Decision-making on Virtual Teams

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Executive Summary

Although decision making has always been central to project management, this topic has received little attention by researchers. This is all the more surprising because coordination and decision making pose even greater challenges in distributed project teams. Our studies aimed to fill this gap. This book presents the results of research that our team has carried out since 2006 using qualitative and quantitative approaches.

We began with an empirical exploration of firms of various sizes that had participated in international projects. In the first stage, we interviewed 13 project managers to learn about the issues and challenges they faced when dealing with far-flung colleagues and partners. The objectives were to understand and identify as far as possible the dimensions that came into play when dealing with distributed projects and teams. We identified three key dimensions that influenced the decision making processes in a virtual context: contextual characteristics (nature of the project, type of decisions, team characteristics); the locus of decisions (whether it was centralized or decentralized and in the hands of key local actors), and the characteristics of the decision-making process (level of autonomy in decision making, formalization of decision making). The last two dimensions appeared to be the most crucial. Beyond identifying the decision makers and their influence (locus of decisions), it was important to analyze the process itself and to determine the extent to which organizations adjusted for team distributedness. Some essential steps in the decision-making process (e.g., information gathering, exchange of views) can be highly sensitive to geographic distribution, and successful organizations must adapt their processes accordingly.

Building on the data collected in the first stage, we spent the second stage investigating 149 project managers with experience in managing geographically distributed teams. This gave us an idea of the decisional responsibility and influence held by the most important stakeholders in distributed teams. Significant findings emerged. We observed that project managers and upper management wielded a strong influence on decision making, and that decisional patterns appeared fairly consistent, even in highly distributed teams. For specific types of decisions, upper management had considerably more decision-making authority and influence, to the detriment of project managers. Although the degree of formalization varied greatly, we found that highly distributed teams adopted formalized practices to support decision making. More experienced teams placed more emphasis on information gathering and consensus building, probably due to the greater
maturity of members in terms of decision making. Differences in training and skills in distributed teams were main factors that affected the dimensions of the decision-making process.

Is there a best way to make decisions within distributed project teams? The answer is no. Once launched, projects become arenas where a multitude of microlevel decisions must be made on a day-to-day basis. The dimensions discussed—context, the locus of decisions (centralization/decentralization), and the characteristics of decision making (team autonomy, frequency of communications)—all had an impact on the way that decisions were made. Consequently, project managers should be aware of factors that influence decision making when adopting a decision-making style in order to increase the effectiveness and efficiency of distributed teamwork.

This study has drafted a preliminary portrait of decision making in distributed teams. Of course, we do not claim to have brought the discussion to a close. On the contrary, as in all research, there are some limitations that should be addressed in future investigations. As the trend towards virtual organizations and projects continues, and as new technologies are developed to support geographically distributed teams, it is certain that organizations will have to adapt their practices and incorporate new ways of thinking. According to our study, many enterprises have not yet taken this step, and traditional ways persist. We hope that similar investigations will give researchers and practitioners further opportunities to discuss the numerous dimensions involved in the transformation of organizations and project teams.

Publications

