Business Education for Senior HR Professionals

Making Virtual Teams More Effective

Increasing the Success Rate of New Executives

Enhancing the Effectiveness of HR Practices and Stock Options
The SHRM Foundation has a 40-year tradition of awarding grants to fund rigorous, original research with practical implications for management practice. During the past ten years, the Foundation has awarded more than 50 grants and provided more than $1.4 million in research funding. This brochure presents the results of four recent SHRM Foundation funded projects in an actionable way so HR professionals like you can apply this knowledge in your organization. To view the complete research papers, visit www.shrm.org/foundation
The Importance of Rigorous Research

Why fund academic research projects? This type of research is sometimes perceived as too theoretical, narrow or “ivory tower” to have much practical application. In reality however, much of your everyday work is influenced by research even if you have never read a research paper. For example, the widespread use of structured interviews is based on multiple research studies that clearly demonstrate the effectiveness of this practice.

Research results are used in multiple ways. Once a study is completed, the findings are published in journals and magazines. Results are presented at professional conferences, and used as the basis for writing textbooks. Students studying HR and business rely on these materials to learn about the topic, complete class assignments, and prepare themselves for professional careers. The research is also used to update professional certification exams and to prepare new exam questions. Authors and consultants study research results and incorporate the findings into their reports and presentations.

The cumulative effect of multiple research studies is to discover and document what practices work best and under what conditions. In this way, research advances the HR knowledge base, educates practitioners and ultimately influences the practice of human resource management.
To create a successful transition from a traditional to a virtual work environment, employees must believe in their ability to cope with new challenges.

**STUDY METHODS**

A survey focusing on virtual team training, value, and effectiveness was sent to 2,500 HR managers who are SHRM members, and 440 responded. Virtual teams are viewed as having the potential to bring together far-flung experts electronically to solve problems more rapidly and less expensively. A survey regarding virtual team effectiveness elicited more than 200 written responses, with follow-up interviews, to gain insight into knowledge sharing barriers and solutions. This research was conducted by Benson Rosen, Stacie Furst, and Richard Blackburn.
MAKING VIRTUAL TEAMS MORE EFFECTIVE

The SHRM Foundation sponsored two recent studies on virtual teams. Dr. Ben Rosen of the University of North Carolina led a study on Training for Virtual Teams. Dr. Sumita Raghuram at Fordham University headed research on Human Resource Management in International Virtual Systems.

KEY FINDINGS AND IMPLICATIONS FOR PRACTICE

Training for Virtual Teams

Use of virtual teams is expected to grow; however 80% of respondents reported that top management does not put a high priority on virtual team training. Over 60% of respondents reported that no specific virtual team training was provided, and only 2% responded that “extensive virtual team training” was provided. Within the organizations that did provide some training, 70% of respondents rated the training as ineffective or only slightly effective.

• Virtual team training must get top management buy-in to truly be viable.
• Training is most effective if it is provided before teams are formed.
• Training team leaders on fundamental team leadership should be combined with modules on the use of technology to maximize communications.
• Team members should participate in team building sessions and also receive training on virtual technology, communications, and team structure and rules.

The quality of team leadership is very important to establishing team trust and knowledge sharing.

• Team leaders need to clearly define team objectives and rules of participation.
• Leaders should identify team members’ roles and responsibilities, and then select team members accordingly.
• Team members should receive appropriate training.
• Team leaders should inform team members’ on-site managers about team tasks and structure to help avoid priority conflicts with members’ onsite work.
Virtual Team Training Program

The following model of a virtual team training program, developed by Dr. Rosen and his co-researchers, shows some of the creative options HR can implement to meet the challenges of virtual work.

**Training Modules for Virtual Team Leaders**
- Fitting the technology to the task
- Setting expectations, measuring and rewarding team contributions
- Coaching and mentoring virtual team members
- Modeling desired virtual team behaviors (responsiveness, using groupware to share information)
- Manage external relations (on-site managers, sponsors)

**Training Modules for Virtual Team Members and Leaders**
- Face to face teambuilding session prior to virtual team launch
  - Establish team identity
  - Create mission statement
  - Establish team norms
  - Building trust
- Mastering virtual team technology
  - Use of groupware
  - Teleconference and videoconference procedures
- Communications skills
  - Electronic etiquette
  - Cultural awareness
  - Brainstorming electronically
  - Decision-making
- Team Management
  - Virtual meeting logistics (synchronizing schedules, setting agendas)
  - Defining roles
  - Resolving conflicts
  - Meeting milestones
  - Evaluating process and progress

**Study Methods**

Surveys were sent to all 2400 formally registered, full-time virtual workers in a large organization. The organization offers a voluntary virtual work program. The surveys examined how virtual work affects organizational and individual-level outcomes such as productivity and job stress. 756 people responded for a response rate of 32%, and of those, 723 were selected who worked at least one-half day per week from home. This research was conducted by Sumita Raghuram, Raghu Garud, and Batia Wiesenfeld.
Communication issues- between team members or between leaders and members- detracts from essential and efficient knowledge sharing.
• Virtual teams need occasional face-to-face, in person meetings.
• To enhance communication, team members should receive regular, periodic team performance updates that provide an opportunity for the entire team to participate.
• Communications technology and usage must be compatible at all locations so every team member can access critical information.

**Human Resource Management in International Virtual Systems**

A virtual work environment (e.g. working from home) is generally less structured than a traditional work environment. To create a successful transition from a traditional to a virtual work environment, employees must believe in their ability to cope with new challenges. This belief in their coping ability can be enhanced by behaviors that create structure – specifically daily activities associated with planning and prioritizing their work.

• Individuals entering a virtual work environment need training that will enhance their ability to plan independently, prioritize and structure their work so it fits with their specific work environment.

Working virtually can leave employees feeling disconnected from the organization and less trusting of co-workers. This in turn can lead to added job stress that affects both work performance and non-work activities.

• Managers should create opportunities for employees to remain connected to the organization and to foster interpersonal trust.
• Have virtual employees meet in-person with their colleagues periodically.
• Use electronic media to increase the level of explicit communication about workplace events.
• Consider implementing a mentoring program so virtual employees feel they are kept in-the-loop.

Employees from a number of different countries were surveyed; however the effects of virtual work were the same and did not seem to be influenced by any cultural differences. One particular work situation did result in some special issues. Call center employees whose clients were in a different country identified additional challenges with identification with customer needs caused by personality and cultural differences.

• Training, information systems support, and justification for the virtual work program should be applied universally to all virtual workers, regardless of home country location.
• It is important to give call center workers culture-based training to improve identification with customers. It may also be useful to provide direct means to improve client identification, such as more explicit client site information.
INCREASING THE SUCCESS RATE OF NEW EXECUTIVES

Organizations spend considerable time, money, and effort to transform executives into productive assets. Research has shown that the cost of losing executive talent is high. Identifying factors that help or hinder new executives to “get up to speed” quickly and remain with the organization is vital to maximizing the effectiveness of executive development. The following study led by Dr. Talya Bauer of Portland State University and Dr. Bob Liden of the University of Illinois at Chicago, examines the impact of personality and relationships on performance and retention of new executives.

KEY FINDINGS AND IMPLICATIONS FOR PRACTICE

This and other studies have shown that highly extraverted executives tend to be rated more highly in terms of their performance than relatively less extraverted executives.

• Organizations might want to consider a candidate’s extraversion in their executive selection process.

When new executives who were less extraverted had high-quality relationships with senior executives, their performance was rated more highly by their superiors and they had a lower incidence of turnover, even when compared to their more extraverted counterparts. Conversely, equivalent high-quality relationships had no noticeable effect on the performance of highly extraverted new executives.

• Building high quality relationships with supervisors and other senior executives is important to ensure the success of less extraverted new executives.

• Senior management should be encouraged to recognize less extraverted personality traits and to forge close relationships with these new executives.

• Provide opportunities for mentoring, exposure, and visibility to less extraverted executives. This increased attention will improve the new executive’s performance and reduce the probability of turnover.
New executives who are male reported having higher quality relationships with colleagues—equating to lower turnover intentions. New executives who were female reported having higher turnover intentions. This is consistent with other research demonstrating a subtle difference in how men and women perceive the environment at higher levels. It appears that women and younger men may have a harder time forming strong relationships with senior executives and receiving developmental job experiences.

- To reduce turnover among female executives, senior executives should focus on building stronger working relationships with new female executives and providing appropriate development opportunities.
- An organization should learn from the experiences of other female executives and use them as a resource in developing new female senior executives.

To read the full research reports, visit [http://www.shrm.org/foundation](http://www.shrm.org/foundation)
ENHANCING THE EFFECTIVENESS OF HR PRACTICES AND STOCK OPTIONS

This study examined the use of progressive HR practices as well as the impact of stock options on productivity. The survey found that the use of progressive human resource policies and practices—such as variable pay, investment in training, and increased employee involvement—are now quite common across the U.S. This means organizations are moving away from keeping employees tied to their specific company for an entire career and are putting in place the types of HR policies and practices designed to respond to external market changes. They found that the introduction of both executive and broad-based stock options have a positive impact on productivity. For executive plans, this productivity effect is maintained over a five-year period after adoption; however for broad-based plans, the effect diminishes. This research was conducted by Dr. James Sesil of Rutgers, the State University of New Jersey and Dr. Yu Peng Lin of the State University of New York at Buffalo.

KEY FINDINGS AND IMPLICATIONS FOR PRACTICE

The most common strategic staffing practices for both executives and front-line employees are one-on-one interviewing, applications, and the use of references (all 100%). However voluntary turnover is lowest when more sophisticated forms of selection—such as psychometric testing—are used.

• To reduce turnover, firms should invest in progressive, sophisticated selection techniques that select executives and front-line employees that are a good “fit” with the organization.

Management by objectives (MBO) is by far the most common form of performance management (~60%), with 360-degree feedback growing in popularity (16%). MBO is effective in reducing turnover (~10% executive and ~4% front-line), but the executive turnover reduction for 360-degree feedback (~6%) is not statistically supported. For front-line workers, 360-degree feedback actually increases turnover (21%).

• First-line employee discomfort with 360-degree feedback performance appraisal should be recognized and ameliorated before the system is applied to front-line employees.

• Premature use of 360-degree feedback for front-line employees could lead to an undesirable increase in turnover.
STUDY METHODS
Surveys regarding human resource policies and practices were sent to 4550 large U.S. firms (based on employment size), with a response rate of 3.6%. The response rate is viable, but there is a bias concern, so results were limited to response comparisons within the sample. The stock options analysis was based on 291 firms in the National Center for Employee Ownership.

There is superior firm performance immediately after stock options are adopted for both executive plans and for broad-base plans (50% or more of employees). The superior performance is maintained for executives over a long term (5 years is the study limit), but broad based stock option plans tend to have only a short term (one year) additional effect on firm performance.

• Executive stock option plans should be used to promote superior firm performance over a long period.
• Broad-based stock option plans should have options awarded with the same frequency as executive plans (~once/year) in order to maintain the additional performance premium.
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