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Extended Master's Thesis Abstract

**Benefits and challenges of virtual teams and their influence
on employee well-being (A case study of the Global Mobility
team at SAP services)**

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1. Benefits and challenges of virtual teams and their influence on employee well-being (A case study of the Global Mobility team at SAP services)

Abstract

The first objective of this diploma thesis was to identify the benefits and challenges that arose from virtual teams (remote work) due to the COVID-19 pandemic. The second objective of this diploma thesis was to explore employee well-being and the factors that influence employee well-being (with a greater emphasis on health and home environment that provided the foundation for the questionnaire). The final aim was to evaluate how the pandemic-induced home environment and employee health impact one's well-being for the period starting from March 2020 up to December 2021. The subject of the study is the Global Mobility team (a small team in the organisation) of SAP Services. The research was conducted through an online standard Likert-scale questionnaire containing sections with respect to the objectives. The top benefits of virtual teams identified in the research are better work-life balance, less commuting stress and more time spent with loved ones. The main challenges identified were distraction within the household, loneliness due to limited contact with colleagues, and increased household bills. Addressing the factors influencing employee well-being, the main factors identified were physical, financial, mental, and social, and these provided a foundation for the questionnaire formulation. Finally, the research also noted that both employee health and home environment significantly impact employee well-being.

Keywords: Virtual teams, remote work, well-being, COVID-19, pandemic

1. Výhody a výzvy virtuálního týmu a jejich vliv na pohodu zaměstnanců (Případová studie týmu Global Mobility ve společnosti SAP Services)

Abstrakt

Prvním cílem této diplomové práce bylo identifikovat přínosy a výzvy, které vyplynuly z virtuálních týmů (práce na dálku) v důsledku pandemie COVID-19. Druhým cílem této diplomové práce bylo prozkoumat pohodu zaměstnanců a faktory, které ji ovlivňují (s větším důrazem na zdraví a domácí prostředí, které se stalo základem dotazníku). Posledním cílem bylo vyhodnotit, jak pandemií způsobené domácí prostředí a zdraví zaměstnanců ovlivňují pohodu zaměstnanců v období od března 2020 do prosince 2021. Předmětem studie je tým Global Mobility (malý tým v organizaci) firmy SAP Services. Výzkum byl proveden prostřednictvím online standardního dotazníku Likertovy škály, jehož struktura byla vytvořena s ohledem na cíle práce. Hlavní výhody virtuálních týmů identifikované ve výzkumu jsou lepší rovnováha mezi pracovním a soukromým životem, méně stresu při dojíždění a více času stráveného s blízkými. Za hlavní problémy byly identifikovány rozptýlení v domácnosti, osamělost kvůli omezenému kontaktu s kolegy a zvýšení účtů za domácnost. Při řešení faktorů ovlivňujících pohodu zaměstnanců byly jako hlavní identifikovány faktory fyzické, finanční, duševní a sociální, které poskytly základ pro formulaci dotazníku. Nakonec výzkum ukázal, že jak zdraví, tak domácí prostředí mají významný vliv na pohodu zaměstnanců.

Klíčová slova: Virtuální týmy, práce na dálku, pohoda, COVID-19, pandemie

2. Objectives and Methodology

2.1 Objectives

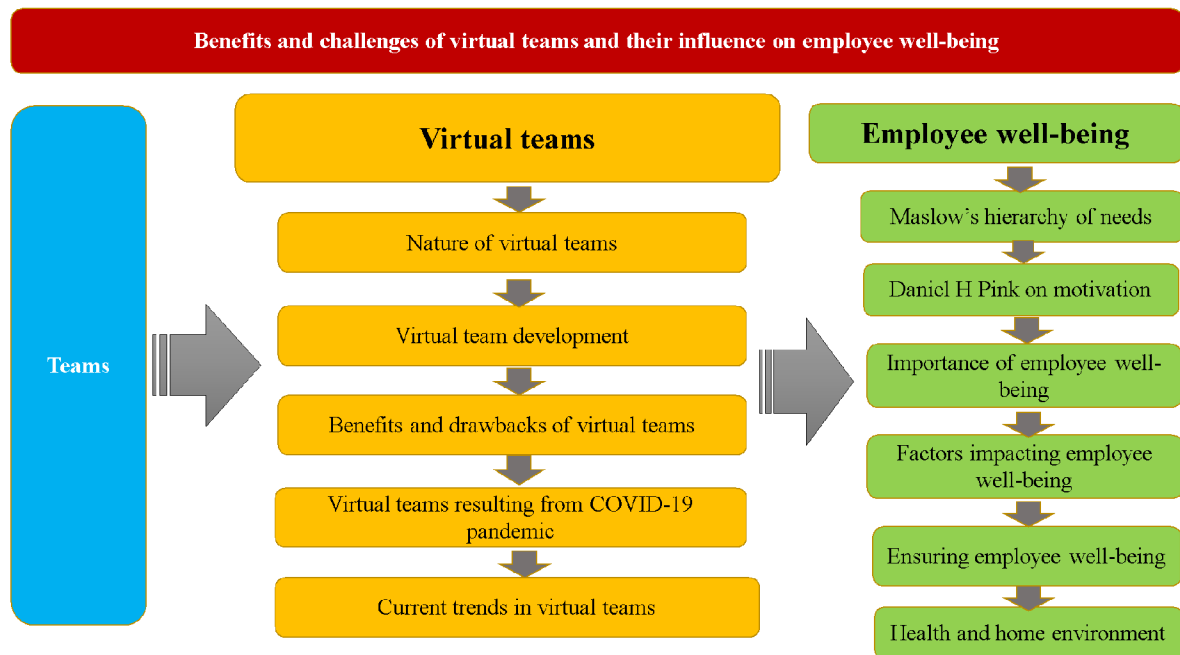
The first objective of this diploma thesis was to identify the benefits and challenges that arose from virtual teams (remote work) due to the COVID-19 pandemic. The second objective of this diploma thesis was to explore employee well-being and the factors that influence employee well-being with a greater emphasis on health and home environment as they provided the foundation for the questionnaire used in the research. The final aim was to evaluate how the pandemic-induced home environment as well as health can impact employee well-being. The research period is from March 2020 (when the government encouraged companies in the services industry to work virtually/remotely) to December 2021. The subject of the study is the Global mobility specialist team (A small team in the organisation) of SAP Services.

2.2 Methodology

The diploma thesis methodology was conducted through an online Likert-scale questionnaire, and the target research population was the Global Mobility specialist team of SAP Services. The feedback from the questionnaire provided insight into the challenges and benefits the employees have faced because of the remote work, summarised in the form of graphs and tables. Cronbach alpha test was essential and was used to ensure internal data reliability of the questionnaire data. The final part of the research methodology tested two hypotheses, assuming a relationship between employee health resulting from remote work and employee well-being and the relationship between employee home environment and employee well-being.

3. Literature Review

Figure 1: Literature map



Source: (Researcher's own PowerPoint presentation)

The literature map (Figure 1 above) illustrates the approach the researcher had towards the literature review. The literature review begins with a brief introduction of teams and then moves on to virtual teams. Key parts of virtual teams include how virtual teams are formed i.e., according to Furst et al. (2004), these are Forming, Storming, Norming, Performing. The researcher then explores the advantages and disadvantages of virtual teams. Advantages include cost savings for both business and employee, promotion of work-life balance and flexible work scheduling. On the other hand, some disadvantages include social isolation, trust issues and problems with technology. The researcher also investigates what the current trends in virtual teams are. Powers (2019) states that five trends impact virtual teams and can these entail the continued growth of virtual teams, increase in technological choices, shift in demographics, increase in culture focus and finally growth of ROWE (Results-Only work environments).

Another crucial part of the literature review is employee wellbeing. The researcher first explores Maslow's hierarchy of needs to touch the topic of motivation since well-being can be linked to motivation. A modern look into motivation brings in Daniel Pink and his elements of employee motivation which are Autonomy, Mastery and Purpose. The researcher goes on to explore employee well-being in depth:

1. What is employee well-being?
2. Why is employee motivation important for organisations?
3. What are the factors that influence employee well-being?

The key take-out from the questions above shows that employee well-being is dependent on the physical, mental, financial, and social aspects. The home environment and health are examined more specifically as they provide the foundation for the researcher's questionnaire.

4. Practical Part

Research approach

The research was conducted using an online standard Likert scale questionnaire. The sections in the online questionnaire were introduction, home environment, physical health, benefits, and challenges of remote work and finally well-being. The target population was a small team of specialists in the Global Mobility team who work for SAP Services which had thirty-seven employees from March 2020 through December 2021. Convenience sampling was used in this case. Cronbach alpha test was used to ensure internal data reliability of the questionnaire data and the results were acceptable for the researcher to continue with the regression analysis.

Research questions and hypotheses

The research questions driving this diploma thesis are as follows:

1. The COVID-19 pandemic came with unprecedented benefits and challenges. What are the benefits and challenges remote workers face?
2. How does an employee's home environment impact well-being?
3. How does employee health impact well-being?

Hypothesis for the impact of remote work on employee well-being

H0: There is no statistically significant relationship between home environment and employee well-being (rejected at alpha level 0.05)

H1: There is a statistically significant relationship between home environment and employee well-being (proven at alpha level 0.05)

Hypothesis for the impact of employee health on employee well-being

H0: There is no statistically significant relationship between employee health and employee well-being (rejected at alpha level 0.05)

H1: There is a statistically significant relationship between employee health and employee well-being (proven at alpha level 0.05)

4. Conclusion

Addressing the first objective of the thesis (identifying the benefits and challenges of virtual teams), the researcher sought to understand and identify some of the challenges and benefits employees were facing because of virtual teams or remote work resulting from the COVID-19 pandemic. It is important to note that the challenges and benefits that applied to the employees varied from one employee to another. Amongst the top benefits faced by this team were better work-life balance, less commuting stress and more time spent with loved ones. On the other hand, the top challenges were distractions within the household, loneliness due to limited contact with colleagues, and an increase in household bills.

Table 6 (below) summarises the top 5 benefits and top 5 challenges selected to apply for the employees.

Table 1: Top 5 benefits and challenges

Top five benefits and challenges of virtual teams from the questionnaire	
Benefits of virtual teams	Challenges of virtual teams
Better work-life balance	Distractions within the household
Less commuting stress	Loneliness due to minimum social contact with colleagues
More time with loved ones	Increase in household bills
Flexible working schedule	Not being able to unplug or determine when to stop working
Location Independence	Neglecting work

Source:(Researcher's questionnaire)

The second objective was to explore the factors that affect employee well-being. The literature review guided the researcher to the conclusion that employee well-being depends on four main factors categorized into physical, mental, financial, and social. The four factors mentioned above provided a foundation and guidance for the researcher to create a simplified questionnaire that focused mostly on a combination of mental physical and social areas classified into three categories which were health, home environment and overall well-being. The literature review suggests that if an organisation wants to increase employee well-being, it must address all four factors (physical, mental, financial, and social) omission of one of the factors is no longer enough for the modern employee. This implies that proper management of all four factors and establishing a balance is fundamental for business success.

Finally, the last objective of the researcher was to evaluate the impact of the home environment on employee well-being as well as impact of employee health on well-being of the employee. The results showed that employee health and home environment almost equally play a vital role in determining employee well-being. Both models had greater than 90% R-squared values as well as statistical significance at a 0.05 alpha level. Organisations must recognise that both employee health and home environment are fundamental in determining their employees' well-being. Firms that jump on to the trend of employee wellness programs and focus on work-life balance to improve well-being have a greater probability of getting the best out of their employees. In

conclusion, virtual teams (remote work) resulting from COVID-19 have shown many businesses that remote work is the future of employment, especially in the services industry. The remote work improved work life balance, reduced commuting stress for many, and generally had a positive impact on employees who expressed that they felt "trusted" by their employers by being allowed to work from home which ultimately resulted in greater employee loyalty. The challenges faced by virtual team members provide a foundation for business on what factors they can influence.

This research provides a strong foundation/basis for future oriented organisations to analyse how best they can develop and support a positive remote working experience for their employees by focusing on the virtual teams' challenges highlighted in this study. For example, the challenge of loneliness due to limited social contact can be addressed by managers organizing team building event (preferably in person) to help maintain team cohesion. The challenge of increase in household bills can be addressed by home office allowance as done by many multinational companies since the start of the pandemic. Modern companies must therefore consider employee well-being as a crucial part of organisational success. Organisations that deliberately focus and prioritise the well-being of their employees in turn get the following benefits: increased employee motivation, higher employee retention, talent attraction, increased productivity, amongst other benefits.

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