained to work virtually and often they focus on technology only. This indicator reveals a puzzling gap in terms of inputs and outputs. Companies assume that working virtually is akin to working in a co-located team and that employees will simply ‘muddle through’. Yet the employees we have interviewed say they are “hungry” to grasp the dynamics of their new virtual working environment and feel “frustrated” and “lost”. They are interested in the cultural diversity of the virtual team and in leading it, which for most, requires training and coaching.

The CALDO Model also recognizes the impact of the various types of leadership styles. For instance, a leader who applies personal charisma or micro-management to a co-located team may simply not fit in as well by applying the same management approach to a virtual team. Instead, what is required is coaching, supporting, caring and role modeling – also known as Servant, or Transformational or Empowered Leadership. Global virtual teams are often knowledge-based and require ideas, information sharing and synergistic collaboration. If a transactional management or “hub-and-spoke” leadership style is applied, not only will the leader become exhausted by the number of single transactions in a distributed space, they will also limit the virtual team’s potential and performance.

The key is the attitude. People who are emotionally engaged contribute their best.

Surinder Kahai, Professor of IT,
Binghamton University

Intra-team Attitudes

The CALDO Model measures the *perceived quality* of virtual teamwork through *Intra-team Attitudes*. Attitudes, beliefs and feelings within the team reflect the need for trust, psychological safety, shared team identity, creative mindset and cohesion. One gives rise to the other – just as trust leads to psychological safety or a creative mindset – as both the cause and effect of teamwork. Put simply, team dynamics that build trust will in turn improve future interactions, in a positive, upward spiral.

Research shows that intra-team attitudes are essential for co-located and virtual teams. They provide the pulse of the team and give an indication to the team leader when things are not working well. The focus on Intra-team Attitudes asks the leader to go beyond the meeting agenda, and take a deeper look at the team collaboration.

Next Steps

Global virtual teams are here to stay and are increasing in numbers. As an out-of-the-box approach to working, when they work well, they work extremely well. They deliver amazing levels of innovative insights, open up potential for growth and new geographic reach and, of course, produce outstanding results. That said, they need support so that the knowledge they unlock, their mindset as a collective entity and their shared competences can maximize the contribution of every team member.

If organizations support their employees to work virtually across cultures, their global virtual teams will be enabled and empowered, delivering outstanding performance and producing a positive impact that can often be way beyond anyone's expectations. It's a leap of faith for many companies but one which can be powered with the right tools and the experience of many who have gone before them. The CALDO Model offers a path into the world of virtual working and the roadmap for making decisions with confidence.

For more information, contact us today

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Interact Global supports individuals, teams and organizations to grow, thrive and succeed through collaboration. We help eliminate the blockades which prevent people from connecting and engage the development journey whether co-located or virtual. We customize workshops, speaking engagements, individual and team coaching, and organizational change programs with our team of experienced trainers and consultants. Contact us today: info@interact-global.net