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Diploma thesis

Challenges in the workplace: Conflicts in virtual teams

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DIPLOMA THESIS ASSIGNMENT

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Economics and Management

Thesis title

Challenges in the workplace: Conflicts in virtual teams

Objectives of thesis

The aim of this thesis is to analyze conflict situations in virtual teams and examine if there are significant differences in types, reasons and solutions of conflicts between virtual teams and traditional teams, as well as to identify the role of the manager in such situations. In addition, the objective of the thesis is to refer to the identified reasons for the conflicts and suggest the possible directions of their resolutions based on the reviewed literature and own research.

Methodology

The first part of the thesis, literature overview, provides a summary of the analyzed journals, web resources and materials from libraries on the topic of conflict, virtual teams, traditional teams and conflict resolution. The methodology of the second part, own research, is based on the questionnaires provided to the members of a virtual team and a semi-structured interview with a manager of this team.

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Conflict, virtual team, questionnaire, teamwork, conflict resolution, interview.

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ARMSTRONG, M. *Armstrong's essential human resource management practice : a guide to people management*. London: Kogan Page, 2010. ISBN 978-0-7494-5989-5.

Ford R.C, Piccolo R.F. and Ford L.R., (2017), Strategies for building effective virtual teams: Trust is the key, Business Horizons Vol 60 Issue 1 pp 25-34

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Declaration

I declare that I have worked on my diploma thesis titled "Challenges in the workplace: Conflicts in virtual teams" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the diploma thesis, I declare that the thesis does not break copyrights of any their person.

In Prague on 25th March, 2019

_____Alina Skrypka_____

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Challenges in the workplace: Conflicts in virtual teams

Abstract

The main objective of this diploma thesis is to make a research about the conflict situations in virtual teams and analyze if there are important differences in types and reasons for conflict management between members of virtual teams and traditional (local) teams, as well as to identify the role and approaches of the manager in these conflicts. In addition, the objective of the thesis is to refer to the identified reasons for the conflicts and suggest the possible directions of their resolutions based on the reviewed literature and own research. The first part of the thesis, literature overview, provides a summary of the analyzed journals, web resources and materials from libraries on the topic of conflict, virtual teams, traditional teams and conflict resolution. The methodology of the second part, own research, is based on the questionnaires provided to the members of a virtual team and a semi-structured interview with a manager of this team. Questionnaires were filled out by members of virtual teams of the companies in the sphere of information technologies. Based on the survey and interview results evaluation, solutions on how to improve conflict management in virtual teams were identified.

Keywords: Conflict, virtual team, questionnaire, teamwork, conflict resolution, interview, distributed teams, conflict management, online communication.

Výzvy na pracovišti: konflikty ve virtuálních týmech

Abstrakt

Cílem této práce je analyzovat konfliktní situace ve virtuálních skupinách a zkoumat, zda existují významné rozdíly v typech, důvodech a řešeních konfliktů mezi virtuálními týmy a tradičními týmy, a také identifikovat roli manažera v takových situacích. Dalším cílem diplomové práce je odkázat na zjištěné důvody konfliktu a navrhnout jejich možné řešení vycházející z teoretické části a vlastního výzkumu. První část práce, představuje přehled témat konfliktu, virtuálních týmů, tradičních týmů a řešení konfliktů na základě odborné literatury, analyzovaných časopisů, webových zdrojů a materiálů z knihoven. Metodika druhé části, vlastní výzkum, je založena na dotaznících poskytnutých členům virtuálního týmu a polo strukturovaného rozhovoru s manažerem tohoto týmu. Dotazníky vyplnili členové virtuálních týmů firem v oblasti informačních technologií. Na základě vyhodnocení výsledků průzkumu a rozhovorů byly identifikovány řešení, jak zlepšit řízení konfliktů ve virtuálních týmech.

Klíčová slova: konflikt, virtuální tým, dotazník, týmová práce, řešení konfliktů, rozhovor, rozdělení týmů, řízení konfliktů, on-line komunikace.

Table of contents

1 Introduction.....	11
2 Objectives and methodology	12
2.1 Objectives	12
2.2 Methodology	12
3 Literature Review	14
3.1 Conflict in organization	14
3.1.1 Definition of conflict	14
3.2 Conflict in traditional teams	15
3.2.1 Types.....	15
3.2.2 Models in conflict management.....	16
3.3 Virtual teams.....	26
3.3.1 Definition.....	26
3.3.2 Features	27
3.4 Conflict in virtual teams	29
3.4.1 Reasons	29
3.4.2 Types.....	29
3.4.3 Solutions	32
3.4.4 Manager’s role in virtual teams	36
4 Practical Part	39
4.1. Questionnaire Design and Distribution.....	40
4.2. Companies’ Profile and Structure of Respondents	40
4.2.1 Companies’ Profile	40
4.2.2. Structure of respondents	41
4.3. Analysis and Interpretation of the Results of questionnaire	43
4.4. Presentation of the Interviews.....	57
5 Results and Discussion	70
6 Conclusions.....	74
7 References.....	777
Appendices.....	877
Appendix A. Questionnaire	877
Appendix B. Obligatory interview questions	89

List of figures

Figure 1: Reason for different types of conflicts	29
Figure 2: A model of conflict and performance in virtual teams	31
Figure 3: Gender distribution, % (number of respondents)	40
Figure 4: Age distribution of the respondents, % (number of respondents)	40
Figure 5: Work experience in a company distribution, % (number of respondents)	41
Figure 6: Frequency of interactions with team members online, %	41
Figure 7: Frequency of interactions with local team members, %	42
Figure 8: Frequency of conflicts with team members, %	43
Figure 9: Impact of conflicts on everyday work (all respondents), %	45
Figure 10: Impact of conflicts on everyday work (only relevant respondents), %	46
Figure 11: Comparison of conflicts frequency (all respondents), %	47
Figure 12: Comparison of conflicts frequency (only relevant respondents), %	48
Figure 13: Types of conflicts (all respondents), %	50
Figure 14: Types of conflicts (only relevant respondents), %	50
Figure 15: Reasons for conflicts with local members (all respondents), votes	51
Figure 16: Reasons for conflicts with local members (only relevant respondents), votes	52
Figure 17: Reasons for conflicts with online members (all respondents), votes	53
Figure 18: Reasons for conflicts with online members (only relevant respondents), votes	53
Figure 19: Correlation between the conflict frequency and the working period for all respondents	55

List of tables

Table 1: Conflict management approaches.....	14
Table 2: A summary of the main advantages and disadvantages associated with virtual teaming.....	26
Table 3: General information about companies of participants.....	39
Table 4: Number of respondents in each company participated.....	39
Table 5: Analysis of the respondents to question 6.....	43
Table 6: Analysis of the respondents to question 7 (all respondents).....	46
Table 7: Analysis of the respondents to question 7 (only relevant respondents).....	47
Table 8: Analysis of the respondents to question 8 (all respondents).....	49
Table 9: Analysis of the respondents to question 8 (only relevant respondents).....	49
Table 10: Numerical substitution for conflict frequency.....	54
Table 11: Numerical substitution for working period.....	54

1 Introduction

Nowadays technologies are developing and changing very rapidly. With the appearance of the Internet, the world became interconnected. Within a second a message sent from the Czech Republic can be received in the USA. Not only individuals utilize the benefits of such information technologies, but the companies and corporations as well.

It will not come as a surprise that organizations regularly seek cheaper or more skilful labour force. In this search, they are no more limited to the borders of a city, a country or even a continent they are established in. In this case, companies can form geographically distributed or virtual teams, for which the new technologies become enormously useful and appropriate to utilize. There are common types of tools that can be used by any organization such as e-mails, video conferencing, chats and software allowing to work simultaneously on one document or project. Moreover, there are more specific tools such as online databases, knowledge bases and customer relationship management software that can be adjusted to specific requirements of a company.

However, as all people have differences in many areas such as traditions, beliefs, views and attitudes, the conflicts are barely avoidable. Especially they can be present during the communication process of people from different countries and continents. As in most of the cases they use English or another international language, while their native languages are different, this makes the misunderstanding even more common among them. Often conflicts can have a negative influence not only on the relationship between employees but on all aspects of a company workflow. That is why it is important to identify, control and deal with the conflicts in the working process of virtual team members.

As the concept of virtual teams is relatively new, some areas of it have not been fully studied yet. That is why the topic of the given diploma thesis “Challenges in the workplace: Conflicts in virtual teams” was chosen for research. However, it cannot be examined without basic definitions and specifications of conflicts themselves, as well as reviewing the previous works on the conflicts in traditional teams. Such definitions will be further defined and exemplified as well as their main characteristics will be presented. For the practical part, the companies with both local and virtual team members were selected.

2 Objectives and methodology

2.1 Objectives

The main aim of this thesis is to analyze conflict situations in virtual teams and examine if there are significant differences in types and reasons of conflicts between virtual teams and traditional teams, as well as to identify the role of the manager in such situations and his or her applied solutions. In addition, the objective of the thesis is to refer to the identified reasons for the conflicts and suggest the possible directions of their resolutions based on the reviewed literature and own research.

It is possible to divide the main aim into such incremental objectives:

- to identify what the conflict is
- to make a careful study of conflicts in traditional organizations and it's type and models
- to define what a virtual team is and specify its features
- to analyze the literature about the virtual conflict reasons and types
- to study the management role in conflict and possible solutions
- to select the companies to test the stated hypothesis comparing the conflicts in traditional and virtual teams
- to create a list of questions for own research
- to conduct a survey using Google forms and interviews with team leaders
- to analyze the results of the research
- to make own conclusions

The following research questions were formulated in order to achieve the aim of the diploma thesis:

1. Do employees face more conflicts with virtual team members compared to local team members?
2. What are the main reasons for conflicts in virtual teams with online members?
3. Are there any differences between reasons for conflicts in traditional teams and virtual teams?
4. What are the main solutions for virtual team conflicts suggested by their managers or team leaders?

2.2 Methodology

The literature review and a practical part are included in this diploma thesis.

The first part of the thesis provides a summary of relevant professional resources such as analyzed journals, books and articles from web resources and libraries on the topic of conflict, virtual teams, traditional teams and conflict resolution.

It contains the main concept definitions such as conflict and virtual team. It also provides an overview of the conflicts in traditional teams and its types and models summarized by different authors. Moreover, the literature overview describes the advantages and disadvantages of virtual teams, reasons and solutions on how to deal with conflicts between their members and the management role in dealing with conflicts. The prime sources for the literature overview are works and studies related to the mentioned topics and concepts collected and carefully studied using the theoretical methods, in particular, induction, deduction and comparison.

The methodology of the second part, own research, is based on the questionnaires provided to the members of a virtual team and a semi-structured interview with a manager of each team. It is focused on the own research of frequency and types of conflicts in virtual teams, and the differences in types and regularity between virtual team members and local team members.

The research conducted for this thesis focused on five teams that include both local members and virtual team members. All the companies are working in the sphere of information technologies such as digital marketing, digital insurance, and IT services. The teams are physically located in the Czech Republic, Ukraine and Bosnia and Herzegovina. They are Hewlett Packard Enterprise, DXC Technology, Grid Dynamics, Dinghy, and Digital Marketing d.o.o.

The questionnaire contains 11 closed multiple choice questions for the simplification of further analysis of the received data and statistical reporting. Regular employees and members of virtual teams were asked to fill out the questionnaire which was created using an online tool such as Google Forms. The total number of respondents is 52. Moreover, the interview was conducted with virtual team leaders by video conferencing tools such as Skype and FaceTime. During the semi-structured interview, the virtual team leaders were asked from 5 to 7 questions about his or her experience and suggestions on how to work and deal with the conflict in virtual teams and methods he or she applies in everyday working life.

3 Literature Review

3.1 Conflict in organization

3.1.1 Definition of conflict

Research on the conflict itself is not a new trend. Numerous researchers studied conflict in organizations starting from 50th years of the previous century. Here are the definitions that were given to conflict at that time. March et al. (1993) researched the topic of conflict in the organizational sphere. They considered it as an interruption in a normal process of decision-making, so selecting an alternative for a person or a group of people can imply difficulties. If we consider it more broadly, Pondy (1967) noted that it is better to understand a conflict in an organization as a dynamic process underlying organizational behavior. In turn, Tedeschi, Schlenker and Bonoma (1973) showed a middle position between narrow and broad definition. They considered it as an interactive condition when the actions or aims of one party are to some level contradictory with the actions or aims of some other party.

However, as Rahim (2010) mentions that there is no single clear definition of conflict and notes that different scholars studied conflicts from different disciplines.

After reviewing the literature about conflict definition, Murphy and Saal (1990) concluded that even though they are not identical, but include the common elements, such as:

- there are opposing interests between individuals or groups in a zero-sum situation;
- such opposing interests recognized;
- each side believes that the other one is able to act against another one;
- this belief is likely to be supported by actions threatening goals of another one;
- conflict is a process that is reflected in their previous interactions.

Based on that, Rahim (2010, p. 18) suggests his own definition of conflict as "an interactive process manifested in incompatibility, disagreement or dissonance within or between social entities." He also mentions that it can be intrapersonal, i.e. limited to one person only. According to him, the examples of conflicts may be yelling, verbal abuse, interference, etc.

Moreover, Nicholson (1992) believes that conflict appears when individuals or groups have a desire to carry out mutually inconsistent acts concerning their wants, needs

or obligations. Disagreement often appears before conflict, that is why the latter one can be considered as an intensification of the first one.

3.2 Conflict in traditional teams

Gibson and Cohen (2003) argues that contrary to what many people may think, a specific conflict level is an essential part of a successfully working team. At the same time, a manager of a team must control the conflict for it to be effective and understand that there are different types of conflicts. According to Boulding (1963), conflict in teams is simply an knowledge by part of or all of the members about differences, disagreements, contradictory wishes, or incompatible desires. There has been a discussion between various organizational researchers about advantages and disadvantages of disagreement within teams (Eisenhardt & Zbaracki, 1992). Jehn (1995) points out that in order to understand this complex issue, it is necessary to differentiate different conflict types, such as relationship, task, or process focused.

3.2.1 Types

Priem and Price (1991) distinguished between cognitive, task-related conflicts and social-emotional conflicts, characterized by interpersonal disagreements not directly related to the task. According to Coser (1964), there is a conflict, in which individuals pursue specific gains. It is called hypothesized goal-oriented conflict. The second type is an emotional conflict, which is projected frustration with interpersonal interactions. The similar idea was presented by Pinkley (1992) whose study uncovered a task-versus-relationship dimension of conflict.

During a multidimensional study of group conflict, Jehn (1995) found that participants distinguish between task-focused and relationship-focused conflicts. She also noted that these two types of conflict differentially influence work group results. There is an apparent distinction between task and relationship in these typologies similar to other organizational theories that distinguish between task and interpersonal dimensions of organizational life, such as leadership theories (e.g., task and relationship motivated leaders; Fiedler, 1978) and group functions (e.g., task accomplishment and relationship maintenance). Such distinction between task and relationship results in different prognosis about the effect of conflict on group results.

Even though the companies create norms and procedures to make interactions stable and make their employees communicate and cooperate in relatively constant way, interpersonal conflict is one of the fundamental parts of organizational existence. According to Bercovitch (1983), the root sources of interpersonal conflict in firms can be divided on several categories:

1. personal differences (employees that are not similar interact and it increases conflict potential);
2. perceptual differences (distribution of organizational resources is viewed as unfair by individuals)
3. functional differences (contradictory role requirements lead to conflicts).

The author emphasizes the complexity of interpersonal interactions. He points out that a significant amount of people’s behavior occurs in different kinds of firms, such as university, hospital, or factory where people represent different jobs. As these positions do not occur standalone, but interpedently and interactively, there is an effect of attitudes and behavior of one person on the attitudes and behavior of another. Another words, companies can be seen as networks interactions between individuals that can be repeated and predicted.

3.2.2 Models in conflict management

According to the scope of this thesis research, it is important to make a review of different intragroup conflict management techniques that manager or team leader can apply in their work. The main approaches and works that have been analyzed are mentioned in the table below.

Table 1: Conflict management approaches

<i>Conflict management approaches/models</i>	<i>Literature</i>
Diversity-conflict model	Jehn (1995, 1997), Jehn et al. (1999)
Behavioral negotiation model	Walton and McKersie (1965), Pruitt and Rubin (1986), Hausken (1997)
Social dilemma models	Dawes (1980), Wheeler and Shaver (1983), Kollock (1998), Weber et al. (2016)
Social exchange model	Emerson (1962), Blau (2017), Loasby et al. (197)
Transaction cost model	Coase (1937), Williamson (1975)

Source: Own research

Diversity-conflict and behavioral-negotiation models are usually used to understand conflict within a group composed of people, while social dilemma model is used to study conflict either within a group of people or organizations. Social exchange and transaction cost models are often used to understand conflict within a group of organizations.

Diversity-conflict model

According to Perry-Smith and Shalley (2003), diversity can be viewed as differences people perceive that differentiate themselves from other people. There are two types of diversity: visible or invisible. The examples can be race, gender, values, and work experience. Litterer (1966) mentions that this model presupposes that conflict can be positive or negative for a company depending on traits and features of the task and individual members.

Jehn (1995) in his paper makes a research about workers in the logistics industry and examines two types of conflict in teams: relational conflict and task conflict. The first one (also called affective) refers to an awareness of interpersonal differences refers to relationship conflict. This type may consist of personality differences, hostility, and annoyance between individuals. The negative consequences of the relationship conflict include an influence on individual and team performance, as well as team member satisfaction and the likelihood of the team working together in the future (Jehn & Mannix, 2001). Distraction of the team members from the task, working less cooperatively, or production of sub-optimal products are other possible effects of this conflict type.

The second type of conflict — task (or cognitive) conflict — refers to a situation when team members are aware of differences in viewpoints and opinions related to their task. It may include disagreements about the task being performed. For instance, there can be a disagreement because of a firm's current hiring strategies or determination of what should be included in an annual report. Compared to relationship conflict, moderate levels of task conflict can be advantageous to team performance in different decision-making and team tasks. Jehn & Mannix (2001) argue that for teams who perform complex cognitive tasks it is beneficial to possess different opinions about the work they do. Due to task conflict, the quality of decisions can be improved as teams refuse old interaction schemes and change them to new ones. The collaboration that is created from task conflict is generally more effective than the individuals working themselves (Schwenk, 1990).

Thus, being supported by its effective resolution, the task conflict can gradually improve team performance.

According to the results of Jehn (1995) research, there is an inverted-U relationship with task conflict which means that at low and high levels of task conflict, team performance is low, however on a middle level of task conflict team performance is improved. As for relationship conflict, it is robustly disadvantageous to team performance.

The second paper of Jehn (1997) studies also introduced a concept of process conflict. It involves disagreements on how to do the task or how to delegate resources. Even though process conflict is the least researched one of the three types, there are evidence that unresolved process conflict can harm team performance. For instance, due to process conflict the team members may pay too much attention on irrelevant topics or distract the them from actually getting on to the task. According to the results, process conflict (same as relational conflict) had strong negative influence on team performance and team members satisfaction. Process conflict's influence on team performance can be described as an inverted-J shape: when there are low levels of process conflict, the teams feels high level of direction and solidarity, so the performance is improved. However, the higher the levels of this type of conflict, the lower the team performance and the higher teammate satisfaction.

Behavioral negotiation model

According to Thompson (2015), negotiation is broadly defined as the process in which two or more sides choose what each of them will give and take in a relationship, and in sphere of conflict management, it is viewed as a strategic process for guiding through the conflict process. Behavioral negotiation model is a main model in management that is applied to study negotiation. Simon (1982) points put that this model assumes that the team of negotiators are connected rationally in their cognitive abilities, while the negotiators are exposed to cognitive biases provoked by their contact with the other party and the context they are in. Thompson (1991) emphasizes that the cognitive biases undermine the process of information sharing influencing by that the benefit occurring during the negotiation process. Like the previous model, conflict is understood as an opportunity for a person involved to develop benefit that that cannot be achieved individually or separately from the group.

Before being analyzed in Walton and McKersie's (1965) book, negotiation science was mostly descriptive and researched separately in economics, political science, and labor relations. These authors presented a main concept for understanding negotiation by showing two distinct strategic techniques: distributive and integrative negotiation. The first ones concentrate on demanding as much self-benefit as possible and includes generally the application of threats and emotional appeals to affect another side to come to arrangement. The latter ones concentrate on developing and demanding value and includes providing information about gains and concerns and next locating compromise to create shared benefits (Pruitt, 1981). Walton and McKersie's (1965) contributed for other conflict researchers a set of context-specific approaches on how negotiators find and distribute resources.

In their book called "Social conflict" Pruitt and Rubin (1986) presented the dual-concerns model. It emphasizes that a negotiator cares about not only about their own benefits, but also about their counterparty. Depending on the importance level that the negotiator evaluates for each of these interests, they choose the approach to utilize during the negotiations. There are four possible methods that the negotiator can use. If they care a lot about their counterpart interests and a do not care much about their own benefits, they can surrender to demands from the opposition. When both concerns are high, then the negotiator usually applies a problem-solving technique to achieve an arrangement. In the third case, when both concerns are low, it is expected that the negotiator will be detached from the negotiation process. The last case describes the situation when an individual care a lot about own yields, and poorly for others, then the negotiator will argue aggressively to defend own outcomes. The contribution of the dual-concerns approach is not expressed in forecasting negotiation results, but rather in making predictions about the approaches negotiators are likely to apply to accomplish those results.

The last work analyzed is Hausken (1997) dual-party behavioral negotiation model. In their work the authors combine a considerable body of diverse empirical analysis into a model that can make a prediction about the negotiation results on the basis of contextual and personal characteristics. Their primary idea is that any negotiation result is a function of the circumstances where the negotiators are positioned and the characteristics of the participants themselves. Context parameters are permanent aspects of the negotiation surroundings, such as time burden, presence or absence of a third party during the negotiation process, or type of the media channels that are used for

communication. The second influential factor include observable parameters of a negotiator (for example, mood and emotions, personality and appearance, communication methods), and non-visible elements (for instance, information processing and biases). Moreover, negotiator peculiarities, rather than environmental parameters, can be not fixed because they are able to change over time.

Social dilemma models

It is often appealing for individual representatives of a group to behave according to their own advantage and have a benefit from self-centered decisions, despite the fact that the entire group will be in a more advantageous position collaborating. Social dilemmas are such circumstances in which there is a conflict between individual interests and collective interests. Social dilemmas illustrate a crucial dispute that companies are dealing with all the time, including numerous stages of social interaction. Sally (2016) identifies that main problem with social dilemmas as the fact if persons are able to collaborate and prioritize the interest of the group or organization over their own interests, and if they can, what level of collaboration and mutual performance can be reached. Collaboration in such situations is innately complicated and involves high risks. Luce and Raiffa (1957) point out that a traditional economic approach forecasts that as rational market player all the time try to achieve maximization of their own utility and make decisions that offer the highest advantages to their own interests, cooperative actions are rare or uncertain. Same as models mentioned above, social dilemma models consider conflict to be either destructive or beneficial. Each researcher reviewed here was influential in cultivating the models of social dilemmas for several reasons: they were either pioneers in creating this model, developed a general agreement about how social dilemmas can be dealt with, or changed the view about how we see conflict in social dilemmas.

Dawes (1980) was the author who first presented the concept of social dilemmas and classified two important result-related features of them: (a) a person will obtain the highest pay off for a self-interest choice despite choices of other people, and (b) all of the participants will get a lower pay off if everyone selects to renounce, not collaborate. That is the reason why a remarkable property of a social dilemma is that it has a defective balance where each person has controlling plans of action. The author points out that as social dilemmas include interpersonal contrasting of payoffs, modifying payoffs by presenting benefits and sanctions can be one of the approaches to evoking collaboration.

At the same time, Dawes (1980) mentions that introducing this straightforward practice may lead to a significant question of who modifies it and how to modify it. Such factors outside a payoff form and material results as altruism, norms and moral sense may influence the extent to which people respect mutual interests.

Wheeler and Shaver (1983) in his paper described mutual interactions in a wider framework in which selfish actions harm collective welfare. The author mentions the concept of social traps — circumstances when people in which individuals seek instantaneous benefits that are apparently advantageous, however in the long run bringing a greater damage for a group in general. The example of a social trap may be a usage of shared resources for selfish purposes which sooner or later leads to the depletion of these resources. On the contrary, the term of social fences is also mentioned. It describes a context where team members are motivated to refrain from an immediate cost for group interests in a situation when a member's passivity and not enough input bring the damage to others. According to the authors, there are two possible ways to deal with social dilemmas. The first method is directed at affecting psychological and behavioral factors connected with person's interdependent behavior. For instance, one of the best approaches in this sphere would be communication. With the help of communication among group members in social dilemmas the information flow about decisions of others is encouraged that develops a feeling of group identity and group identification. The second approach to solving social dilemma problems are aimed on mediation from the side of a group leader in order to modify the structural parameters of social dilemmas, for example, the structure of payoff and the group's decision.

The contribution of Kollock (1998) to the social dilemmas research is that this author divided solutions to social dilemmas into three wide categories. The division criterion is based on the fact if the solution presupposes selfish players. These types are motivational, strategic, and structural solutions. The first category presumes that team members care about their coworkers' results. The second type of solutions argues that decision-makers are self-interested and does not include structural modifications in social dilemmas. Strategic solution is limited to recurring two-person dilemmas because these types of solutions are dependent on the choices of group members that have an impact on the results and actions of their teammates. The last category of solutions — structural solutions — include modifications in the standards of social dilemmas. particularly, Kollock (1998) emphasized the significance of developing or strengthening of structural

characteristics that can promote strategic solutions. Supervision and penalty systems can be realized by utilizing selective encouragements and sanctions.

The ideas mentioned in the work of Weber et al. (2016) question the way of understanding conflict in social dilemmas. These authors used March's (1994) view of the logic of appropriateness to offer different answers for a question why people collaborate in social dilemmas. The appropriateness concept can be described better as perceptions, not by figures. This concept argues that people make their choices not only on evaluating advantages and disadvantages of a decision, but also based on normative rules. Normative rules are pursued as a function of an individual's understanding of the decision circumstances and what their position in that context is. The main difference that can be seen in the paper written by Weber et al. (2016) is in their opinion about positive and negative sides of a conflict between self-interest and collective benefits. They argue that the conflict in social dilemmas does not obligatory result in negative consequences that require structural and psychological modifications (as it was mentioned in the previous three works); but instead can motivate individuals to collaborate and accomplish collective performance as a function of how the social dilemma is described.

Social exchange model

This model considers conflict among teams in companies according to effectiveness instead of efficiency. In particular, Blau (2017) mentions that the model crosses layers of research from between individuals and organizational teams by presuming that institutions and structures are negotiated using social interaction. Boundary spanning role individuals have behaving and acting patterns representing their companies because decision makers choice depend on the rules, principles and limitations of their companies. At the same time, the individuals' behaviors afterward have an impact on the group views their companies maintain towards the exchange colleagues (Zaheer et al., 1998). Social exchange theory has developed into one of the most widespread examples of understanding conflict since it has its wide view on effectiveness to improve conflict results that can be achieved by power. According to social exchange theory, conflict includes the disagreement between the gains of the powerful keeping their power over the gains of the less powerful searching for independence (Blau, 2017). This means that everyone has a predicted from each interaction cost-gain rate, established on previous experiences (Thibaut and Kelley, 1986). In case a person obtains fewer yields from a

particular contact than he or she predicted or less than what they could receive some other relationship, there is a high probability that this person will stop further relationship.

A main principle of this model is the idea of reciprocity norm (Gouldner, 1960). It states that there is an anticipation that people will behave towards others as they are treated. As such individuals expect the benefits they have given to others will be paid back. There are warnings that one side has more influence than the other and can push the counterparty to offer the gains with little interchange (Gouldner, 1960). The weaker side have to allow considerable imbalance in gains because it is very much dependent on meager yields obtained from more influential side. Such inequality in interchange recognized by Blau (2017) can be described as power asymmetry. The expansiveness of advantages from interactions may gain effective company agreements of action via improving results, for example, influence which gain control of different participants or assets, just as decreasing requirements in the external surroundings (Scott and Davis, 2007). Dissimilar to the models referenced above, conflict from the social exchange viewpoint is seen adversely for the relationship in general, just as for more dependent side. Conversely, conflict is to a great extent seen advantageous when its outcome gains more power, while disadvantageous for the side that turns out to be more dependent. Imbalances in power are commonly seen as reasons for ending future interactions, which may be seen negatively if there is an anticipation for saving them (Polidoro et al., 2011). In general, it introduces problems over origins of power which includes connection to resources, opportunity of options, political pressure or legitimacy, and conflicting beliefs over resources regulated by the powerful (Blau, 2017).

According to Emerson (1962), he defined power in comparative terms as classic approach of a function of one side dependence on the another one. The power of first party over another one is viewed as an inverse of the last party dependence over the first one. Dependence may emerge from the requirement for assets, hierarchical size, and bartering choices. Emerson (1962) cleared up that control isn't detached to a person or people yet as a relationship of one side over another. Given the general idea of influence, it is crucial to think about who has power over the asset compared to individuals who are dependent on the asset. Moreover, Cook and Emerson (1978) emphasize that power may be noticed not only in a dyadic interaction, but also can appear between various participants in a network.

Behaviorism was the initial science through which the social exchange theory was considered (Homans, 1958). Nevertheless, exactly Blau (2017) applied an economic and utilitarian concept to understand social exchange and that became the most exploited method. Even though, he understood of actions as losses and benefits, the author believed that actions were explained by the gains or losses the person expects to obtain in the future, not in the past. These ideas contradict with the behaviorism theory. He also added to the concept by building a connection between micro-level actions and macro-level aspects. Blau and Scott (2004) view the company having relations in a framework of an external surroundings creating an “organizational set”. Finally, Blau (2017) viewed power as the capability of individuals or groups to dictate their command on others regardless opposition through prevention. He also highlighted that contacts may present balance in one situation and yet meet imbalance in others. For instance, if the company’s supplier has a control over the main raw material required, it can show the power over this company. Nevertheless, the company can predict how the situation of the suppliers’ market faster than its supplier, contradicting the supplier company’s power and influence over time. That is why both balance and imbalance of power are the main fields of research for social exchange theories.

Loasby et al. (1979) introduced an idea of resource dependency that developed the studies of organizational conflict in social exchange theory. Based on this theory beliefs, resource dependence searches to explain why a company can behave out of its economic efficiency concerns. Scott and Davis (2007) mention that companies control their losses and gains of their relationships in a give-and-take model. Resource dependence defines three significant concerns. First, Loasby et al. (1979) noticed that there is a social context where companies are reacting to behavior of other companies. Companies make decisions not separately from other companies. Second, firms can rely on a much broader number of approaches to lessen limitations in their surroundings out of a dual market and procurement management decisions. Companies appeal to a number of social approaches, for example, utilizing their board of directors, industry associations and strategic alliances to control their requirement for independence. Third, according to Emerson (1962) a firm turn into effective and unlimited by looking for power, instead of efficiency, to regulate their external relationships. Scott and Davis (2007) sum up that the aim of the resource dependency approach is to select the least limiting method to regulate

relations that have with different companies and to decrease the reliance that their exchanges establish.

Transaction cost economics

This model has been widely used to a research on the topic of alliance relationships. Lumineau et al. (2015) noticed that the main aspect of opportunism in transaction cost theory conform well because its comprehension of conflict between teams in a company. In particular, actors could collaborate on the open market efficiently leaving these loud negotiating techniques aside, and without more expensive type of management, for example JV and acquisitions being less advantageous types of establishment. Williamson (2000) outlines the function of creating efficient types of management instruments are to develop order, and that is why to reduce conflict and understand common benefits. Conflict is usually seen unfavorably in transaction cost economics because of the raised expenses connected with management needed to reduce the risks of opportunism. Nevertheless, management academics combine transaction cost model with other approaches which besides bringing advantageous results for companies by contracting capabilities (Argyres, 1996), can also implement trust into management decisions (Poppo and Zenger, 2002).

Williamson's (1975) study about transaction cost model is broadly recognized because he added the empirical evidence to theory. The author characterizes a transaction as a situation when a good or service is moved through a technologically separable interface. This became a basis for a research of verbal contracts between groups for the transaction with goods or services (Scott and Davis, 2007). Transaction costs can be defined as the expanses connected with of organizing arrangements, for instance, planning and editing the contracts, and also supervising the task till the end. Later, Williamson (1975) recognized three circumstances under which a few negotiations could appear raising the expenses for a deal to happen in the market. First, based on the idea of ambiguity, including the concepts of bounded rationality (Simon, 1982), recognized opportunism as an origin of conflict in interaction (Williamson, 1975). This apprehension over behavioral ambiguity restraints the range to which exchange parties can recognize all likely possibility from the interaction. Second, he recognized the regularity of exchange. He believes that the more frequent the exchange is, the higher the difficulty and lower the number of possible options (Williamson, 1979). Last, is the function of resource particularity that restricts the capability of the parties to apply the other options

regarding investments, by that reducing the number of free negotiating partners. Due to the essential risks of exposure to their interaction partner, the central firm can pursue resource specialized investments and look for protecting for their yields in the exchange. This protection will result in more expensive ways of management.

3.3 Virtual teams

3.3.1 Definition

As virtual teams are main object of this diploma thesis, this term should be defined as precise as possible in order to avoid misunderstanding.

According to Gibson and Cohen (2003), to be considered virtual to some degree, a team must have the following three attributes:

- It is a functioning team—a collection of individuals who are interdependent in their tasks, share responsibility for outcomes, see themselves and are viewed by others as an intact social unit embedded in one or more social systems, and collectively manage their relationships across organizational boundaries (Lorsch, 1987).
- The members of the team are geographically dispersed.
- The team relies on technology-mediated communications rather than face-to-face interaction to accomplish their tasks.

Maznevski and Chudoba (2000) define that global virtual teams are groups that possess such attributes:

- their organization(s) and members identify them as a team;
- there is a clear responsibility for making decisions that are important to the organization's global strategy;
- such teams mostly use technology-supported communication instead of face-to-face one;
- located in different countries.

Lipnack and Stamps (1997) argue that a virtual team is a group of people who have interconnected tasks and lead by a common goal. They work across space, time, and organizational boundaries with the help of the links that are supported by communication technologies. Some authors such as Jarvenpaa et al. (1998) attribute the term “virtual” for teams that never meet face-to-face. However, most researchers emphasize a virtual

relationship between them that is mostly conducted over technology (Townsend et al. 1998).

3.3.2 Features

Virtual teams allow their team members to work and communicate in real-time all over the world. The virtual teams driven by technology possess a number of advantages that resulted in their increased popularity. Some of the main reasons for this are:

1. Significantly lower travel cost and time. A large portion of expenses counts for living costs, travel and different day-to-day expenses of the workers. However, for virtual teams it can be reduced and even eliminated because their members utilize technology means of communication. Moreover, as such teams do not have everyday face-to-face meetings, more time is saved and the disruptions in working process become less frequent (Opper and Fersko-Weiss, 1992). For instance, IBM saves about \$50 million of travel and downtime costs due to virtual teams' creation, as estimated by the director of on-demand workplace solutions (Baskerville and Nandhakumar, 2007).
2. Hire the most talented work force in the field. According to the research by Lipnack and Stamps (2000), nowadays more and more employees are not willing to change their place of living due to high level of stress and expenses. Therefore, adaptation of virtual teams gives an organization an access to variety of talented workers. Such opportunity would be unavailable to them if the management prefer utilization of only regular teams only. More than that, geographical boundaries are no longer a threat for a team creation. A member of a virtual team can easily work on different projects in multiple teams. This gives a significant flexibility for a firm to maximize its employees' potential by assigning a worker with particular skills to participate in several teams simultaneously (Hertel et al., 2004).
3. Generate creativity among virtual team members. As such teams include diversity and heterogeneity, they become much more productive and effective if compared to offline team structures dependent on time and place.
4. Equals the workers' opportunities in the workplace. Employees with physical disadvantages can access the virtual workplace environment more easily than a physical office. This helps companies reasonably satisfy the particular needs of a number of disadvantaged employees.

5. Disincline age and race discrimination. As virtual teams' performance measurement in most of the cases is associated with productivity rather than personal attributes. Online character of business creates an opportunity for the workers to feel equality and equity (Bergiel et al., 2008).

Even though virtual teams possess advantages over traditional teams mentioned above, their members also face difficulties in comparison with those who work in regular teams. Considering technological side of the virtual teams' interactions and collaboration has now changed from a major obstacle to an easily accessible way of communication (Constant et al., 1996). Nowadays exactly social and managerial challenges provide the major obstacles to accept this new organizational form successfully. Authors such as DeSanctis and Poole (1994), Victor and Stephens (1994) argue that if organizations do not foresee the unique challenges of the virtual teams' environment, the latter ones will not be able to meet the expectations of the former ones. Iacono and Weisband (1997) point out that the firms must use informational technologies (IT) effectively to rapidly connect the individual skills of people who may never meet each other into interdependent work outcomes.

Table 2: A summary of the main advantages and disadvantages associated with virtual teaming

<i>Advantages</i>	<i>Disadvantages</i>
Reduces travel time and cost	Sometimes requires complex technological applications
Enables the recruitment of talented employees	Lack of knowledge among employees about virtual teams and subsequent, there is the need for HRD interventions
Promotes different areas	Lack of knowledge among some senior mature managers concerning advanced technological applications generally
Assists in promoting proactive employment practices for disadvantaged individuals and groups	Not an option for every type of employee because of an employee's psychological make-up and other predispositions
Builds diverse teams	Nor an option for every company because of the operational environment
Reduces discrimination	

Source: Bergiel et al., 2008

3.4 Conflict in virtual teams

3.4.1 Reasons

Kankanhalli et al. (2006) conducted an in-depth investigation of conflict episodes in three global virtual teams. Several important conclusions have been made according to the results of the research. First, the relationship between functional diversity and task conflict is present for both traditional teams and virtual teams. The same can be argued for the moderating effect of task characteristics on the relationships between conflict and team performance. Second, cultural (including national and linguistic) diversity promotes conflict in global virtual teams much more compared to traditional teams. Moreover, for the first ones there is a relationship between cultural diversity and task conflict. Third, by this study it was found that communication technology plays a role in creation of a conflict in virtual teams. The authors identify two technology characteristics that according to studies lead to task conflict. They are large amount of electronic communication and lack of immediate feedback. As virtual teams are significantly dependent on such communication technology, team members as well as their managers should be informed about this fact and possible consequences.

3.4.2 Types

After examining the previous studies about the conflict reasons and types, Hinds and Bailey (2003) conducted a research to analyze task, affective, and process conflict and how they influence performance in traditional teams compared to virtual teams.

Task Conflict

The authors argue that conflict is harmful to team performance in most cases. However, many studies suggest that task conflict may have a positive impact on performance (Eisenhardt et al. 1997, Jehn 1995). For instance, a team is able to check more options and analyze the variants more accurately (Pelled et al., 1999). Finding out better solutions (Pelled et al., 1999) and eliminating “groupthink” (Hart, 1991) are the positive outcomes of considering various views and alternative strategies.

At the same time, there are researchers who report an opposite effect which proves that task conflict does not always creates better results. For example, a study of student project teams by Jehn et al. (1997) presents a case when task conflict leads to worse performance. Lovelace et al. (2001) argue that openness norms and collaborative communication are the determinants of the task conflict utility. Studies by Jehn and Chatman (2000) has also shown that task conflict stays beneficial to team members only

if it is not supported by or transforms into affective or process conflict. That is why even if the task conflict can be potentially advantageous, research suggests that managers must control it using open, collaborative communication.

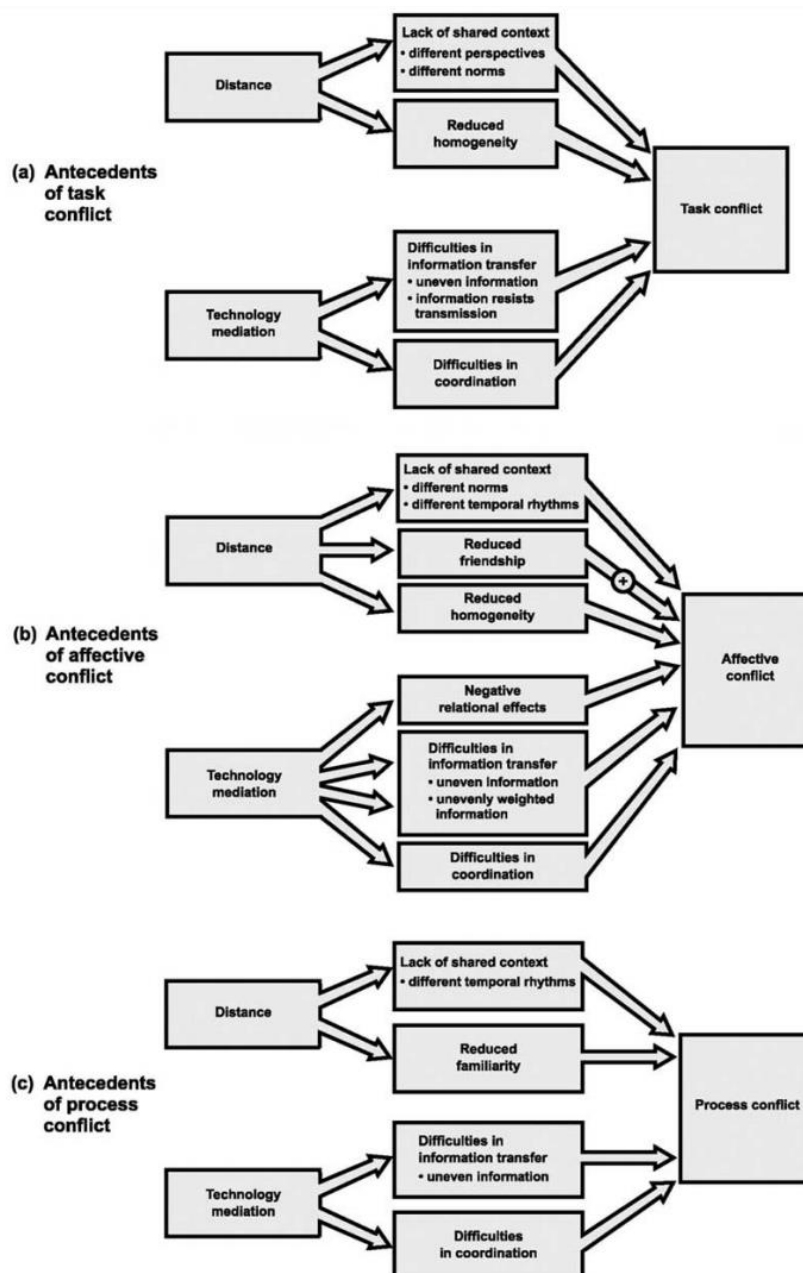
Hinds and Bailey (2003) conclude that the relationship between task conflict and performance will be usually negative in virtual teams compared to what is true for traditional teams. They reason that task conflict can be positive to the extent that it is declared and resolved by creation of mutual understanding. Hinds and Kiesler (2002) point out that creation of a shared complex information pool and coming to an agreement on even quite regular tasks is extremely difficult for teams who have different locations. Communication and sharing complex information via technology is more difficult for people because it takes more time (Straus and McGrath, 1994), it is often delayed (Kraut et al., 1992), and my demand more cognitive effort (Hinds, 1999). Thus, a virtual team can face more obstacles during the process of participation in collaborative activities in which information and opinions must be shared and various strategies considered. In general, Hinds and Bailey (2003) expect that for virtual teams it is more troublesome to resolve task conflict effectively and that is why it will be rarely beneficial. This opinion is facilitated by findings from Mortensen and Hinds (2001). They inform that task conflict had a negative relationship with performance in product development virtual teams.

Affective Conflict

There are evidences that affective conflict is performance-detractive for various types of teams: work teams and management teams (Jehn 1997), student project teams (Jehn et al. 1997), and top-management teams (Eisenhardt et al. 1997). Pelled et al. (1999) argue that affective conflict often makes work more difficult as a result of anxiety, hostility, as well as time and energy consumption created by emotional discord. Even though a significant number of researchers report a disadvantageous interrelation between affective conflict and team productivity, uncertainty is still present. Jehn (1995) informed about cases when team members avoided those with whom they had disagreements. She believes that their avoidance makes this relationship invalid. In addition, Pelled et al. (1999) suggested that team members in the project teams they studied prevented a negative influence on performance by finding out how to get along with those they had affective conflicts. This research shows exactly an open expression of affective conflict creates a negative conflict-performance relationship, not affective conflict itself.

Hinds and Bailey (2003) argue that the reasons for the negative influence of affective conflicts on team productivity are the same for both traditional and virtual teams. They emphasize that because for virtual teams it is easier not to face each other regularly during the day, there is a higher opportunity to avoid affective conflict. For instance, team member may not communicate to another member who is based in another location for days. Moreover, using online technologies is it more difficult to discuss emotional topics, there is why there are less opportunities for open expression of affective conflict. All these studies lead to a conclusion that in virtual teams an affective conflict is less harmful.

Figure 1: Reason for different types of conflicts



Source: Hinds and Bailey, 2003

However, Hinds and Kiesler (2002) report that members of distributed teams are inclined to more faulty and harsh attributions. They believe that such attributions will counterbalance the advantages of avoidance and therefore an overall effect of affective conflicts on performance in virtual teams is negative.

Process Conflict

The studies by Jehn (1997) as well as Jehn and Mannix (2001) prove a generally negative relationship between process conflict and performance on virtual teams, the same as affective conflict. Such relationship is observed because effort is engrossed by disagreements, and confusion about resources and responsibilities causes inefficiencies (Jehn 1997). Same as for affective conflict, Hinds and Bailey (2003) suppose that reasons for the negative impact of process conflict on virtual teams' productivity are the same as for traditional teams. They argue that for virtual teams, misunderstandings about resources and responsibilities may be even more harmful and take more time to resolve because of differences in views and communication issues.

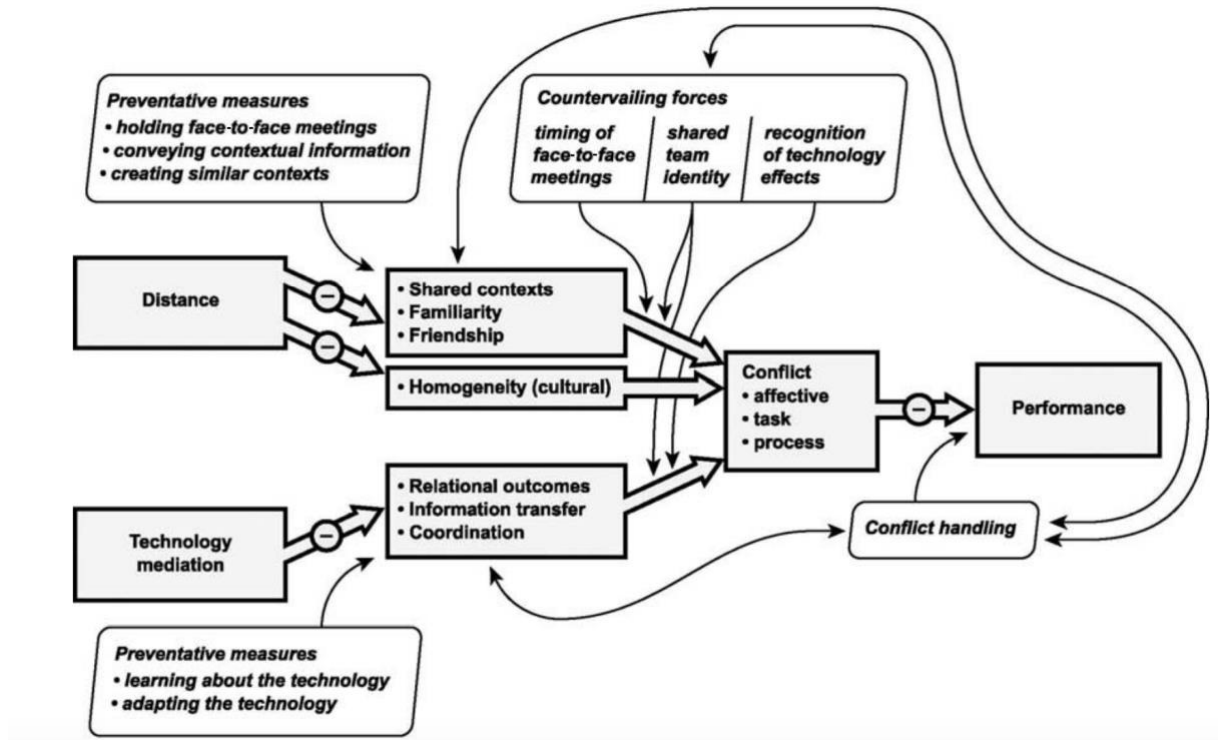
3.4.3 Solutions

Hinds and Bailey (2003) argue that as time goes by, virtual team members usually become more familiar with each other, learn how to work together more effectively, and find out the ways on how to adjust technology for their needs and requirements. The authors notice that if models of group conflict do not consider how teams develop over time, they can become incomplete or even misleading. That is why these researchers added dynamic components to their model of conflict and performance in virtual teams.

Preventative Measures

According to Hinds and Bailey (2003), there are at least five ways to moderate the negative effects of distance and use of mediating technologies in virtual teams. The most instant way to decrease the effects of distance is to remove, even only temporarily, distance itself. For instance, this can be achieved by rising the frequency and duration of face-to-face meetings (Kraut et al., 1992). Since face to face communication promote interpersonal relationships, more personal meetings should contribute to greater friendship and communication. In some cases, organizations can collocate team members for a while, which should improve the shared context.

Figure 2: A model of conflict and performance in virtual teams



Source: Hinds and Bailey, 2003

Another way to moderate the disadvantages of working distantly is to deliberately convey contextual information during the remote work. For example, team members may share information about vacation schedules, office politics, etc. They also might use new awareness technologies to make the process of sharing contextual information automatic. When team members make a special effort to do this, they improve understanding of their context by their teammates and raise the chances to create familiarity and friendship.

A third type of the influence of the distance mitigation for teams and companies is also connected to shared contexts. It implies building similar contexts at different locations. In this case, it is important for top management to introduce the degree of work processes, tools, and systems standardization. This can help to mitigate conflict in virtual teams. However, there are many delicate, but still important, contextual components that cannot be standardized. Moreover, there are other elements that once made similar are not accepted by team members due to local events and pressures. Work processes that differ from location to location create a reason for conflict as team members exert themselves to integrate across different technologies, understand non-standard formats, and negotiate dissimilarities. For instance, if a software development team is using different compilers at different locations, there is a high possibility of conflict. This

occurs because shared code cannot be tested. In this case, the solution would be using a single compiler to coordinate the workflow of the team.

Virtual teams also may moderate the negative effects of technology mediation. Hinds and Bailey (2003) notice that over time, team members may adjust to the communication and information technologies they use through training and adapting the technology to meet their requirements. Orlikowski (2000) proves this by the research results when teams with higher levels of interest in “Lotus Notes” application and higher levels of knowledge regarding its features were more effective in using it. Olson and Teasley (1996) empathize that people may avoid tools, thus extremely limiting the flow of information among distant location without training and confidence in the technology. To summarize, as teams learn more about the technologies they use, they will be better able to communicate, share information, and coordinate.

Hinds and Bailey (2003) also report that virtual teams may change the communication technologies over time in ways that it will better serve the team. Longitudinal studies by Walther and Burgoon (1992) and Chidambaram (1989) show that teams may adjust communication technologies by changing the technology to improve coordination. According to Hinds and Kiesler (1995) and Markus (1994), members of a virtual team select technologies that they think are more appropriate and employ technology to adopt social processes that better meet their needs (DeSanctis and Poole 1994, Orlikowski 2000). When team members choose to use technologies that more effectively communicate information required at the time, they may moderate the effect of technologies. For instance, if they from time to time make telephone calls instead of relying exclusively on e-mail, team members may improve the relations between them (Markus, 1994). In this case virtual teams should show fewer immediate results of virtualization and, therefore, less conflicts of any type.

We have argued that teams can use preventative measures to mitigate many of the negative effects of distance and technology mediation as they meet face to face, learn more about one another’s work environments, create similar contexts, and learn about and adapt the technologies on which they rely. These negative effects, however, will never entirely disappear. Although distance can be suspended during face-to-face meetings, when team members return to their respective sites distance will again exist among them. As a result, the negative effects of distance will again accrue. Similarly, although some context can be shared by visiting one another’s sites, sharing contextual

information, and adopting similar processes, contexts change over time and gaps will inevitably remain. Limits also exist with respect to learning to use mediating technologies, adapting technologies to better serve the team, and choosing more appropriate technologies for a given task. Technologies change and have material limits that are difficult, if not impossible, to overcome. We therefore argue that the preventative measures taken by teams may moderate, but cannot eliminate, the negative effects of distance and mediating technologies. We also suggest that teams that do not learn, do not adapt technologies to better serve their purposes, and are not thoughtful with regard to choosing technologies are likely to experience more severe negative outcomes associated with distance and technology mediation.

Potter and Balthazard (2002) suggest that the interaction style among team members affects team performance. The results of the study by Kankanhalli et al. (2006) support previous studies and show that interaction style related conflict resolution approach provides moderation to the relationship between conflict and team performance in virtual teams. There is low probability that this approach influences team performance by itself, but more likely to effect performance along with the type of conflict. As expected, the research shown that avoiding or ignoring the conflict will not be advantageous for the task results. However, task conflict should be resolved either via collaboration (integratively) or by assertion made by a manager or superior (distributively). On the other hand, as to relationship conflict, it needs to be resolved exactly integratively to eliminate harmful effects on the outcomes. At the same time distributive or avoidance approach can lead to low cohesion and team efficacy of the members, and as the result — lower performance.

According to Hinds and Bailey (2003), there is a negative relationship between conflict and team performance shown by a dynamic model of conflict. This model defines conflict handling strategies as group-based norms that affect team performance before and after the conflict itself. Montoya-Weiss et al. (2001) emphasizes that conflict resolution is crucial for a team in order trust each other and improve their performance. That is why the basis of this concept is the development of collaborative norms in order to resolve it. However, as team leaders play a critical part in resolving conflict in work groups, understanding the dynamics of leader roles contributes to more effective virtual teams (Wakefield et al., 2008).

3.4.4 Manager's role in virtual teams

Numerous authors highlight the importance of trust in virtual teams such as Lencioni (2002), Salas, Sims, & Burke (2016) as well as Ford, Piccolo & Ford (2017).

The latter ones mention the significance of the team leader in research and understanding the environment and circumstances of each individual team member and making sure that team members accommodate them too. For instance, as simple as knowing the holidays dates and paying attention to differences in the time zones for each member can play an important role in creating a trust foundation showing that the leader cares about the team.

Another important role of the manager is to be a good communicator. Due to the fact that the face-to-face time and possibilities are limited for a virtual team, leader becomes a person who responsible for employees' need of information. Ford, Piccolo & Ford (2017) highlight that remote workers need to feel engagement with the whole organization even if they are physically not present there. As the virtual team members experience the lack of informal communication that is an essential part of everyday life in traditional teams ("at the water cooler"), the leader should become an active contributor to fill this information gap in.

Another aspect of the communication role of the team leader is to be able to share the team performance information up to the top management, down to each member of the team and to out to other organizational units.

Moreover, Gibson & Cohen (2003) and Hertel, Geister, & Konradt (2005) emphasize the role of the leader as a person who has an access to the resources required by his team. As a virtual team and its members are usually located remotely from the necessary resources and information, they search for them in different parts of the organization. That is why the role of the leader is to create the environment where this access will be granted and flow of the all kinds of resources will be fast and easy. Malhatra, Majchrzak & Rosen (2007) specify that a virtual team relies on its leader to complete this important, often political, duty.

According to Ammeter & Dukerich (2002), another role of the leader is being a task manager. The task manager should clearly show the goals of the virtual team and how it is connected to the goals and the mission of the organization in general. Their importance is expressed not only in providing the team members with comprehension of how valuable their work is, but also to outline the tasks and requirements in order to

connect the responsibility for mission achievement to each particular member of the team (Hunsaker & Hunsaker, 2008). By providing the accurate feedback about the achievements and efficiency of the team during the work process, creating and monitoring deadlines, and holding each member and the team as a whole responsible for performance, the leader eliminates any ambiguity about the tasks (Kirkman et al., 2002). Locke & Latham (2006) mention that the role of the leader in goal setting not only in defining high but attainable aims that guide the activity of employees, but also in taking appropriate actions regarding penalizing or discharging members who do not accomplish what is required.

In the end, Ford, Piccolo & Ford (2017) outline the sensitivity of the leader to each member's personal needs as a significant contributor to the trustworthiness. Such personal matters of the team members as difficulties, health and safety, salary or promotion dissatisfaction, training requirements, etc. can be noticed more easily during face-to-face contacts rather than any type of the technologies that virtual teams use. Due to lack of body language, gestures, and facial expression signals, the successful leader should be very attentive to the emotional and even physical well-being of team members (Hunsaker & Hunsaker, 2008).

In the scope of this diploma thesis, it is essential to mention one more time the role of the team leader in resolving the professional and personal disputes occurring inside the team. The manager intervention can be not the simplest task even for the traditional teams' context, but for geographically dispersed teams the leaders require the highest level of this skill (Ford, Piccolo & Ford, 2017).

According to Liao (2017), those leaders who are thriving to make members' tasks and responsibilities clear and conduct task coordination are more successful in decreasing task conflict and improving effectiveness of the team. Thus, to prevent task conflicts in virtual teams, it is possible to exploit different virtual communication tools to define task responsibility, simplify task coordination, and keep the work status of the team members up-to-date for everyone. Moreover, one of the approaches that leaders may use is to promote virtual conferences for communication between team members in order to reduce the probability of misunderstanding. As for the relationship conflict, Malhotra et al. (2007) mentions that leaders may improve team relationships among members by using "virtual parties".

Abolishing the limitations to interpersonal relationships create the basis of other processes within the team (Marks, Mathieu, & Zaccaro, 2001). For the leader of partially virtual teams it becomes even more difficult to manage conflicts because some members exploit only online communication tools while others have an opportunity to meet face-to-face. Cheshin et al. (2013) emphasizes that such differences in communication arrangements may create dissimilar interaction rules within a team and enhance the disconnection between physically distributed team members. In this case, as the communication cost for the leader to interact with the available for face-to-face meetings group is lower, the in-group may be created (Fussell, Kiesler, Setlock, & Scupelli, 2004). Such in- and out-group dissimilarities may exaggerate the conflict and, therefore, requires a particular attention from leaders.

4 Practical Part

The aim of this thesis is to analyze conflict situations in virtual teams and examine if there are significant differences in types, reasons and solutions of conflicts between virtual teams and traditional teams, as well as to identify the role of the manager in such situations. In addition, the objective of the thesis is to refer to the identified reasons for the conflicts and suggest the possible directions of their resolutions based on the reviewed literature and own research.

For the purpose of meeting the aim of the diploma thesis, the following research questions were created:

1. Do employees face more conflicts with virtual team members compared to local team members?
2. What are the main reasons for conflicts in virtual teams with online members?
3. Are there any differences between reasons for conflicts in traditional teams and virtual teams?
4. What are the main solutions for virtual team conflicts suggested by their managers or team leaders?

It was decided that in order to respond to the research questions in the best way it is necessary to create an independent custom-made survey. An 11-question questionnaire and unstructured interviews with teams' leaders were used to collect the needed data. The companies that agreed to participate in the research and were used to collect the data are working mainly in information technologies (IT) industry. Exactly IT industry takes second place after the financial services industry in terms of frequency of usage of virtual teams' approaches according to the Economist Intelligence Unit survey in 2009.

However, as virtual teams are usually characterized by a small size and temporary collaboration, it was hard to find one virtual team to get the appropriate number of relevant respondents for the research. In this case, five IT companies were contacted and kindly asked to participate in the research. The companies are physically located in Ukraine, Bosnia and Herzegovina, and the Czech Republic, the number of members in virtual teams varied from 7 to 12. The names of the companies are as following: Hewlett Packard Enterprise, Digital Marketing d.o.o, Grid Dynamics, Dinghy, and DXC Technology.

4.1. Questionnaire Design and Distribution

Before the questionnaire development, the different examples of the research surveys were analyzed based on the literature and academic papers in the sphere of virtual teams and conflict topics.

The questionnaire was developed specifically for the purpose of this research using web tool such as Forms from Google Docs (docs.google.com/forms). They were developed in order to get the responses to the questions stated in the aims and objectives of this thesis and present the research results. Also, the basic questions about the gender, age and working period in a particular company were included.

The final version of the questionnaire contains 11 questions – 8 closed, 3 semi-closed and an open question about the name of the company a respondent is working in. Mostly closed questions were used to shorten the time necessary to fill in the questionnaire and to make the data statistics easier to analyze, present and comprehend.

As soon as the questionnaire was created, it was tested regarding the easiness of questions understanding as well as checked by a native speaker to confirm the semantic speech accuracy and correctness of the questions grammatically. Moreover, the perspicuity of the questions was tested on people who are not familiar with the field of study. After this, the questionnaire was improved (some questions were simplified and clarified) and tested one more time.

After that, it was transformed into an online form available on Google Docs via the link. Then, the link was sent to the managers or team leaders of the teams who were contacted before and agreed to participate in the research. They were asked to share the link to fill in the questionnaire with the members of their teams (both who are working with local members and those working with virtual co-workers only). Collected data were processed using built-in analyze tools of web service Google Docs.

4.2. Companies' Profile and Structure of Respondents

4.2.1 Companies' Profile

There are five IT sector companies participated in the survey such as Hewlett Packard Enterprise, Digital Marketing d.o.o, Grid Dynamics, Dinghy, and DXC Technology. Here is the main information about them presented in a table (Table 3).

Table 3: General information about companies of participants

<i>Company name</i>	<i>Location of the team leader contacted</i>	<i>Location of head quarters</i>	<i>Main products/ services</i>
Hewlett Packard Enterprise	Prague, Czech Republic	California, US	Products, consulting, and support services in IT
Digital Marketing d.o.o	Sarajevo, Bosnia and Herzegovina	London, UK	Data-driven digital marketing solutions
Grid Dynamics	Kharkiv, Ukraine	California, US	Cloud solutions for retail, finance and technology sectors
Dinghy	Kharkiv, Ukraine	London, UK	Freelancers' insurance
DXC Technology	Prague, Czech Republic	Virginia, US	End-to-end IT services

Source: Own research, 2018-2019

The manager or a team leader of each company was contacted and asked to share the questionnaire with the member of a virtual team. The table below (Table 4) represents the number of members in each team participated in the research.

Table 4: Number of respondents in each company participated

<i>Company name</i>	Hewlett Packard Enterprise	Digital Marketing d.o.o	Grid Dynamics	Dinghy	DXC Technology
<i>Number of participants</i>	12	10	12	7	11

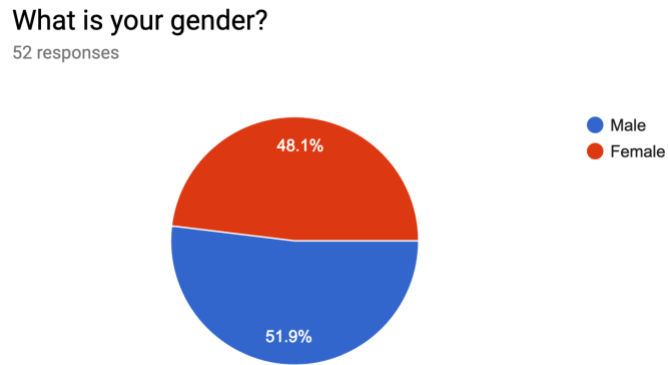
Source: Own research, 2018-2019

4.2.2. Structure of respondents

The total number of received and fulfilled questionnaires is 52.

Figure 3 illustrates the gender distribution among the participants of the research: female employees are represented by 51,9% and male employees — by 48,1%.

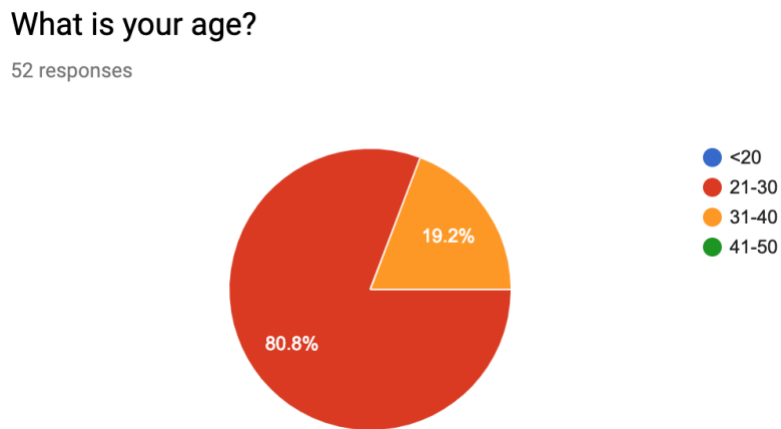
Figure 3: Gender distribution, % (number of respondents)



Source: Own research, 2018-2019

As it is presented in Figure 4, the majority of respondents are in the 21-30 age group (80,8% of respondents), people whose age is 31- 40 are in the second position (19,2% of respondents), the people who are younger than 20 or older than 41 were not presented in any team participated in the research.

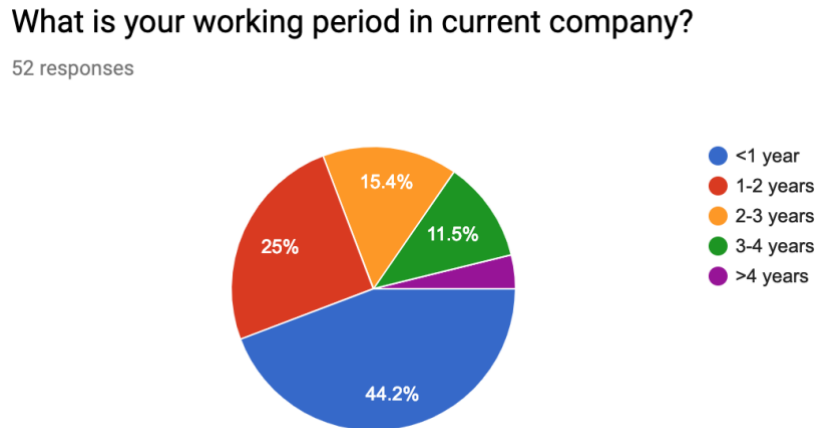
Figure 4: Age distribution of the respondents, % (number of respondents)



Source: Own research, 2018-2019

The next question in the survey was about the working experience in a current company. The answers were divided into 5 categories: less than 1 year, 1-2 years, 2-3 years, 3-4 years, and more than 4 years. The results are presented in Figure 5. We can see that junior specialists prevail in the research: 44,2% of the members are working for less than 1 year, and 25% are working in the current company 1-2 years. After that, workers with 2-3 years in the company constitute 15,4% of all respondents, with 3-4 years — 11,5% and the 3,8% of employees are working in their current company for more than 4 years.

Figure 5: Work experience in a company distribution, % (number of respondents)



Source: Own research, 2018-2019

4.3. Analysis and Interpretation of the Results of questionnaire

The first question in the questionnaire related to the research questions was “How often do you interact with team members online?”. The question was created to make sure that every participant of the questionnaire is a part of a virtual team. Also, it is important to understand how often they are communicating with their co-workers and compare this data to the frequency of conflicts they have.

The results of the respondents’ answers are presented in Figure 6. It can be seen that the majority of team members interact with team members online every day (90,4% of respondents). On the second place with 5,8% of virtual team members are those who interact with online team members once per week. After that, 3,8% of respondents constitute those who have communication with the online members 4-5 times per week.

Figure 6: Frequency of interactions with team members online, %



Source: Own research, 2018-2019

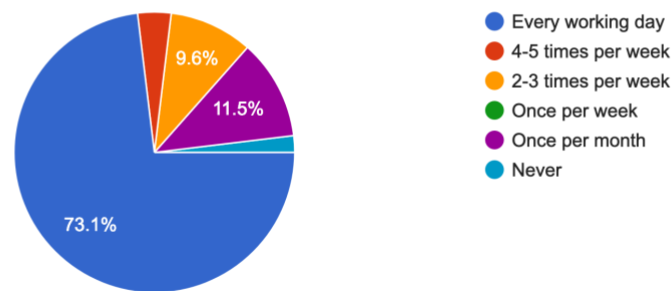
At the same time, it is important to understand how often the team members also communicate with local members. The results of the respondents' answers are presented in Figure 7.

It can be seen that the majority of team members interact with local members every day (73,1% of respondents) — same as with online members. On the second place with 11,5% of respondents are those who interact with offline team members once per month. After that, 9,6% of respondents constitute those who have communication with the online members 2-3 times per week. The last place is divided between 3,8% of respondents who interact with local members 4-5 times per week and those who never interact with local members of the team — also 3,8% of all participants.

Figure 7: Frequency of interactions with local team members, %

How often do you interact with team members offline (local members)?

52 responses



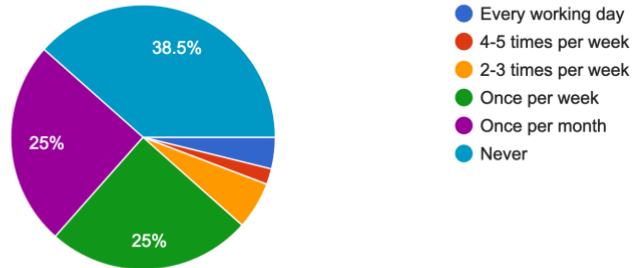
Source: Own research, 2018-2019

The next question in the questionnaire is about the perceived frequency of the conflicts that the members are facing. Surprisingly, the prevailing number of the respondents replied “Never” — 38,5% of respondents. On the second place, there is 25% of respondents who face the conflicts once per month and once per week (also 25% of respondents). The next place is taken by those who face them 2-3 times per week (5,8% of respondents) and every working day (3,8% of respondents). The last place includes those who have conflicts 4-5 times per week — 1,9% of respondents.

The results are presented on Figure 8.

Figure 8: Frequency of conflicts with team members, %

How often do you come across conflicts with team members?
52 responses



Source: Own research, 2018-2019

In order to conduct a deeper analysis of the data, it is possible to analyze who exactly are the respondents to this question: their gender, age and working period. The results are presented in the table below (Table 5).

Table 5: Analysis of the respondents to question 6

	<i>Gender</i>	<i>Age</i>	<i>Working period</i>
Never	60% Female 40% Male	85% - 21-30 age group 15% - 30-40 age group	55% - less than 1 year 40% - 1-2 years 5% - 2-3 years
Once per month	69,2% Male 30,8% Female	53,8% - 21-30 age group 46,2% - 30-40 age group	30,8% - less than 1 year 23,1% - 2-3 years 15,4% - 1-2 years 15,4% - 3-4 years 15,4% - more than 4 years
Once per week	53,8% Female 46,2% Male	92,3% - 21-30 age group 7,7% - 30-40 age group	38,5% - less than 1 year 23,1% - 2-3 years 23,1% - 3-4 years 15,4% - 1-2 years
2-3 times per week	66,7% Female 33,3% Male	100% - 21-30 age group	33,3% - less than 1 year 33,3% - 1-2 years 33,3% - 3-4 years
4-5 times per week	100% Male	100% - 21-30 age group	100% - 2-3 years
Every working day	100% Male	100% - 21-30 age group	100% - less than 1 year

Source: Own research, 2018-2019

It can be noticed that the respondents who have the most frequent conflicts (4-5 times per day and every working day) are male in the age group of 21-30 years. At the same time, in the categories “Once per week” and “2-3 times per week” female representatives prevail, however, all of them are in the age group of 21-30 years. As for the age group of 30-40 years old, most of them replied either “Never” or “Once per month”. Also, all the respondents with the working period of more than 4 years replied that they have conflict frequency once per month. Moreover, those who replied “Never” are mostly represented by those who are working in a company for either less than 1 year (55%) or 1-2 years (40%).

From this point, there are two possible ways to analyze the data received. First, it is possible to eliminate from further analysis people who replied “never” to the question “How often do you come across conflicts with team members?”. However, the next questions were left obligatory to reply intentionally due to the fact that people may avoid admitting the presence of conflicts at their workplace. The numerous researchers who investigated conflicts in general and conflict avoidance (such as Tjosvold and Sun, 2002) show that some employees (especially in companies where there is no conflict resolution culture) tend to avoid conflicts. In this case, they prefer to perceive that there are no conflicts in their everyday activity.

It is facilitated by the fact that some people tend to perceive conflicts only from the negative point of view, so because of that, they prefer to reply that they don't have them (Leung, 2016). In some companies, employees can be discouraged or even punished because of the conflicts with other co-workers and in this case, they try not to escalate the issue to their managers.

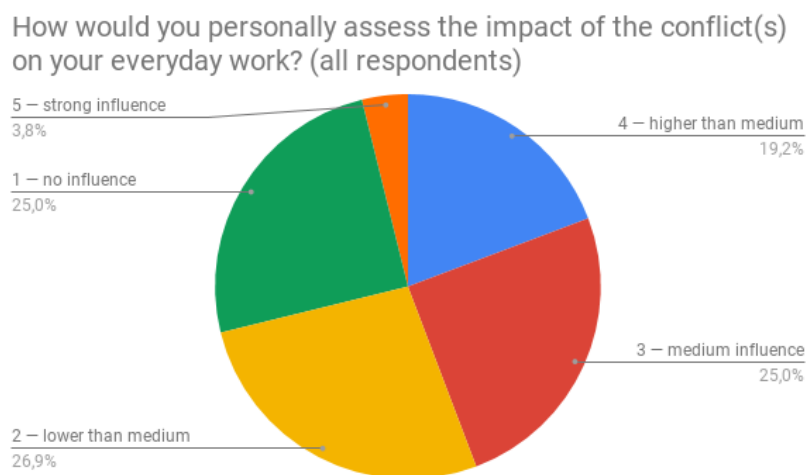
The second approach to analyze the received data is to leave the replies that were given by team members who replied “Never” on the question mentioned above. As only this approach cannot be fully reliable (respondents could have replied just accordingly to their understanding, not personal experience), in this thesis it was decided to compare the results with and without the answers of the respondents who answered “Never”. The latter ones were called “relevant”. The total number of relevant respondents is 32 or 61,5%.

The next question that the respondents were asked to answer is “How would you personally assess the impact of the conflict(s) on your everyday work?”. It was created with the purpose of identifying the perceptions of the employees regarding the

seriousness of the conflicts they face. The answers to this question will help to evaluate the influence of the conflicts on the everyday work of the team members.

As can be seen in Figure 9, the majority of employees replied that there is lower than medium influence (26,9% of respondents). The second place is divided among those who perceive no influence (25% of respondents) there is a medium influence (also 25% of respondents). The third place is taken by those who feel higher than medium influence (19,2% of respondents). The lowest number of respondents noticed a strong influence of conflicts on their everyday work (3,8%).

Figure 9: Impact of conflicts on everyday work (all respondents), %

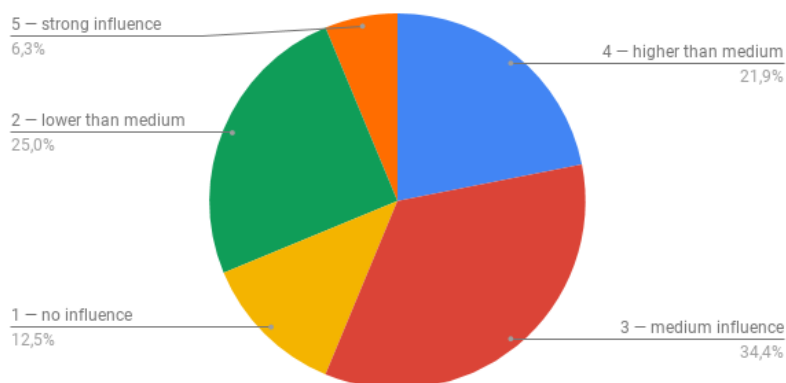


Source: Own research, 2018-2019

If we consider only relevant respondents, it can be seen that the percentage of those who replied “no influence” is dropping twice — from 25% to 12,5%. Lower than medium respondents constitute 25% now (compared to 26,9% for all respondents). The percentage of medium influence replies among employees raised from 25% to 34,4% and the percentage of higher than medium influence replies raised from 19,2% to 21,9%. The percentage of replies about the strong influence increased almost twice — from 3,8% to 6,3%. The results are presented in Figure 10.

Figure 10: Impact of conflicts on everyday work (only relevant respondents), %

How would you personally assess the impact of the conflict(s) on your everyday work?



Source: Own research, 2018-2019

In order to conduct a deeper analysis of the data, is possible to analyze who exactly are the respondents to this question: their gender, age and working period. The results are presented in the tables below (Table 6 and 7).

Table 6: Analysis of the respondents to question 7 (all respondents)

	<i>Gender</i>	<i>Age</i>	<i>Working period</i>
1 – no influence	53,8% Female 46,2% Male	76,9% - 21-30 age group 21,3% - 30-40 age group	61,5% - less than 1 year 38,5% - 1-2 years
2 – lower than medium influence	64,3% Male 35,7% Female	92,9% - 21-30 age group 7,1% - 30-40 age group	35,7% - less than 1 year 28,6% - 1-2 years 21,4% - 2-3 years 14,3% - 3-4 years
3 – medium influence	61,5% Male 38,5% Female	84,6% - 21-30 age group 15,4% - 30-40 age group	23,1% - less than 1 year 23,1% - 2-3 years 13,1% - 3-4 years 15,4% - 1-2 years 15,4% - more than 4 years
4 – higher than medium influence	70% Female 30% Male	60% - 21-30 age group 40% - 30-40 age group	50% - less than 1 year 20% - 1-2 years 20% - 2-3 years 10% - 3-4 years
5 – strong influence	50% Female 50% Male	100% - 21-30 age group	100% - less than 1 year

Source: Own research, 2018-2019

Table 7: Analysis of the respondents to question 7 (only relevant respondents)

	<i>Gender</i>	<i>Age</i>	<i>Working period</i>
1 – no influence	100% Male	75% - 21-30 age group 25% - 30-40 age group	100% - less than 1 year
2 – lower than medium influence	62,5% Male 37,5% Female	87,5% - 21-30 age group 12,5% - 30-40 age group	25% - less than 1 year 25% - 1-2 years 25% - 2-3 years 25% - 3-4 years
3 – medium influence	72,7% Male 27,3% Female	81,8% - 21-30 age group 18,2% - 30-40 age group	27,3% - 3-4 years 27,3% - 2-3 years 18,2% - more than 4 years 18,2% - 1-2 years 9,1% - less than 1 year
4 – higher than medium influence	85,7% Female 14,3% Male	57,1% - 21-30 age group 42,9% - 30-40 age group	42,9% - less than 1 year 28,6% - 2-3 years 14,3% - 1-2 years 14,3% - 3-4 years
5 – strong influence	50% Female 50% Male	100% - 21-30 age group	100% - less than 1 year

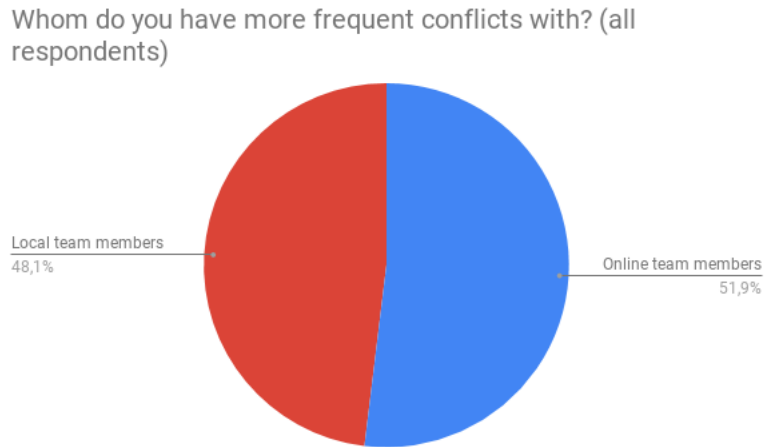
Source: Own research, 2018-2019

The most meaningful results are as following: the respondents who work more than 4 years all replied “Medium influence”. Also, female employees, as well as those who work less than 1 year, prevail among those who replied “Higher than medium influence” and “Strong influence”. Male employees prevail among those who replied “Lower than medium influence” or “Medium influence”, however, the low working period has no prevalence in this case. All these results are relevant in both cases: for all respondents and for only relevant ones.

The next question of the questionnaire was directly connected with the first research question that analyzes the comparison between the local team members conflicts and online team members conflicts and their frequency.

As for all respondents, the distribution of the replies can be seen from Figure 11 — it is almost equal. In particular, 51,9% of respondents face more conflicts with online team members and 48,1% of respondents face more conflicts with local team members.

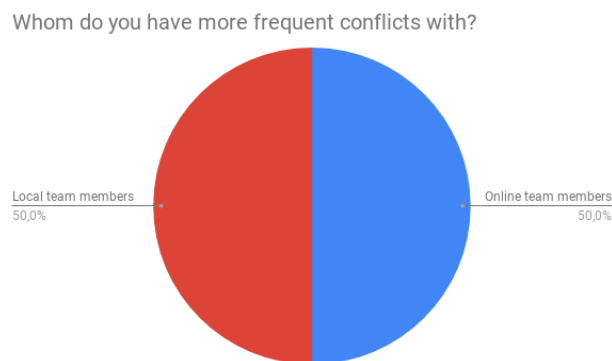
Figure 11: Comparison of conflicts frequency (all respondents), %



Source: Own research, 2018-2019

If we consider only relevant respondents, the distribution of the replies is exactly equal: 50% have more conflicts with local team members and 50% — with online team members. The results can be seen in Figure 12.

Figure 12: Comparison of conflicts frequency (only relevant respondents), %



Source: Own research, 2018-2019

In order to conduct a deeper analysis of the data, is possible to analyze who exactly are the respondents to this question: their gender, age and working period. The results are presented in the tables below (Table 8 and 9).

It can be seen that when all respondents are analyzed, female employees have a higher frequency of conflicts with online team members, while male employees have a higher frequency of conflicts with local team members. However, this result is not confirmed when only relevant respondents are analyzed. In case of all respondents there is a prevalence of 21-30 age group among the members who have the higher frequency of conflicts with online team members, however, it is not confirmed when only relevant respondents are analyzed.

Table 8: Analysis of the respondents to question 8 (all respondents)

	<i>Gender</i>	<i>Age</i>	<i>Working period</i>
Online team members	63% Female 37% Male	92,6% - 21-30 age group 7,4% - 30-40 age group	37% - less than 1 year 33,3% - 1-2 years 18,5% - 2-3 years 7,4% - 3-4 years 3,7% - more than 4 years
Local team members	68% Male 32% Female	68% - 21-30 age group 32% - 30-40 age group	52% - less than 1 year 16% - 1-2 years 16% - 3-4 years 12% - 2-3 years 4% - more than 4 years

Source: Own research, 2018-2019

Table 9: Analysis of the respondents to question 8 (only relevant respondents)

	<i>Gender</i>	<i>Age</i>	<i>Working period</i>
Online team members	62,5% Male 37,5% Female	62,5% - 21-30 age group 37,5% - 30-40 age group	31,3% - less than 1 year 25% - 1-2 years 25% - 2-3 years 12,5% - 3-4 years 6,3% - more than 4 years
Local team members	68% Male 32% Female	68% - 21-30 age group 32% - 30-40 age group	43,8% - less than 1 year 25% - 3-4 years 18,8% - 2-3 years 6,3% - 1-2 years 6,3% - more than 4 years

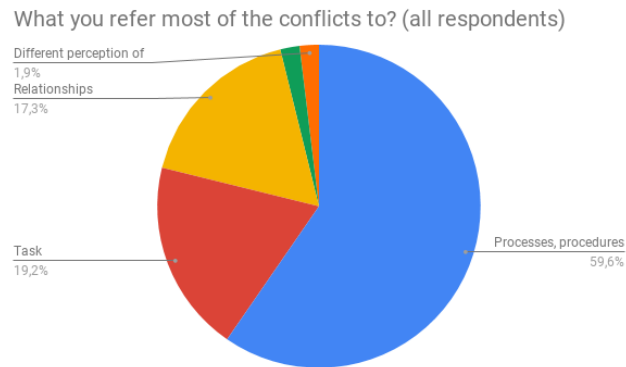
Source: Own research, 2018-2019

The next question can be referred to the theoretical part of this diploma thesis and based on the three main types of conflicts: task conflict, relationships conflict, and processes and procedures conflict. The results are shown in Figure 13.

Considering all respondents, the distribution of the replies is as following: 59,6% of all believe the conflicts to be processes and procedures related, then 19,2% of employees view them as task conflicts and 17,3% of them — as relationships-based conflicts.

As this question was left semi-closed, two additional replies were received. One respondent added the reply “Clarification of objectives” and another one added “Different perception of things/filter”. Each of these replies constitutes 1,9%.

Figure 13: Types of conflicts (all respondents), %

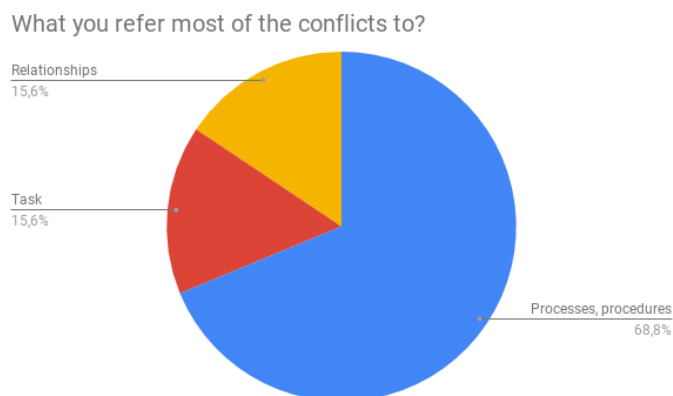


Source: Own research, 2018-2019

Considering only relevant respondents, we can see that processes and procedures reasons for conflict prevail and increase from 59,6% to 68,8%. As for the task and relationship conflicts, they show the same percentage (15,6%) and decrease in comparison with all respondents from 19,2% and 17,3% accordingly.

The results can be seen on Figure 14.

Figure 14: Types of conflicts (only relevant respondents), %



Source: Own research, 2018-2019

The next two questions were closely related to the research question about the reasons for conflicts. Both questions included an option to add the reply and also the respondent could choose more than one answer (with no upper limit). This was intentionally created in order to let the respondent choose all the reason they perceive important and in order to identify the reason for conflicts that appear more often among all replies.

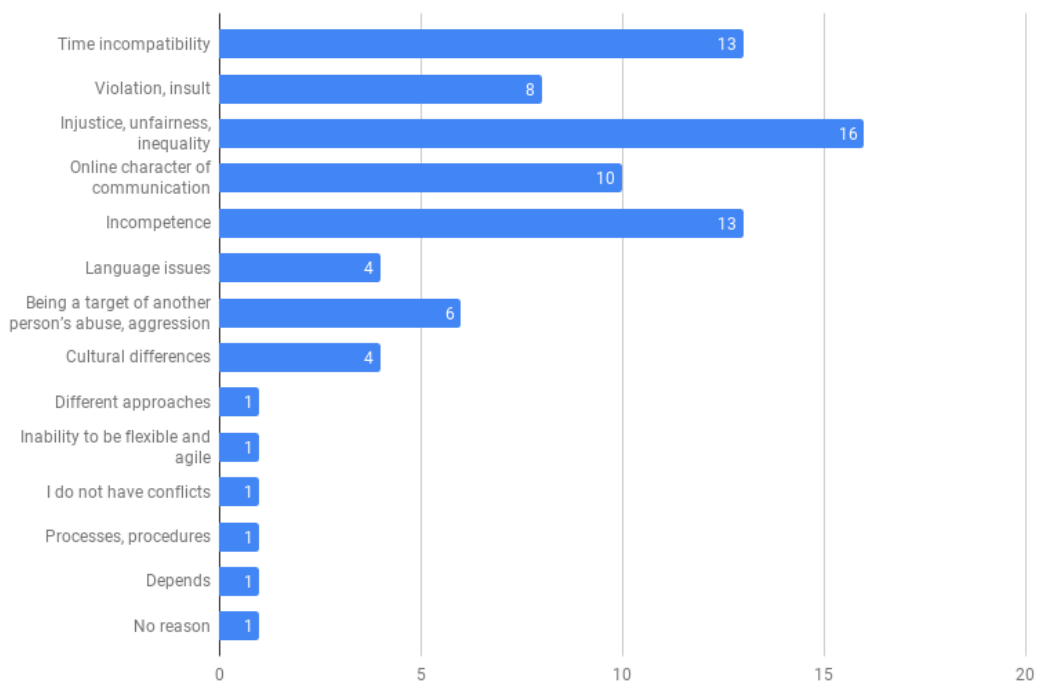
Moreover, it can be noticed that the replies for both questions (about local members and online members) are the same. This approach was selected because of the features of many virtual teams, especially in IT sphere, are as follows: the presence of Internet technologies in everyday workflow even between local team members, the presence of foreigners and the international community, communication in international language — English or any other.

That is why the conflict reasons such as “Online character of communication”, “Time incompatibility”, Language issues”, and “Cultural differences” are present for the question about the local team members as well. It is important to consider the diversity and level of internationalization of the employees in the office as well, not only the virtual team in general.

Question number 10 asks about the reasons for conflict with local members. Considering all the respondents, it can be seen in Figure 15 that the most common reasons are “Injustice, unfairness, inequality” with 16 votes, then “Incompetence” and “Time incompatibility” are present with 13 votes each. Moreover, numerous replies are noticeable for “Online character of communication” (10 votes) and “Violation, insult” (8 votes).

The overall number of votes for all respondents is 80.

Figure 15: Reasons for conflicts with local members (all respondents), votes

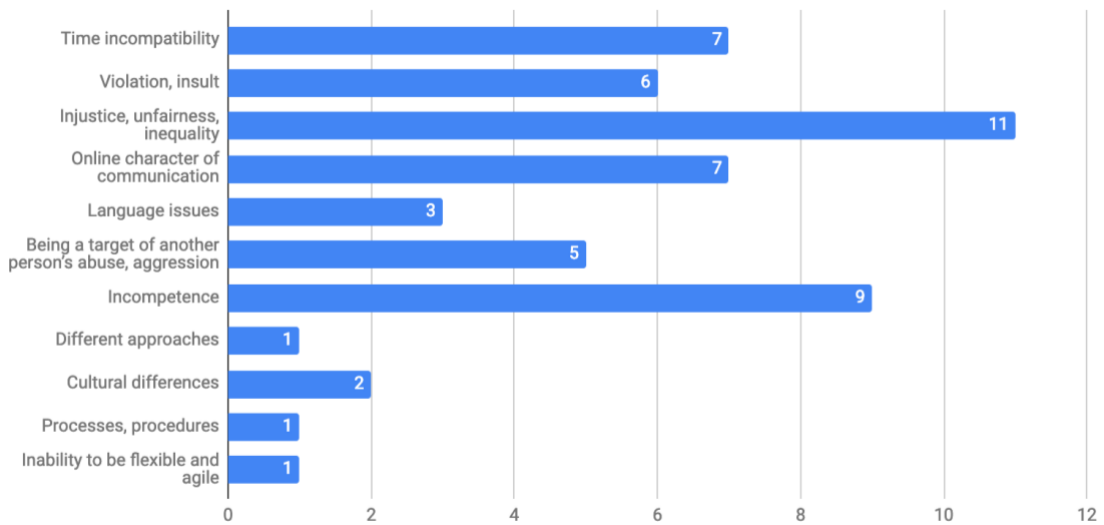


Source: Own research, 2018-2019

As for the relevant respondents only, the main reasons stay the same with the difference in votes. Figure 16 shows that the first place is taken by “Injustice, unfairness, inequality” with 11 votes, then “Incompetence” is present with 9 votes. The third place is divided between “Time incompatibility” and “Online character of communication” — both 7 votes. “Violation, insult” for the relevant respondents is presented by 6 votes.

The overall number of votes for relevant respondents is 53 or 66,25%.

Figure 16: Reasons for conflicts with local members (only relevant respondents), votes

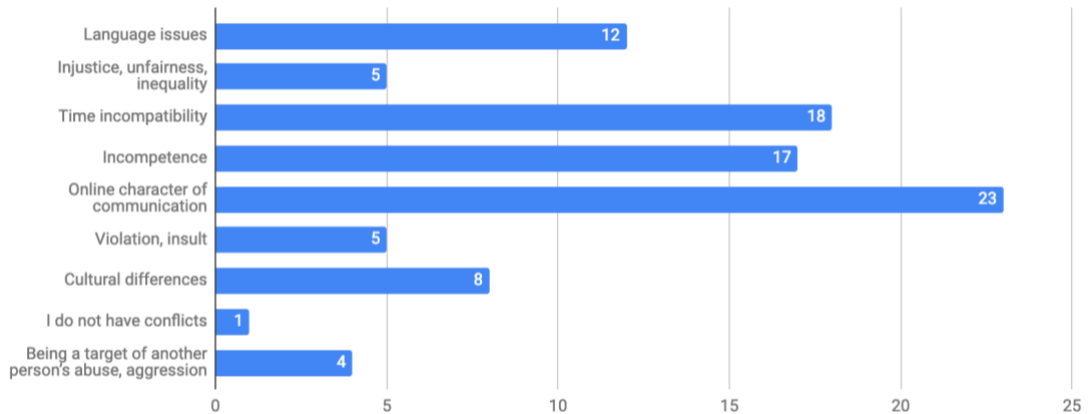


Source: Own research, 2018-2019

Question number 11 asks about the reasons for conflict with online members. Considering all the respondents, it can be seen in Figure 17 that the most common reasons are “Online character of communication” with 23 votes, then “Time incompatibility” constitutes 18 votes, and “Incompetence” is present with 17 votes. Moreover, numerous replies are noticeable for “Language issues” (12 votes) and “Cultural differences” (8 votes).

The overall number of votes for all respondents is 93.

Figure 17: Reasons for conflicts with online members (all respondents), votes

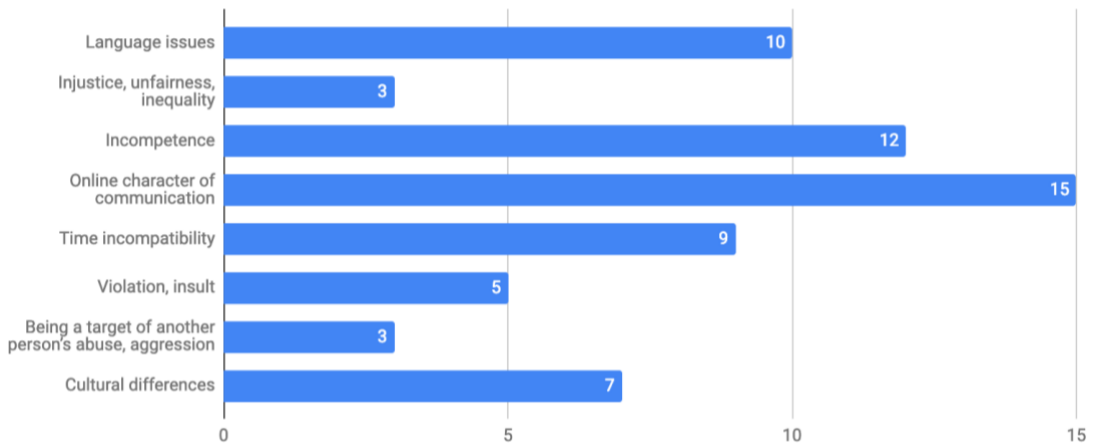


Source: Own research, 2018-2019

As for the relevant respondents only, the main reasons stay the same with the difference in votes. Figure 18 shows that the first place is taken by “Online character of communication” with 15 votes, then “Incompetence” constitutes 12 votes, and “Language issues” are present with 10 votes. In addition, numerous replies are noticeable for “Time incompatibility” (9 votes) and “Cultural differences” (7 votes).

The overall number of votes for relevant respondents is 64 or 68,8%.

Figure 18: Reasons for conflicts with online members (only relevant respondents), votes



Source: Own research, 2018-2019

After obtaining the results of the questionnaire, it was decided to try to check the correlation between the data such as the working period of an employee and the frequency of conflicts that face. For that, the next substitutions were made.

For the frequency of conflicts, as it is expressed in words, we can assume the numerical levels of the frequency such as 0 — “Never”, 1 — “Once per month”, 2 —

“Once per week”, 3 — “2-3 times per week”, 4 — “4-5 times per week” and 5 — “Everyday”. As can be seen, the higher number represents a higher frequency of conflict.

As for the working period, as it is expressed in intervals, it is possible to take the average value of the interval. The numerical substitutions for the working period will be as following: 0,5 — less than 1 year, 1,5 — 1-2 years, 2,5 — 2-3 years, 3,5 — 3-4 years. For the simplification, for the interval more than 4 years we accept 4,5 numerical expression.

The substitutions are shown in Tables 10 and 11.

After that, the correlation coefficient was calculated using Excel and the correlation graph was created (Figure 19).

The correlation coefficient is equal to 0,1332, which shows a very weak level of correlation between the working period and conflict frequency. The same conclusion can be made according to the correlation graph.

Table 10: Numerical substitution for conflict frequency

<i>Answer options from the questionnaire</i>	<i>Numerical substitution</i>
Never	0
Once per month	1
Once per week	2
2-3 times per week	3
4-5 times per week	4
Every day	5

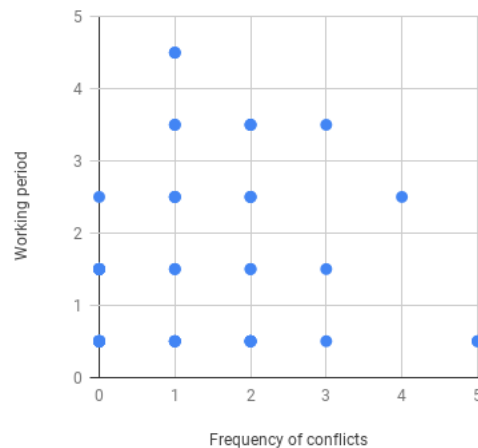
Source: Own research, 2018-2019

Table 11: Numerical substitution for working period

<i>Answer options from the questionnaire</i>	<i>Numerical substitution</i>
<1 year	0,5
1-2 years	1,5
2-3 years	2,5
3-4 years	3,5
>4 years	4,5

Source: Own research, 2018-2019

Figure 19: Correlation between the conflict frequency and the working period for all respondents



Source: Own research, 2018-2019

In addition, it was decided to calculate the average frequency of conflicts according to the gender and age of the respondents.

The results are as following: the average conflict frequency for the female is 0,96 and for the male is 1,407. As for the age group, for 21-30 age group the average conflict frequency is equal to 1,286 and for 31-40 age group — 0,8.

4.4. Presentation of the Interviews

There are 5 main questions that managers of each team were asked to reply. The interviews were conducted via video conferencing tools such as Skype and FaceTime. With respect to companies' rules and procedures, and appreciating their agreement to participate in the research, the names of the managers and team leaders will not be published. The interviews are ordered randomly.

The main questions that were asked are as following:

1. What are the peculiarities in working with a virtual team?
2. What are the main reasons for conflicts you noticed in your team?
3. How the conflicts are different between local team members and between virtual team members?
4. What is your role as a manager/team leader in the conflict resolution?
5. What approaches do you usually use in conflict management? What would you suggest about the conflict resolution?

However, as the interviews are semi-structured, in some cases additional one or two questions were added.

Interview 1.

1. What are the peculiarities in working with a virtual team?

The members of my team have contacts with our international co-workers and partners mostly every day. Many situations require fast decision-making and as projects are run in sprints, collaboration is a key. However, some of the team members have never met face-to-face. Even considering the fact that every year the representatives from our headquarters come to visit us and the obligatory meeting and workshops take place, newcomers may work for almost a year with “strangers”. This makes the team less cohesive, takes more time for them to get used to each other and adjust. What we are doing with that? Of course, we are encouraging employees to use not only chats as an easy and instant way to share the information but also calls and video conferencing. But it is important to remember that the time requirements will be different in this case.

2. What are the main reasons for conflicts you noticed in your team?

For us, it is everything related to procedures. We are heavily dependent on knowledge base, internal knowledge base, team. It is important not to make a mistake dealing with customers data and account, especially financial aspects. We respect confidentiality and security. But at the same time, it is difficult for an employee to store all the information in the head or learn by hard — a lot of practice is required. And if you don't do some particular operation for a long time, details can be easily missed out. Moreover, the procedures are constantly updated, improved, reviewed. Each member should keep with these updates. Based on that, misunderstandings happen not rarely.

We have different departments responsible for different aspects of a job, such as Billing or Legal and Abuse. One person from another department performed an operation and contacting my team member to proceed. For example, we noticing a mistake made before, letting the first employee know. And he could follow the old version of a procedure or forgot a detail. So, the revision of everything will start — both workers are losing their working time. Not rarely such situations grow into disputes and discussing the procedure itself.

3. How the conflicts are different between local team members and between virtual team members?

In our team, the conflicts between local team members are not that often. Mostly they are connected with newcomers because the employee turnover is quite high. As I already mentioned, the work itself requires following the procedures strictly and practice is important in this case. It is normal that junior specialists make mistakes sometimes, however, at the same time, it takes time for other specialists to re-do the work or correct it. On that basis, conflicts appear.

As for the virtual team, it is completely different. A large proportion of conflicts is connected with language issues. We hire employees only with advanced English level, they need to pass a test before the interview with the HR department representative. However, they are still not native speakers, and during the communication with a partner from the US, difficulties appear. Even if the company encourages to use business English only, a native speaker will use collocations and phraseme that local team members are not used to hearing.

Moreover, we are the representatives of the high context culture, while employees from the US are more low context ones. Without the face-to-face meetings and by using Internet technologies for communication, the context is difficult to transmit. At the same time, local employees still assume that their co-workers know the context very well which results in misunderstandings and ineffective communication.

4. What is your role as a manager/team leader in the conflict resolution?

I am always monitoring the climate in the team and strive to be aware of all the conflict situations they face. If I notice something, I will ask an employee about what happened. After that, we will discuss the situation with both sides of the conflict separately or together. Usually, I suggest the set of actions on how to behave, however in all the difficult or procedure-related issues the last word will anyway come from me.

5. What approaches do you usually use in conflict management? What would you suggest about the conflict resolution?

I believe that straightforwardness creates trust. At the point when problems are talked about transparently and settled dependent not on biases or incorrect data, that transparency will induce a feeling of reasonable play, prompting a feeling of trust inside the group.

It is crucial to make a virtual site as the group's essential point of convergence. Virtual groups need a common workspace — something like an intranet web space or shared online application. It is needed as a centre for their tasks. The workspace ought to contain shared documents, project information, and data on the different colleagues, just as online database or knowledgebase containing different threads. Team leaders can support dynamic cooperation in the virtual workspace by routinely posting essential data and reports there, for example, gathering a basic schedule of the project workflow.

However, you need to continuously utilize virtual workspace for critical issues. Managers and teams' leaders must be firm about building up the virtual workspace as the gathering for vital assignment-related issues. Here, the trend is unquestionably set from the upper level. At whatever point a team leader gets an email that raises critical issues influencing the whole team, he or she should post them with his reactions in the virtual workspace. Then, soon everybody will get the point: if it is essential and influences everybody's work, it gets talked about in the common workspace.

Interview 2.

1. What are the peculiarities in working with a virtual team?

As time passes by and innovative capacities improve, the manner in which we work and communicate also changes. Before, to transfer the information for one person to another, a lot of actions were necessary even on the initial stage. I remember when we were writing documents by hand, then to go and take it personally to another department, when we had meetings each morning in a meeting room, and presented our PowerPoints. When a team leader signed a business trip for a worker in another country, even he or didn't know what exactly an employee will face there. A high level of uncertainty was present, especially for a team member. It's not a simple task to manage virtual teams.

Now a lot of my team members are doing home office shifts, every day they communicate with the international partners all over the world. There is much less physical connection involved. For example, if our team member is calling to our partner in another country who is responsible for IT equipment installation, and he is not replying, we cannot just go to him and ask. We have to seek for another person to find him because the whole contract is jeopardized and the losses can be really high.

2. What are the main reasons for conflicts you noticed in your team?

I believe that almost everything starts with the task. In many cases, we are significantly dependent on our partners abroad. The task starts here and someone needs to continue abroad. If on some of the stages the workflow is interrupted or something goes wrong, everyone gets involved in the conflict. First the lower level management and then it can escalate to the top management as well, depending on the contract importance and the client history with us. However, it can end up on a personal level. Particular managers can come to me and report the issue, saying "I don't want to work with this partner anymore, he is irresponsible". Then I understand that it is already on an individual level, and I have to deal with the abuse.

Moreover, our decision-making process corresponds to the size of the company. I mean that it can take significant time to get the work approved before we can transfer it further. Geographical dispersion does not help in this case. Time differences and incompatibility occur because our office and the headquarters have a considerable difference in time zones.

3. How the conflicts are different between local team members and between virtual team members?

With regards to working environment conflicts, I think that the virtual condition has both favourable and unfavourable consequences. As a result of the absence of eye to eye contact, which quickens compassion, assignment related question can all the more rapidly turn into relationship conflicts. For example, when you are using a keyboard, you feel more power, that is why you perhaps would text slightly ruder than you would say in person.

What was at one time a relationship conflict regarding a belief or an idea, rapidly turns into a personal conflict about a misconception, or somebody's character. What's more, over that it can continue for quite a while enabling the issue to break down if there is no regulation. Typically, in a normal workplace, if there is a difference about a subject, it can regularly be illuminated through correspondence, there is no duality in the tone of every others voice and non-verbal communication. At the same time, in virtual conditions, there is no tone of voice, gestures or body signals. In this case, a small problem about an idea or how some work process is done, online it may change into really quickly and in a bad way.

4. What is your role as a manager/team leader in the conflict resolution?

In our company, the main responsibility of a virtual team leader is to restrain task-related conflict before turning into relationship conflict. A powerful manager or leader is able to predict employees' anticipations and conflicts and behaves as the shield when an issue appears.

As a matter of first importance for a manager in conflict management is to make sure that at the beginning of the project, the arrangement is powerful and well-organized. In particular, it is the time when guidelines are created, anticipations are made clear, and duties assigned. As an essential element of team introduction meeting, team building tasks and icebreakers must be present. Moreover, it is important to motivate the employees to uncover their previous experience, background and a part of personal data. This exactly that assists in creating the relationships in a team.

5. What approaches do you usually use in conflict management? What would you suggest about the conflict resolution?

In our company, we encourage employees to keep a constant flow of communication and use different media sources to share and get data and knowledge. For example, we use a virtual discussion board so the members of the virtual team can discuss their ideas openly, share their concerns and get connected with all other team members in a casual way. This generates cooperation and builds trust in the team. Thus, we get fewer disagreements and keep the number of conflicts low.

The virtual team leader encourages the team to have activities outside the project like small talk sessions before meetings. This helps keep team members engaged and work with more commitment to the project. We noticed that this helps avoid disagreements as well. What also helps avoid conflicts is daily updates: work is done, issues faced, assistance/help required and tasks for the next day.

It is obvious that the team leader is the main person responsible for keeping the low percentage of conflicts and dealing with them in the team. But the time and energy that a conflict resolution takes can be saved on the hiring and candidate selection stages. An attitude of the candidate plays a huge role along with his hard skills and technical background. Moreover, tolerance and intercultural competence is a must in international teams as it reduces interpersonal conflicts situations a lot.

Interview 3.

1. What are the peculiarities in working with a virtual team?

I think that working with a virtual team and managing it has both advantages and disadvantages. Of course, the team becomes more flexible, the members of the team can work from different locations, in a different time. It is much easier to find a good specialist in such a case. For example, in our department, we need English native speakers for particular everyday tasks. Being located in southeastern Europe, we can employ people from the USA or the UK. Moreover, the fixed expenses decline compared to traditional teams when they have to possess enough equipped working space. This what makes the virtual teams so widespread now and of course our company also utilizes the benefits of such type of work organization.

However, at the same time I, as a manager, notice that collaboration is declining in such a virtual environment. We put enormous effort to make the team more cohesive and make the team work as a whole. When creativity is important for a business, like in our case, the team members should be on the same page, but the absence of face-to-face meetings creates the situation when such requirements are more difficult to achieve.

2. What are the main reasons for conflicts you noticed in your team?

As I already mentioned, for us it's very important to be consistent in ideas and realization of a particular project or for a particular client. If each team member has his or her own part to complete, they have to correspond to each other and deliver the superior value to the customer. It is what is called synergy when the final result is much more than a sum of its parts.

But it takes a lot of time for each of the team members to check all the previous work done, especially when each employee leads not less than ten clients simultaneously. Unfortunately, such checking procedures are sometimes neglected because of the time pressure. The result, for example, what is written in one media is not fully aligned with another one. In the worst scenario, the information contradicts each other. All of these creates a basis for conflicts.

3. How the conflicts are different between local team members and between virtual team members?

For the local team members, the conflicts are mostly connected with the job specifics. Flexibility and freedom that is required for creative work at the same time make the background for the arguments about ideas, vision and work results. In order to present

and promote the same client requirement in different channels and ways, the team have to agree on the visual, text and conceptual expression. In this case, the creativity that we want and seek shows the dark side. Objectivity cannot be applied when choosing the best option in creative work that creates disputes and competition around who's idea should be implemented.

As for the virtual teams, it is more connected with the means of communication they have to use. Group video conferencing, chats, collaboration tools are very useful and quick, however, at the same time cannot fully substitute the face-to-face conversations. When in addition to this, the client requirements are also received on the Internet, misunderstandings are rarely avoidable.

4. Can you recall any problems connected with cultural or language differences in your team?

Yes, it happened for sure. For example, one of the most recent situations — an issue with accent understanding. Our local team member hired just recently faces a problem with comprehension of our native French co-worker exactly because of the accent the latter one possesses. Even with a high English level, there is no guarantee that the communication process will be smooth. In this case, we had to partially change the video conferencing that is usually used for project discussion to other tools such as instant messages and online discussion boards in order to lower the misunderstandings and time requirements.

5. What is your role as a manager/team leader in the conflict resolution?

In our case, I am a mediator and the final echelon in conflict resolution. Basically, team members contact me when they cannot resolve it by themselves. I think that just to be a task leader in a virtual team will not be sufficient. For managers to be successful in leading their team, it is crucial to know the wants and expectations of their employees and make sure that the working conditions are adjusted to improve the relationship and strengthen trust inside the team.

It is important to remember that the manager himself serves as a role model for the team, so the own way of a manager on how to deal with the conflict or disagreement means a lot. The type of conflict does not matter in this case, it is meaningful to show professionalism in conflict resolution. The general atmosphere and culture of a company are created by its managers and leaders – whatever behaviour you show, well-mannered or disrespectful, don't be surprised if the team members can repeat it.

6. What approaches do you usually use in conflict management? What would you suggest about the conflict resolution?

One of the good ideas can be to create a kind of an internal social network for a virtual team. In this case, they will have a place where to share different kind of information, including business and personal, independently from where they are located or time is shown on their clock. I think that even an easy option would work — creating a group page on Facebook where all the members can join and participate in sharing and discussions. If the manager encourages this, the results are improved socialization and coherence.

Another simple idea that gives good results — introducing the habit of celebrations as a team. The reasons for such an event can be different: a birthday, an anniversary or a holiday. This helps to take a step back from purely business-related tasks and the environment in order to create a friendlier atmosphere of virtual team interaction and improve the relationship between the members. For example, in our company, we have a regular annual meeting on the date of company establishment where all the international co-workers are invited.

Interview 4.

1. What are the peculiarities in working with a virtual team?

The workplace of the next decades will not probably remind of an office very much. While virtual teams turn out to be increasingly pervasive, we come closer and closer to a practice where the work time starts with opening the laptop at home and logging in to firm's online project management system. Even the headquarters of a firm are ending up more of an idea than a real structure. What's more, as a geographical area turns out to be less essential, organizations are able to hunt for the most skilful employees all over the world. Also, organizations can improve their effectiveness by assigning work to different people at a different time according to their time zones, so that the company stays effective almost nonstop.

However, unfortunately, it turns quite often that the concept of global virtual teams loses the sense of the present reality. At the end of the day, virtual groups might be progressively popular, but they're not inevitably successful.

Nowadays it isn't something extraordinary for an organization to have even a half of its labour force hired in a virtual environment. It's not difficult to understand the

reasons for that. Developments in IT sector have made it simpler to create and manage geographically dispersed employees. Also, the rivalry forces and the requirements of the present worldwide labour market have made virtual teams a need for certain companies.

2. What are the main reasons for conflicts you noticed in your team?

I noticed that employees regularly perceive mistakes as incompetence. When you are dealing with the virtual co-worker, usually you see only the result of the work, not the process itself. It is easy to judge in this case. If something is not as you expected, you can easily evaluate it as incorrect work and a person as an incompetent employee, especially when you have never met them in real life. You are always more patient, attentive and delicate to a person you know and talk face-to-face compared to a person you only interacted online.

3. How do you think it is possible to deal with such conflicts?

It is also connected with trust. When virtual team members trust each other, have the connections not only on a business level but a personal level, they are more likely to perceive the work of their co-workers as valuable and don't judge too fast. The more cohesive the team is, the more likely the team members will value the work of others. Developing such a relationship is one of the key tasks for a virtual team manager.

4. What about the conflicts among the local members?

Even among the local members, it is common to use online means of communication, especially chats. As we work in an open space office, it is a good way to not to disturb your colleagues. It saves a lot of time, but from time to time creates misunderstanding even for those who speak the same native language.

Also, our local employees work in shifts. Unfinished work on one shift should be transferred to another employee on the next shift. The complaints about not full or incorrect work transfer happen not so rarely.

5. How the conflicts are different between local team members and between virtual team members?

Trust is enormously important for virtual teams' success. When employees don't have an opportunity to communicate regularly face-to-face, what is an exact case for virtual workflow, the mechanism of developing trust and connections that are essential for employees' collaboration may become quite difficult. In a long-term perspective, this shortage of cooperation may result in the trust issues between employees.

It is much more difficult to communicate and share information with virtual team members compared to traditional teams because of their geographical dispersion, that is why it is usually hard to make all the employees oriented on the same aims, moreover for a long time. Also, for productive work, virtual team members need to know for sure what are their roles and the impact their attitudes and behaviours have on the work of other team members.

Moreover, in the case of virtual teams, due to the shortage of active face-to-face engagement and the presence of lots of distracting factors, employees may simply get bored.

6. What is your role as a manager/team leader in the conflict resolution?

There are many aspects in which I am working in order to make the work of my team successful. It involves appointing clear objectives and orientations, encourage the team members' participation in setting the overall strategy, constantly devote time for team building and feedback about the team performance. Moreover, it is crucial to highlight the shared interests and values of the team to strengthen the collaboration and trust as well as make clear how the conflict resolution is important.

7. What approaches do you usually use in conflict management? What would you suggest about the conflict resolution?

As you appoint colleagues to different activities, think about what pairings can help improve or support the relationships. It might be increasingly helpful to create a group of individuals who are all in the same city or country, however, as similar members are continually cooperating, you're losing chances to strengthen the group in general. Change the members whenever you can. This not just reinforces bonds between colleagues but also creates new ranges of abilities and a new point of view to each task.

It is a good practice to plan from time to time a meeting with each virtual team member or make it clear that everyone who wants to discuss an issue is free to schedule a meeting or a call with you. It is necessary not only to stay informed about employees' needs and concerns but also to receive constant and up-to-date feedback. This is another way of recognizing and dealing with the conflict what is undoubtedly important. In order to offset the difficulties created by geographical dispersion, employees have to share their emotions and to measure their effect on others. Managers and firms, in general, can make the communication better by encouraging the practice of giving and receiving feedback inside the group and by offering the methods and procedures to promote feedback.

Interview 5.

1. What are the peculiarities in working with a virtual team?

First of all, the working location for a virtual team can be different. Mostly, people are not working from one main location and employees can freely select the workplace from where they are going to perform their tasks such as home office, even a café or a library. Some of our employees even prefer to rent a table and a chair in an office to stay focused and efficient.

Moreover, virtual team members have to possess their own equipment. In many cases, it reflects the fact that virtual team are usually more responsible and accountable. They have to keep this equipment up-to-date and working. In turn, for a company, it means the benefits in the form of reduced expenses. Also, as the virtual team members have to equip themselves, usually they are more experienced with the equipment, software, and tools they need compared to traditional team members.

However, there are still cases when the company still have to provide the training for employees, particularly if they will be using a unique company-specific platform. But, in most cases, virtual team members will be accountable for the training and themselves.

2. What are the main reasons for conflicts you noticed in your team?

If we are talking about a virtual team, cultural differences and language issues play not the last role in creating misunderstandings between the members. We noticed that with more experience, the team members start to adjust to these differences, but for the newcomers, it is absolutely complicated to deal with foreign co-workers, especially when almost each of them comes from the different country. Even our office here incorporates many different nationalities and we use the English language as an official language for communication in the local office.

However, the culture of conflicts resolution is not that easy to develop. Often, we face situations when the workers don't want to admit the conflict exists and try to avoid the discussions. Employees tend to deny the presence of a conflict because they perceive its appearance as something bad, as they did a mistake and that is why the issue appeared.

3. How the conflicts are different between local team members and between virtual team members?

They are differences, but as I already mentioned, having the international team in the office creates similar issues in terms of language and culture differences. In general,

relationship conflicts are more noticeable among local team members', while the task or process related conflicts appear more among the virtual team members.

4. What is your role as a manager/team leader in the conflict resolution?

I'm constantly involved in an analysis of the atmosphere, relationships and communication in the team. Nothing can be worse than a manager who is not aware of what is happening inside the team and between particular members.

Considering the exact conflicts that my team members have, my role is to encourage them to devote the time on their language skills improvement as well as research the culture and peculiarities of their colleagues. Of course, it is not direct responsibilities, however, that makes the work more efficient and reduces the time waste.

Moreover, according to my experience, it is very important to set clear guidelines and objectives for each of the member and the team as a whole. If the procedures are simple and clear, there will be fewer misunderstandings are conflicts related to them. I begin with collaborating with my team to develop a plan and ensure that all team members are aware of its content and the expected result.

5. What approaches do you usually use in conflict management? What would you suggest about the conflict resolution?

Basically, favourable team coordination relies on to a great extent on the successful coordination of members. Virtual teams have to make up for the implicit absence of face-to-face contact by trust, friendship and efficiency. If you see that colleagues work autonomously and don't contact each other to coordinate the activities, it is not a good sign. The same applies to 'us versus them' mindset developing between representatives of different locations or appearance of sub-groups.

In these cases, there is a time for a manager to intervene. But for this, he or she needs to monitor the situation constantly. The obvious reality is that virtual teams are more successful when everybody is engaged and communicating. Building relationship and trust is the direct way to make the team working efficiently and productively as well as prevent the possible issues and conflicts.

5 Results and Discussion

In this part of the diploma thesis, the research questions mentioned in the objectives are analyzed based on the results drawn from the questionnaire filled in by the virtual team members and the interviews with their team leaders.

1. Do employees face more conflicts with virtual team members compared to local team members?

As can be concluded from the questionnaire results, it is not possible to confirm more conflicts with online team members compared to local team members. The results for all participants are as following: 51,9% of respondents face more conflicts with online team members and 48,1% of respondents face more conflicts with local team members. However, when only relevant respondents are analyzed, the distribution of votes becomes 50% each.

Moreover, Hinds and Bailey (2003) argue that as time goes by, virtual team members usually become more familiar with each other, learn how to work together more effectively, and find out the ways on how to adjust technology for their needs and requirements. The correlation coefficient was calculated to analyze if there is a correlation between the working period and the frequency of conflicts the team members face. However, the correlation between conflict frequency and the working period for all respondents is weak.

2. What are the main reasons for conflicts in virtual teams with online members?

It can be seen that Bercovitch (1983) theory about the root sources of conflict is confirmed in the questionnaire replies and interviews. Both team members and their leaders mention such conflict reasons: cultural differences and language skills (personal differences), injustice, unfairness, inequality (perceptual differences) and incompetence (functional differences). The diversity reasons are also mentioned by Perry-Smith and Shalley (2003).

However, it does not fully cover all the conflict reasons. “Online character of communication” conflict reason has a significant number of votes in case of both virtual team and local team communication. As it was mentioned in the study by Kankanhalli et al. (2006), technology plays a significant role in conflict creation, because there is a large amount of electronic communication and lack of immediate feedback. This was also mentioned in the interview: “*Managers and firms, in general, can make the*

communication better by encouraging the practice of giving and receiving feedback inside the group and by offering the methods and procedures to promote feedback”.

In confirmation of Jehn (1995) research where the highly negative consequences of the relationship and procedure conflicts are mentioned, the team leader of one of the investigated companies mentions: *“In our company, the main responsibility of a virtual team leader to restrain task-related conflict before turning into relationship conflict.”* The same conclusions are emphasized in the study made by Jehn and Chatman (2000) where it is mentioned that the task conflict remains advantageous to team members only if it is not strengthened by relationship or process conflict. Moreover, another manager emphasized: *“If the procedures are simple and clear, there will be fewer misunderstandings are conflicts related to them”.*

3. Are there any differences between reasons for conflicts in traditional teams and virtual teams?

According to the results of a questionnaire, we can conclude that such answers like “cultural differences” and “language issues” are present for both questions: about the conflicts with local members and virtual members. However, for the virtual team members, these answers are much more frequent. Such outcomes correspond to the results of a study conducted by Kankanhalli et al. (2006) where the relationship between functional diversity and task conflict is proven for both traditional teams and virtual teams. Also, the authors highlight that cultural (including linguistic) diversity promotes conflict in global virtual teams much more compared to traditional teams.

As one of the virtual team managers mentions: *“I believe that almost everything goes wrong, everyone gets involved in the conflict”.* Another one also mentions: *“In general, relating the task or process related conflicts appear more among the virtual team members”.* Similar beliefs are expressed in works of Hinds and Bailey (2003) and Mortensen and Hinds (2001) where it is mentioned that for virtual teams it is more troublesome to resolve task conflict effectively and that is why it will be rarely beneficial. Also, Hinds and Bailey (2003) report according to their numerous studies that in virtual teams an affective conflict is less harmful.

In addition, the team leader mentions in the interview: *“For example, when you are using a keyboard, you feel more power, that is why you perhaps would text slightly*

runder than you would say in person". It can be related to the conclusions made by Hinds and Kiesler (2002) who present the idea that virtual team members are prone to more faulty and harsh relations. However, Hinds and Bailey (2003) argue that the reasons for the negative influence of affective conflicts are the same for both traditional and virtual teams. This can be seen in the questionnaire results where the conflict reason such as "injustice, unfairness, inequality" and "violation, insult" are mentioned in relation to both local and virtual team members.

4. What are the main solutions for virtual team conflicts suggested by their managers or team leaders?

The belief presented by Ford, Piccolo & Ford (2017) that manager intervention for virtual teams require the highest level of skill can be expressed in words mentioned in one of the interviews: "_____".

Same as Hinds and Kiesler (2002) emphasize the importance of the creation of a shared complex information pool for a virtual team, the interviewee mentions: "*It is crucial to make a virtual site as the group's essential point of convergence. Virtual groups need a common workspace...to contain shared documents, project information, and data on the different colleagues*". It is also mentioned in the 3rd interview: "*One of the good different kind of information, including business and personal*".

Also, these authors point out that coming to an agreement on even quite regular tasks is extremely difficult for teams who have different locations as "*In order to present and promote the same client requirement in different channels and ways, the team have to agree on the visual, text and conceptual expression*".

The main advice from the managers and team leaders are as follows. First, as also emphasized by Kraut et al., (1992) and Markus (1994), it is important that companies and managers in particular "are encouraging employees to use not only chats as an easy and instant way to share the information but also calls and video conferencing" and "_____ all the international co-workers are invited".

Moreover, the results of the study by Kankanhalli et al. (2006) shown that relationship conflict, it needs to be resolved exactly integratively that is also pointed out in the interview, in particular: "*In our company, the main responsibility of a virtual team leader to restrain task-related conflict before turning into relationship conflict*".

The approach mentioned by one of the team leaders is to “*encourage the team overall strategy it is crucial to highlight the shared interests and values of the team to strengthen the collaboration and trust as well as make clear how the conflict resolution is important*” is supported by Ford, Piccolo & Ford (2017) who believe that remote workers need to feel engaged with the whole organization even if they are physically not present there.

Moreover, the authors mention the significance of the team leader in research and understanding the environment and circumstances of each individual team member and making sure that team members accommodate them too. It is pointed out by the interviewees as well: “*relationships and communication in the team*” and “*It is a good practice to plan from time to time a meeting with each virtual team member or make it clear that everyone who wants to discuss an issue is free to schedule a meeting or a call with you*”.

Also, Ford, Piccolo & Ford (2017) highlight that employees need to feel engaged with the whole organization even if they are physically not present there. This can be achieved by “*back from purely business-related tasks and environment in order to create a friendlier atmosphere of virtual team interaction and improve the relationship between the members*” and it relates to Malhatra et al. (2007) suggestion to use “virtual parties”.

Another approach used by one of the managers is to “*e clear guidelines and objectives for each of the member and the team as a whole. If the procedures are simple and clear, there will be fewer misunderstandings are conflicts related to them*” that is highlighted by Ammeter & Dukerich (2002), Williamson (2000) and Liao (2017) who believe that the manager should clearly show the goals of the virtual team and how it is connected to the goals and the mission of the organization in general as well as develop order to reduce conflict and understand common benefits.

Lastly, the importance of feedback emphasized by Kirkman et al. (2002) can be noticed in the interviews as well: “*It is necessary not only to stay informed about -to-date feedback*”.

6 Conclusions

In the age of globalization and fast technology development, the companies start to utilize the concept of virtual teams more and more often. It does not come with a surprise considering the numerous benefits connected with the application of this approach such as reduced costs, employment of better labour force, promotion of creativity and experience exchange.

However, difficulties come with the benefits as well. The cultural diversity, language differences, time incompatibility, and online character of communication are one of the main reasons that may cause conflicts and misunderstandings among the team members.

The main objective of this diploma thesis is to make a research about the conflict situations in virtual teams and analyze if there are important differences in types and reasons of conflict management between members of virtual teams and traditional (local) teams, as well as to identify the role of the manager in these conflicts and his or her approaches to conflict resolution. Moreover, the aim of the thesis is to suggest possible solutions to the conflicts referring to the identified reasons and based on the literature and own research.

In order to achieve the objectives, in the first part of the thesis (literature review), the concept of conflict was identified, a study of conflicts in traditional organizations and its type and models was conducted, also a concept of a virtual team was defined with the specification of its features. Moreover, the literature about the virtual conflict reasons and types were carefully analyzed and the role of a manager in conflict and possible approaches used by them were studied.

In the second part of this thesis (practical part), five companies from the IT sector were selected in order to compare the conflicts in traditional and virtual teams and answer the research questions. For this purpose, a list of questions was created and used to conduct a survey via Google forms by the team members. Also, interviews with team leaders were carried out via video conferencing tools such as Skype and FaceTime.

After that, the data received from the research were carefully analyzed and described. The outcomes and analysis were presented in the results and discussion part of this diploma thesis by responding to the main research questions stated in the aims of the thesis.

According to the results, it is not enough evidence to confirm that employees face more conflicts with virtual team members compared to local team members. However, there are differences present in the reasons for the conflicts between local team members and virtual team members. The main reasons for the online members are: an online character of communication, incompetence, language issues, time incompatibility and cultural differences. As for the local team members, they are: injustice, unfairness, inequality, incompetence, time incompatibility, an online character of communication and violation, insult. It can be concluded from the reasons mentioned above that there are both similar and different reasons for conflict between virtual team members and local team members.

The correlation coefficient was calculated to analyze if there is a correlation between the working period and the frequency of conflicts the team members face. The results showed a very weak level of correlation.

According to the results, the respondents who have the most frequent conflicts are male in the age group of 21-30 years. At the same time, female representatives in the age group of 21-30 years prevail among those who have chosen “once per week” and “2-3 times per week” conflict frequency. As for the age group of 30-40 years old, most of them have chosen either “never” or “once per month” conflict frequency. Also, all the respondents with the working period of more than 4 years replied that they have conflict frequency once per month. Moreover, those who replied “Never” are mostly represented by those who are working in a company for either less than 1 year or 1-2 years.

As for the conflict influence on the everyday working life of the respondents, all respondents who work more than 4 years have chosen “medium influence” option. Also, female employees, as well as those who work less than 1 year, prevail among those who replied “higher than medium influence” and “strong influence”. Male employees prevail among those who replied “lower than medium influence” or “medium influence”.

As for the solutions, the main approaches used by team leaders are as following:

- analysis of the atmosphere, relationships and communication in the team,
- creation of a virtual site as the group's essential point of convergence and/or an internal social network,
- utilization of virtual workspace for critical issues,
- encouraging employees to keep a constant flow of communication and share and get data and knowledge,

- encouraging the team to have activities outside the project,
- serving as a role model in conflict resolution,
- introducing the habit of celebrations as a team,
- creating a mechanism of developing trust and connection,
- setting of clear objectives and orientations for each of the member and the team as a whole,
- encouraging the team members' participation in setting the overall strategy,
- constantly devoting time for team building,
- giving constant feedback about team performance.

Implementation of the advice and approaches mentioned above should help in conflict prevention and resolution among virtual team members.

Further research in the field of virtual team conflicts is necessary due to the fact that there is no doubt that the concept of virtual or remote teams in information technology or any other sphere will gain more and more popularity and application. Virtual teams have become an integral part of the business environment and successful conflict management is key to effective work.

7 References

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Appendices

Appendix A. Questionnaire

1. What is your gender?

Male

Female

2. What is your age?

<20

20-30

31-40

41-50

51-60

3. What is your working period in current company?

<1

1-2

2-3

3-4

>4

4. How often do you interact with team members online?

Every working day

4-5 times per week

2-3 times per week

Once per week

Once per month

Never

5. How often do you interact with team members offline (local members)?

Every working day

4-5 times per week

- 2-3 times per week
- Once per week
- Once per month
- Never

6. How often do you come across conflicts with team members?

- Every working day
- 4-5 times per week
- 2-3 times per week
- Once per week
- Once per month
- Never

7. How would you personally assess the impact of the conflict(s) on your everyday work?

- 1 — no influence
- 2 — lower than medium influence
- 3 — medium influence
- 4 — higher than medium influence
- 5 — strong influence

8. Whom do you have more frequent conflicts with?

- Online team members
- Local team members

9. What you refer most of the conflicts to?

- Task
- Relationships
- Processes, procedures
- Other _____

10. What are the most common reasons for conflicts with local members?

- Violation, insult

Injustice, unfairness, inequality
Language issues
Cultural differences
Time incompatibility
Incompetence
Being a target of another person's abuse, aggression
Online character of communication
Other _____

11. What are the most common reasons for conflicts with online members?

Violation, insult
Injustice, unfairness, inequality
Language issues
Cultural differences
Time incompatibility
Incompetence
Being a target of another person's abuse, aggression
Online character of communication
Other _____

12. Company name

Appendix B. Obligatory interview questions

1. What are the peculiarities in working with a virtual team?
2. What are the main reasons for conflicts you noticed in your team?
3. How the conflicts are different between local team members and between virtual team members?
4. What is your role as a manager/team leader in the conflict resolution?
5. What approaches do you usually use in conflict management? What would you suggest about the conflict resolution?