Tech-driven transformation: management of culturally diverse and physically dispersed tech teams

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Abstract

Purpose – This paper delves into the complexities of daily dispersed tech team dynamics and aims to understand the underlying reasons for the challenges that such teams face. Through personal observations and analysis, this paper aims to identify communication barriers and propose actionable insights and strategies for improvement.

Design/methodology/approach – By leveraging personal insights and observations from the IT HR field from three different countries, information and data was collected. Such personalized approach allowed for a deeper exploration of real-world scenarios, how physically dispersed teams work and what challenges they struggle with. A comprehensive examination of the issues faced by tech teams operating globally also allowed to observe the noteworthy outcomes that could bring the best benefit for such teams.

Findings – As geographically dispersed tech teams continue to gain popularity, understanding the challenges that the teams might face and the potential ways of solving them become As HR as well as team managers roles now evolve, flexibility becomes paramount for navigating global team dynamics.

Originality/value – This paper is a contemporary call for action to stimulate management, enlightening them on the requisites for establishing and cultivating high-performing teams that work across geographical boundaries. There is a lack of understanding of what challenges physically dispersed teams face and to what degree those challenges impact the teams. This paper addresses this deficiency.

Keywords Change management, Culture, Employee engagement, Globalization, Engagement, Multinational

Paper type Viewpoint

With our world becoming increasingly interconnected, more and more companies scale without the fear of geographical constraints, reshaping the way businesses operate and collaborate. The COVID-19 pandemic has only accelerated the shift to remote and hybrid work. From global, multinational conglomerates to startups, businesses are no longer bound to one specific location – the geographical boundaries are now gradually dissolving, allowing businesses to access new markets, scale operations, attract investment and enhance brand recognition. Yet another major advantage is the ability to attract and retain the best talent with complementary skills and expertise regardless of their location (Jimenez et al., 2017). By harnessing the power of an interconnected world, organizations can now grow more promptly and can focus on ROI without being held by their structure or lack of resources to reach the maximum business potential.

Globalization and a post-pandemic work shift have also developed a new kind of team – a globally distributed team (GDT) – that comprises members located in multiple physical locations. Although often confused, a physically distributed workforce in its original meaning implies a cross-functional team that may be either partially or completely away from the...
office of central operations, whereas a dispersed workforce describes a team of the same function that is not physically collocated. A synonym description “virtual team” represents a group of workers collaborating to achieve a common goal through the use of information and communication technologies, based on which they can communicate and coordinate their actions, regardless of geographical, temporal and organizational differences (Baskerville and Nandhakumar, 2007; Schumacher and Poehler, 2009). While geographically dispersed teams allow organizations to gather the best talent regardless of location (Jimenez et al., 2017), such team members, however, must still overcome the limitations of time, space, culture and organizational affiliation, obstacles not usually encountered by traditional collocated teams (Piccoli et al., 2004). In an era where technology transcends borders, building geographically distributed and/or dispersed teams is no longer a strategy of success – it is a crucial element of business expansion across borders and an important step to take to remain a competitive employer.

Technology as enabler

Technological advancements, in particular cloud computing and real-time collaboration tools, serve as an enabler for the shift toward remote and hybrid work settings, as well as the reconfiguration of diverse geographic team settings. In other words, technology is the enabler of identifying and harvesting the new improvement opportunities in both the way the work is being performed and the output of the work. Therefore, the technologically enabled change of the team consistency, dynamics and geographical team arrangement first impacts the tech teams themselves, creating a ripple effect throughout an organization. After the IT sector, along with the IT HR teams, have already navigated these challenges and have encountered, tested and implemented the new technologies and work methodologies, the traditional HR, along with the traditional organizational structures at that point, are only faced with such challenges. The struggle lies in adapting to these innovations, followed by the subsequent challenge of integrating them into their daily workflow.

Due to the innovation, companies have now digitized or are on their way of digitizing their products and internal processes; this leads to a surge in techies, even in non-technical industries and finding solutions to fill the gap.

The profile of a techie

Techies, described as tech, particularly computing experts and enthusiasts, tend to exhibit traits such as discipline, meticulous planning and structured thinking. The job often entails high-stress situations, especially when systems malfunction, demanding swift resolution, which is why technical staff must then use high analytical abilities and logical reasoning to decipher the sequence of events leading to the problem, facilitating its outcome. Over-explaining processes and situations, as commonly done with other colleagues, can sometimes be found as irritating. Contrary to adhering strictly to conventional step-by-step processes, the job of a techie is usually not about following the standard step-by-step process but rather about a creative problem-solving approach though an individualistic manner.

The challenging nature of IT projects often demands seamless collaboration and conflict resolution, which may pose a challenge when working in geographically distributed teams. Working in GDTs is intrinsically complex as it involves the adjustment of egos, interests, personalities and cultures. Moreover, limited physical contact, poor real-time communication and a potential lack of mutual trust, particularly in multinational GDT IT teams, make effective communication extremely difficult (Wei and Ramayah, 2018). Recognizing both the advantages and the challenges that represent geographically dispersed teams, aspects such as cross-cultural communication and knowledge-sharing are frequently highlighted as
key elements presenting both advantages and challenges in IT teams operating across different locations.

Cross-cultural communication

Working with colleagues from different cultural backgrounds is challenging, but that challenge is compounded when the team environment is dispersed (Reis et al., 2022). Virtual team members must adapt to contextual and environmental changes such as cultural diversity, differences in work practices and variations in time zones and schedules (Robey and Boudreau, 2000). If the members of the GDT have a local mindset, it may pose a risk to the outcome of the work. Distributed teams rather need a global mindset or flexibility to adapt – intercultural competence and cultural awareness lead to better mutual understanding and decrease misunderstandings, therefore contributing to better outputs of the team. Normally, individual’s standard is defined by their own cultural background – the greater the differences in another person’s culture, behavior, language and beliefs are, the more they are categorized as “different.” Having too many people with a local mindset on your distributed team runs the risk of creating an “us versus them” mentality (Messer and Pahuja, 2016). To avoid such division and to minimize the cultural gap, it is advisable to engage the teams in cross-cultural learning by examining the biggest cultural differences to minimize potential misunderstandings.

SAP software solutions, for example, take pride in implementing strategies to effectively navigate cultural differences in its business practices – all SAP employees participate in classroom-style training with interactive instructions. The company provides comprehensive cultural sensitivity training for its employees to enhance their cultural awareness, which aims to tackle specific differences and avoid misunderstandings when working with colleagues from different cultural backgrounds. The training approach involves a combination of internal and external trainers, with customization based on the destination and the specific needs of employees. On top of that, admitting to facing challenges in overcoming language barriers, SAP has implemented various initiatives such as language training programs and translation services to ensure effective communication for employees from different linguistic backgrounds.

To function optimally in a globally dispersed tech team, team members should be familiar with each other’s preferred working styles and cultural aspects that may impact daily collaboration. Organizations should start by offering nonthreatening cross-cultural training sessions for team members to understand their cultural differences. Following this, the team should collectively decide on a mutually comfortable approach to manage these differences. Finally, team leaders need to provide clarity, coaching and ensure a high level of psychological safety for all members throughout the team process and outcomes (Caliguiri and Lundby, 2014).

Expectations

Teammates from different cultures bring different workplace attitudes that relate to the values, behaviors and etiquette influenced by their cultural backgrounds. Cultural expectations in the workplace, such as arriving on time, having overtime pay (or not having it), workplace dress code and leaving time, may differ from culture to culture. Expectations toward certain work-related behaviors are influenced by the culture, too; Husain (2015) argued that culture plays a crucial role in ensuring that the work environment or work processes are well organized and standardized to ensure smooth operational activities.

Three working style aspects – communication (direct/indirect), teamwork (individualistic/collectivistic) and feedback (direct/indirect) are distinguished to be the most culturally influenced aspects of our working styles. While employees in some countries, like Germany, prefer to be straightforward in the way they interact with the employee,
communicated, countries in Asia and the Middle East are known for their preferences for the indirect communication style.

The recent situation that I personally had a chance to observe, which included a C-level executive from the USA and the technical team from India, has shown a different approach toward team expectations that are heavily influenced by cultures. While the senior management team, heavily influenced by individualistic Western thinking, believed in an individualistic way of working, the management team in India expected a more collectivistic approach and was hoping to be involved in decision-making that would result in close, daily contact with the team for the USA. Work culture in India places a high value on relationships and fostering a sense of community, and as a consequence, the team from India did not understand the concept of “being left alone” and could not identify whether the executive team was satisfied with the overall work performance. Meanwhile, the executive team, led by its Western thinking, did not want to micromanage and “left the team alone” as a sign of their trust. In this aspect, the HR team was involved and a strong emphasis on increasing cultural awareness was raised. Both teams recognized the importance of fostering relationships and acknowledged the necessity for socialization to reinforce team dynamics and minimize the number of misunderstandings.

While all tech members recognize the importance of fostering relationships with remote colleagues, rarely do strong connections with the remote and physically dispersed teams happen without the additional interference of HR, management or both. Strong personal connections, such as informal team calls, nonwork-related experience sharing and scheduling face-to-face meetings in person, whenever possible, improves team dynamics and, therefore, should be purposefully included in team management and planning.

Knowledge-sharing

Knowledge-sharing is significantly associated with organizational agility – it not only improves the overall performance of the team but also contributes to greater team flexibility and adaptability. Knowledge exchange strengthens the connection among teammates, enhances performance, limits the skill gap and contributes to the professional growth of every team member. It also promotes collaboration and teamwork.

Effective knowledge sharing is considered essential for achieving high performance, whether in co-located or distributed work settings. Haas and Hansen (2007) outlined two distinct ways of sharing knowledge: through written documents that are made available in paper or in electronic format and through direct contact between individuals. Several authors have also argued that knowledge sharing is a crucial issue for geographically dispersed teams (Reed and Knight, 2010; Singh, 2011). While knowledge sharing is generally considered a strategic resource and a competitive advantage, some authors have raised concerns about the viability of knowledge sharing among members of geographically dispersed teams due to the challenges caused by distance (Hinds and Bailey, 2003; Mesmer-Magus et al., 2011).

To manage knowledge-sharing in an effective way, the manager ought to make team communication frequent, clear and transparent. It is advised to democratize knowledge (ensure that the right information is available to the right people at the right time), implement effective communication strategies (agree on timing of virtual meetings with a default video on, establish a clear purpose of the meeting and work on the rest of information asynchronously) and celebrate effective collaboration (celebrate and reward the ones who persist by including metrics around collaboration in performance evaluations). The organizations and the top performers in an organization should also be encouraged to share knowledge – encouraging high-performing individuals to actively contribute to knowledge-sharing initiatives within the organization fosters a culture of collective wisdom. Overcoming the reluctance associated with knowledge transfer, which is often perceived as
diminished personal influence due to knowledge sharing, involves addressing bias and cultivating a mindset that values team effort, mentoring, knowledge-sharing and collective team effort.

Dubai Electricity and Water Authority (DEWA), for example, started successfully incorporating knowledge-sharing into its work practices already over a decade ago – back in 2009, the organization developed a knowledge-sharing policy, strategy and approach. DEWA has organized a post training knowledge-sharing program, where employees are encouraged to share the knowledge acquired through trainings or conferences, highlighting their understandings and envisaging areas of use to their jobs. DEWA has also created a SMART Library that provides its employees with 24-h desktop access to selected technical and management e-books and e-journals from some of the world’s leading publishers.

Summary

As geographically dispersed tech teams continue to gain popularity, understanding the steps that lead to efficient as well as effective dispersed teams’ management and performance will become increasingly important for global HR teams and practicing managers.

As the role of HR and managers undergoes transformation, it will now require increasingly more flexibility to maneuver the teams in a global context. While previously HR personnel and managers were primarily focusing on local markets, they now find themselves immersed in a broader, more global context, where a managerial role serves as a glue for the global setup in terms of their behavior and values.

It is clear that the success of dispersed teams relies on trust among members and effective leadership. While physically dispersed tech team members might feel less connected due to limited informal interactions with remote colleagues, improved team outcomes and smooth daily operations of such teams can be supported by robust IT support, clear company communication guidelines and regular remote as well as physical meetups, whenever possible.

Embracing a more inclusive company culture that celebrates differences and encourages learning from team members can also yield positive results for physically dispersed tech teams.

It is through experimentation and a willingness to foster diversity that organizations can pave the way for innovation, creativity and improved overall performance for physically dispersed tech teams.

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