

9th IIRA European Congress 2010 in Copenhagen

Special symposium on

HRM in globally distributed organizations – Building new skills & practices for virtual collaboration

Convenor

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Justification for the symposium

This symposium takes an up-to-date, inside-out HRM / IR perspective to the globalization. Instead of focusing on societal or communal perspective, the papers in this symposium concentrate on the impact that the ongoing rapid change, from traditional organizing to relying on virtual collaboration techniques, has on employment relations. The cases illustrate how traditional HRM practices have been tailored and implemented to ensure the best interest of a single company or an individual employee in the new context. The further focus is on organizing and supporting virtual collaboration within globally distributed organizations.

The business environment has changed rapidly over the past few years and decades, and along with it, also the nature of work has changed. Expanding market areas, increased competition and development of technological communication aids have created a new working environment for organizations. Organizations have been under pressure to adapt to this new dynamic business environment, but haven't been given proper guidance, let alone applicable HRM measures. Organizations which see the opening business possibilities if the virtual logic of organizing is utilized in order to gather the most talented professionals to project teams that work together on a common task despite geographical distance, are in better position to quickly respond to the changing environment. In order to achieve this and to increase their strategic flexibility, innovativeness and cost efficiency, organizations have become more temporary, more dispersed, more diverse and more mobile. All are elements which profoundly will affect on the IR structure, bargaining mechanisms and call for new rules and regulation. First and foremost they will question how bind.

Organizations have at the same time become more and more virtual and multicultural: they are geographically scattered and have culturally diverse characteristics in various levels, including organizational and national levels. Globalization of businesses has brought together different cultures and different HRM contexts for interpreting the content and meaning of managerial communication. In practice, organizations have conducted different means to strive for the desired outcomes. As a partial result of this, work teams that are considered global are already the norm rather than the exception in today's business environment.

The flexible, innovative, and cost efficient form of organizing work does not come without challenges. Various studies have shown that the organizations are additionally struggling with the disadvantages brought along with disperse, diverse and temporary working environment. The challenges are manifold. Along with the modern ICT, which has removed geographical boundaries by enabling virtual working, the development has led to building multicultural virtual teams of professionals and experts who rarely if ever meet face-to-face but yet share the same goals.

Working as a member of such a virtual team, collaborating with partners who are geographically dispersed – let alone leading such a team – brings along many challenges compared to “traditional” organizations.

Globalization and internationalization are fundamentally changing the external framework of human resources and employment relations. In virtual working context, the role HRM is manifold e.g. in organizing labor force, managing work assignments and creating motivating atmosphere for the virtual workers. Challenges of HR include contingent work assignments, skill formation, building commitment, internal and external networks as parts of the working context, and diverse labor force. Discussing the role of HR and the challenges related to this form the basis of this symposium. The aim of the symposium is to provide a fruitful platform for exchanging experiences, plans and practices, both for the academics as well as the practitioners.

Case companies involved in this special symposium are multi-billion-turnover global organizations. Together they cover over 68 000 employees, excluding the companies described in the cross-case study. All of these case companies have their organizational roots deep in the industrial era. Stepping to the new era of virtual collaboration, these organizations are contemplating different options to carry out efficient ways of organizing virtual work, designing appropriate trainings and above all, creating atmospheres where virtual employees can feel committed to the organizations.

This symposium is indeed “*designed to showcase innovative collaborative research in the field*”. The case papers in the symposium introduce HR practitioners as co-authors and academic researchers in the roles of organizational developers. The interest in joining forces of academics and HR practitioners is mutual and increasingly important. The papers in the symposium present various methods of cooperation, resulting in outcomes that have both academic and practical value.

Symposium structure

Symposium is scheduled to have four presentations and an end discussion. Each presenter will have 10 minutes for presenting the case that is then followed by a 10 minute discussion lead by the discussant. In the end, convenor will lead a 10 minute summary discussion, where the presented themes are pulled together.

Papers:

1. Satu Lähteenmäki (Director, Professor; TSE*), Eija Kesti (HR-manager*), Eeli Saarinen (Researcher; TSE*): *How to take care of virtual employees Tailoring HRM practices for a process technology MNC (CASE)*

This paper is based on the presumption that most MNC’s operating globally run their virtual collaboration according to the traditional logic of organizing. This paper firstly focuses on identifying the forms and extent of utilizing modern ICT in the global operations of a Finnish process technology MNC. The ultimate aim, however, is to find out what kind of HRM practices would best support team leaders in fostering a mutually rewarding relationship with their virtual employees.

1. What are the motives for virtual collaboration?
2. What kind of knowledge intensive work of a globally dispersed organization is carried out on virtual basis and is there unused potential in terms of the virtual communication due to handicaps in using ICT?

3. What are the challenges that superiors face when needing to build trust, delegate tasks and reward distant employees in an equitable manner despite of having no direct control over their team?
4. How HRM can support virtual teams and team leaders?

The preliminary findings show that managers eagerly wait for new knowledge and tools for improve the quality of performance evaluations and judgment on the team members' capabilities from distance. However in most cases group work and interaction seems to lean on traditional logic of organising with hierarchical task division, reporting as a control mechanism ect. In some cases task oriented managers have successfully introduced measures based on numerical data, even though lacking almost any face-to-face interaction. In the team, these are seen more reliable bases for rewarding and division of tasks than those supported by subjective observations.

Discussant: Matti Vartiainen (Professor, HUT*)

2. Eeli Saarinen (Researcher; TSE*), Kerttu Rossi (HR*), Satu Lähteenmäki, Timo Lainema (Assistant Professor; TSE*): *From going virtual to knowing virtual - First experiences from a virtual team and leadership training in a MNC (CASE)*

This paper presents a training module designed to support virtual collaboration in an MNC. The pros and cons of merging two organizational logics, traditional and virtual, are presented. Further discussion reveals how the support was designed to result in enhancing work motivation, job satisfaction and more profound understanding of virtual working context. Practical implications include suggestions to develop employee training programs that are better fitted to the organizational context and thus, more successful in terms of supporting virtual collaboration.

In more detail, the goals of the case training were (1) to make communication behaviour, critical incidents and cultural behaviour not only visible, but also self-experienced in virtual context; (2) to enhance the ability to recognize and utilize competences in the virtual working environment; (3) to encourage participants to develop efficient working methods (including efficient sharing of work-related rich information and use of e-collaboration tools); and (4) to increase participants' awareness of the entity and functioning of a business organization.

It is proposed that mixing team roles, allowing free flow of ideas and compromising efficiency are necessary in order to recognize real talent and hidden competences, especially on the long term. This is argued to apply also to leadership which is seen to come visible in shifting and negotiated power relations, and rooting in manifold sources of power. Furthermore, it is proposed that more emphasis should be put on strive for cultural intelligence instead of equalization of responsibilities, thus producing capability to function and manage effectively in culturally diverse settings. Conflicts in this context are displayed as opportunities for creativity and learning, generation of new knowledge and innovation. Considering these issues together, a specially designed training produces several possibilities of learning how not only to diminish the downsides, but also to actually benefit from the virtual logic of organizing. Going virtual might produce some savings e.g. in time and travel expenses, but only knowing how to function in such environment makes the difference between dispersed group of people, and a productive, genuine virtual team.

Discussants: Per - Olof Larsson (Director; GU, not confirmed) and Maarit Laiho (TSE*)

3. Anni Paalumäki (Professor; TSE*), Juha-Matti Arola (HR*), Eeli Saarinen, Satu Lähteenmäki: *Building presence in virtual teams – a spatial approach*

This paper introduces spatial aspects of virtual collaboration. As a theoretical frame of reference we use Lefebvre's (1991) conceptualization of space as a social product. Lefebvre suggests that space and spatiality are constituted through three processes: a) spatial practices, b) representations of space, and c) representational space. Thus, following Lefebvre we discuss practices, structures and experiences of virtual space. Our question is how to organize and support virtual work that leads to satisfying experiences of meaningful presence. We follow a conceptualization of presence as "being there" stating that presence cannot be predetermined or fixed but rather negotiated on situational basis.

As the case example we discuss the creation of virtual collaboration environment in an MNC and how it is implemented in the organization. Our research material is created through participant observation of one of the authors during several years' work experience in the company as virtual work facilitator. The aim is to combine leadership and HR perspectives with team members' perspectives.

The results show that if the group members are willing to be available and present to form a common social space, the technical interface must be reliable and the representations of space such as the virtual environment must be accessible for all. All the group members and the management must have the skills to use the virtual tools properly, not only from a technical but also from purposeful and workable perspectives. The virtual meetings should be planned carefully, bearing in mind that they do not necessarily follow the logics of face-to-face meetings. Instead, one should focus to construct new leadership practices based on the logics of virtual teams and social relations within them.

Discussant: Iris Fischlmayr (Assistant Professor; JKU)

4. Johan Lönnblad (Researcher, HUT), Matti Vartiainen: *Global Leadership – A Cross-Case Study of Five Global Companies*

The last decade or so has seen organisations trying to take advantage of globalisation by shifting their focus from operating locally, or in a few countries, to operating globally. This paper examines what kind of leadership is required when operating in a global world where customers, offices and employees are spread around the globe. This is referred to as global leadership.

The aim of this last paper is to clarify the meaning of global leadership, what characteristics a global leader needs and identify global leadership practices. As the field of global leadership is rather new, we have clearly defined and discussed what we mean by it. Previous studies on global leadership have mainly focused on global leader characteristics. A long list of characteristics has been identified, but a strong model or theory has not yet emerged. Even less studies have focused on global leadership practices, and their findings are clearly inconclusive.

The empirical part of this paper consists of case examples. The study set out to find what characteristics a global leader needs and what the global leader practices are. The data was collected in five Finnish based global companies via interviews. The data was mainly analysed qualitatively. As a result findings on global leader characteristics and global leadership practices are presented for each case. Finally, the results of the individual cases are compared with each other.

The cross-case findings for key global leader characteristics were: communication skills, proactive, understanding cultures and local ways, open minded or flexible and ability to handle duality. The findings for the key global leadership practices were: setting clear roles and responsibilities, improving communication and increasing its frequency, enabling collaboration and information sharing, providing adequate resources, strong managerial grip, integration and creating global identification and culture.

As a conclusion, the different studies' findings on global leader characteristics partly overlap with some previous studies. Unlike most previous studies, this study sheds light on what global leadership practices are needed in order to relate the leadership styles to form theoretically and empirically well grounded models on virtual team leadership. More research, especially empirical ones, needs to be still done in different contexts and cultures of this topic for more conclusive views or models to emerge. Still, this study clearly shows that global leadership has its own unique characteristics and practices, which are essential for leaders in a global context.

Discussant: Erno Lehtinen (Professor; UTU)

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