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Master's Thesis

**INTERNAL MARKETING AS A SUPPORT TOOL FOR COMMUNICATION IN  
GLOBAL VIRTUAL TEAMS**

Eeva Tirkkonen 2019

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## **ABSTRACT**

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The aim of this study was to research the role of internal marketing in global virtual teams and find out how it can support communication. The literature review suggested that there is a research gap at the intersection of internal marketing and global virtual teams that needed to be addressed. The study also aimed to discover what challenges are there in the internal communication of global virtual teams and which internal marketing practices can help solve the challenges.

The empirical study was based on qualitative research that uses a case study approach and semi-structured interviews as the main data collection method. The findings implied that the main challenges of global virtual teams are related to communication, caused by various factors such as language differences and time zones. Challenges can also emerge from lack of sense of belonging and integration caused by global dispersion, and internal marketing can be used to alleviate these.

Out of internal marketing practices, information sharing and communicating company goals and values were seen as very important to create trust and sense of shared goals. Other key elements are feedback, project closure meetings and celebrating achievements together: making sure people feel valued and that their work has an effect.

## TIIVISTELMÄ

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Tämän tutkimuksen tavoitteena oli selvittää sisäisen markkinoinnin roolia globaaleissa virtuaalitiimeissä, sekä miten se voi tukea kommunikaatiota. Kirjallisuuskatsaus osoitti, että sisäisen markkinoinnin ja globaalien virtuaalitiimien kontekstissa oli tutkimusaukko, jota tämä tutkimus täydentää. Tavoitteena oli myös selvittää, mitä haasteita globaalit virtuaalitiimit kohtaavat kommunikaatiossaan ja mitkä sisäisen markkinoinnin käytännöt voisivat auttaa haasteiden ratkaisemisessa.

Tutkimuksen empiirinen osio perustuu kvalitatiiviselle tutkimusmenetelmälle, joka käyttää tapaustutkimusmenetelmää ja semistrukturoituja haastatteluja tiedonkeruuseen. Tutkimustulokset viittaavat, että virtuaalitiimien suurimmat haasteet liittyvät kommunikaatioon johtuen muun muassa kielimuurista ja aikavyöhykkeistä. Haasteita voi syntyä myös yhteenkuuluvuuden ja integraation puutteesta, kun tiimin jäsenet ovat jakautuneet maantieteellisesti. Sisäisellä markkinoinnilla voidaan pyrkiä vaikuttamaan näihin haasteisiin.

Tiedonjakaminen ja yrityksen tavoitteista ja visiosta viestiminen oli yksi tärkeimmistä sisäisen markkinoinnin käytännöistä, jotka voivat lisätä luottamusta ja tunnetta yhteisistä tavoitteista. Muita elementtejä ovat palaute, projektien päätöstilaisuudet ja saavutusten juhliminen yhdessä. On tärkeää, että tiimin jäsenet tuntevat arvostusta ja että heidän työllään on merkitys.

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Lastly, I would like to thank all my fellow students who accompanied me during the course of my university studies, and my friends and close ones whose support has been valuable for me despite the distance. I agree with one of the interviewees that said that distance does not matter so much nowadays as we have tools that allow us to be present without actually being present.

Belo Horizonte, 10.9.2019,

Eeva Tirkkonen

# TABLE OF CONTENTS

<b>1. INTRODUCTION</b>	7
1.1. Research Questions	9
1.2. Key Definitions	10
1.3. Literature Review	11
1.4. Theoretical Framework	15
1.5. Delimitations of the Study	16
1.6. Research Methodology and Structure of the Study	16
<b>2. GLOBAL VIRTUAL TEAMS</b>	18
2.1. Virtual Team vs. Global Virtual Team	18
2.1. The Advantages of Global Virtual Teams	20
2.2. Success Factors in Virtual Teams	21
2.2.1. Trust	22
2.2.2. Leadership	23
2.3. Challenges in Virtual Teams	26
2.4. Communication in GVTs	28
2.5. Culture and GVTs	29
<b>3. INTERNAL MARKETING</b>	33
3.1. Development of the Internal Marketing Concept	33
3.2. Benefits of Internal Marketing	37
3.3. Internal Marketing Practices	38
3.4. Internal Marketing in GVTs	39
<b>4. RESEARCH METHODOLOGY</b>	42
4.1. Case Description	43
4.2. Data Collection	43
4.3. Data Analysis	46
4.4. Reliability and Validity	47
<b>5. RESULTS AND DISCUSSION</b>	49
5.1. Benefits and downsides of GVTs	49
5.2. Communication Challenges	51
5.3. Trust and Connection	56
5.4. Internal Marketing in GVTs	59
<b>6. CONCLUSIONS</b>	65
6.1. Summary of the findings	66
6.1. Theoretical Implications	70
6.2. Managerial Implications	72
6.3. Limitations and Future Research	73

**LIST OF FIGURES**

Figure 1. Theoretical framework of the study

Figure 2. Social dimensional factors in virtual teams and their effect (Lin et al., 2008)

Figure 3. Framework relating on national culture orientations, cross-cultural communication competence and multicultural team performance (Matveev and Nelson, 2004)

Figure 4. A model of internal marketing for services (Rafiq & Ahmed, 2000)

Figure 5. Updated theoretical framework of the study

**LIST OF TABLES**

Table 1. Leading Global Virtual Teams: Work Process, Action, and Feedback (Zander et al., 2013)

Table 2. Stages of Team Development: Traditional teams vs. Virtual Teams (O'Keefe et al., 2011)

Table 3. Cross-cultural competence model (Matveev and Nelson, 2004)

Table 4. Internal marketing practices in global virtual teams

Table 5. Interviewees

Table 6. Interview themes

Table 7. Internal marketing process for GVTs (Adapted from Zander et al., 2013)

## 1. INTRODUCTION

According to OECD Policy Brief on the Future of Work (2018), labor markets are going through major transformations due to globalisation as well as technological and demographic changes, and digitalization is creating new forms of employment – for example employment mediated by online platforms. The emergence of so-called platform work can be caused by the combination of several trends: new technologies and business models, reduced communication costs facilitating remote working, more flexible worktime, project-based job contracts and changes in preferences related to work (OECD, 2018).

Workplaces and offices are also experiencing a change. In 2014, the number of people who said they cannot concentrate on their work at their desk increased by 16% since 2008, and the number of those who do not have access to quiet spaces designated for focusing also increased by 13% (Congdon, Flynn & Redman, 2014). Whereas offices should be adapted to serve the needs of the employees, many might prefer working remotely due to this.

Congdon et al. (2014) criticized remote work for not being a long-term solution to the difficulty in being focused at the office and pointed out several challenges remote working brings up: diminished knowledge transfer, decreased engagement, cultural disconnection and difficulty in collaboration. Despite the challenges, the amount of remote work is only on the increase.

In 2016, 43% of employees in the United States said that they spent at least some time working remotely, which represents a four percentage point increase from 2012 (Chokshi, 2017). According to another study, 70% of people globally work remotely at least once a week, meaning that more than two-thirds of the global workforce work elsewhere than at the office at least weekly (Browne, 2018). In the light of these statistics, the amount of remote and virtual work is increasing.

While this research does not solely focus on remote work or online platform work, this is a good reference point to start covering the importance of the research topic. For example, nowadays an employee could be hired through an online platform for a single project, but often they need to be able to work as a part of a team, sometimes with their colleagues dispersed in different countries, continents or time zones. Thus, new types of performing work also account to global virtual teams (GVTs) becoming more common. The topic of GVTs is extremely important as in the future even higher share of the work will be conducted virtually and with technology-aided communications. Especially in the high-tech sector the use of GVTs is becoming more and more common (Daim et al., 2012).

GVTs can be an effective way to organize workflow. Benefits include for example having access to a global talent pool (Horwitz et al., 2006; OECD, 2018). Virtual teams can overcome traditional organizational barriers – whether they be related to costs, location, time, space, lack of talent or expertise – in an organization (Eom, 2009).

Like any remote work, GVTs have their challenges. Challenges can arise from interpersonal and social aspects, such as building trust, cohesion, team identity and overcoming the feeling of isolation in a team (Kirkman et al., 2002). As GVTs are dependent on IT and communication technology, problems can arise from interpersonal relationships, but also geographic barriers and time, language and cultural differences (Pinjani, 2013). Many of these challenges are related to failures in communication.

The aspect of virtuality changes cross-cultural management and requires a new kind of leadership competence. Virtual work might limit the opportunities of GVT managers to communicate, support and inspire their employees when they are separated geographically and culturally (Saarinen, 2016). Technology has offered us great tools to communicate fast and efficiently, however, we cannot leave out the human side of communication. GVT managers need to be able to convey the company vision and goals in a whole new environment, and the team members need to be able to communicate with their colleagues explicitly.

When it comes to human resource management (HRM) and internal communications, the academia has already plenty of literature on internal marketing. Internal marketing (IM) can be used to overcome organizational resistance to change and to align, motivate and integrate employees towards the effective strategy implementation (Rafiq & Ahmed, 2000). However, the change in the nature of work and the emergence of GVTs challenges the way IM has been conducted earlier. Whereas IM is considered essential in an organization in general, oftentimes it remains neglected in management of GVTs, because many HRM and internal communication practices are still focused on traditional, co-located teams.

This research aims to shed light on the role of internal marketing in global virtual teams in the context of tech companies. The study focuses on finding out how can IM support effective communication in GVTs. The research is based on a case study. The case company is a tech company providing 3D modeling services and virtual reality solutions, with employees spread around Europe, Brazil and the United States and customers mostly from Finland, the United States and Australia.

Although there are various studies about IM in general, it has not been investigated thoroughly in the context of GVTs. Since in the future even more work is going to be conducted virtually, this currently overlooked phenomenon requires further scholarly attention. Companies and managers already need tools to lead these new types of teams, which is where effective IM can yield benefits. According to research, communication and cohesion are amongst the factors with which GVTs struggle. As IM can be used to align, motivate and integrate employees, it can be a good way to overcome many of the challenges GVTs are facing.

### **1.1. Research Questions**

The aim of the research is to study the role of internal marketing in global virtual teams and find out how it can support communication in such teams.

The main research question is:

- *How can internal marketing support communication in GVTs?*

To provide answers to the main research question, the supporting sub-questions are:

- *What challenges are there in the internal communication of GVT's?*
- *Which internal marketing practices can help solve the communication challenges?*

## **1.2. Key Definitions**

Before exploring the literature more in detail, some of the key definitions used in this research are presented.

### *Team*

A team consists of individuals working together independently towards a common goal (Schweitzer & Duxbury, 2010).

### *Virtual team (VT)*

Virtual teams are teams that do not usually share a common workspace, and thus, cannot communicate face-to-face, so they use communication technology and tools like email and video conferencing to aid communication and teamwork (Schweitzer & Duxbury, 2010). According to another definition by Zaccaro and Bader (2003), virtual teams, or *e-teams*, either work in geographically separated workplaces or in the same place but at different times, and most of the interactions amongst the team happen via electronic communication.

### *Global virtual team (GVT)*

Daim et al. (2012) describe GVTs as culturally diverse, geographically dispersed workgroups that communicate electronically. A GVT is a type of a virtual team, with the assumption of cultural diversity and global – not just regional or national – dispersion.

### *Internal marketing (IM)*

Internal marketing is a planned effort using a marketing-like approach to overcome organizational resistance, align, motivate and inter-functionally coordinate and integrate employees towards the effective implementation of corporate strategies. The end goal of IM is to deliver customer satisfaction with the help of motivated and customer-oriented employees. (Rafiq & Ahmed, 2000)

### *Internal communications*

Internal communications entail all communication inside the company, including between the subordinates and management. As mentioned, in the context of GVTs internal communications is mostly technology-mediated.

## **1.3. Literature Review**

The purpose of the literature review is to offer a brief overview on the existing research on the main themes of this research. This chapter will summarize the main topics what the academia so far has stated about virtual teams, global virtual teams and internal marketing. Later on, in the theoretical part (chapters 2 and 3) of the research the most important concepts will be explained further.

The focus of academic research has been previously in virtual teams, but it has now shifted to GVTs. This change emphasizes the fact that the world has become smaller in a sense and it is more common to have team members spread out globally. As VTs and GVTs are related concepts, and GVT is a type of a virtual team,

both topics will be covered in the literature review. The development and most important concepts of IM research is also presented. Finally, the preliminary literature review reveals a research gap which provides a basis for this study.

So far, a lot of research on virtual teams has focused on identification of the success factors and the challenges of such teams. Snow et al. (1996) studied transnational teams in different countries, and recognized having clear objectives, roles and responsibilities as a key factor for success. The key success factors of a VT presented by Horwitz et al. (2006) included managerial and leadership communication, goal and role clarification, and relationship building. Lippert and Dulewicz (2018) developed a profile of high-performing virtual teams which included trustworthiness, commitment, communication characteristics, cross-cultural communication style and structure effects.

Hanebuth (2015) focused on success factors of virtual research teams, such as motivation, while stating that geographical distance is an influencing factor in team management despite the new ways of communication. Lin, Standing and Liu (2008) developed an integrated model of factors that contribute to virtual team effectiveness with social dimensional factors like communication, cohesion and relationship building.

In addition to the abovementioned, leadership and trust come up a lot in the research. Hambley, O'Neill and Kline (2007) emphasized the criticalness of leadership in virtual teams, but the effectiveness of virtual team meetings, personalizing virtual teamwork and learning to effectively use different media. Purnanova and Bono (2009) found out that the effect of transformational leadership on team performance was stronger in virtual than in co-located teams.

Kanawattanachai and Yoo (2002) stated that high-performing virtual teams were better at developing and maintaining the trust throughout the project. Greenberg, Greenberg and Antonucci (2007) described the three components of trust (ability, integrity, and benevolence) and identify which of these are critical to each life cycle stage of the virtual team. Munkvold and Zigurs (2007) recognized challenges in

virtual teams as trust, commitment, team bonding and lack of ownership of the project outcome. Thus, leadership and trust can turn out to be either success factors or challenges, and these have been a recurring theme in the research of virtual teams.

In addition, regarding specifically GVTs, trust and communication have been studied. Pinjani and Palvia (2013) studied the aspect of trust and knowledge sharing in diverse GVTs. Daim et al. (2012) have studied the factors that contribute to communication breakdown in GVTs – trust, interpersonal relations, cultural differences, leadership and technology.

Since GVTs are a special subset of VTs, the abovementioned research findings might be applicable to GVTs as well. However, the cultural diversity and global dispersion of GVTs might create additional challenges. Lee-Kelley and Sankey (2008) studied whether virtual projects have different challenges than conventional projects, and concluded that time zone and cultural differences did affect communication and team relations. Staples and Zhao (2006) found out that culturally heterogeneous teams were less satisfied and cohesive and more prone to conflict than homogeneous teams. Souren, Seetharaman, Samarah and Mykytyn et al. (2004) researched the impact of diversity and conflict management on the performance of GVTs.

Mockaitis, Rose and Zettinig (2012) have focused on the relationship between GVT members' individualistic and collectivistic orientation and their evaluation of trust, interdependence, communication and information sharing. Dekker, Rutte and Van Den Berg (2008) found out that the perceptions of critical behaviour in GVTs differ across cultures, thus, cultural awareness of differences comes to a great importance. Klitmøller, Schneider and Jonsen (2015) studied the interrelation between language differences, media choice and social categorization in GVTs.

The second focus of the research is internal marketing. This concept has been explored in the academia already since the 70's. At first the focus point was in defining the concept of IM, how it can be positioned within marketing discipline, and

how it can help create value and gain a competitive advantage in the market. According to Grönroos (1985) and Kotler (2002), IM is a part of service marketing that also involves the concepts of external and interactive marketing. Gounaris (2010) described marketing as a holistic approach and included IM in the concept as well. Also Bansal et al. (2001) have studied IM and its connection to external marketing and its outcomes. Varey (1995) has studied the role of IM in building a sustainable competitive advantage in services, and Cooper & Cronin (2000) viewed IM as a competitive strategy. Ahmed and Rafiq (2002) studied IM as a tool for customer-focused management.

Research has also been done about the other related concepts, like employee loyalty, job satisfaction, performance and empowerment, and their linkage to IM. Narteh and Odoom's (2015) research suggested that IM dimensions, with the exception of organizational culture, were associated with employee loyalty. Hwang (2005) found positive correlation between IM, employee job satisfaction and performance. Kaplan's (2017) research focused on the concepts of IM and internal branding that are closely related to each other. Berthon and Ewing (2005) presented employer branding and employer attractiveness as a part of IM. Vasconcelos (2008) aimed to broaden the concept of IM and brought the concept of happiness in the workplace (HWP) to the discussion. According to Vasconcelos (2008) the workplace should be a place where people could improve their self-esteem, fulfill themselves through their tasks and feel happy.

Studies have also been conducted regarding IM and leadership. Akbari et al. (2017) has studied IM and leadership styles, more specifically the relationships between transformational leadership and IM. Mishra (2009) presented that IM can be used to harness the employee's power, and Yao, Chen and Cai (2013) studied the connection between IM and psychological empowerment and employee performance. Yao et al. (2013) found out that psychological empowerment had a significant positive effect on both employee loyalty and task performance, and that the empowerment was positively influenced by IM.

Key success factors like trust, leadership and communication emerge from the research on GVTs. The literature on IM has focused on employee satisfaction, loyalty, performance and empowerment, to mention some aspects. When these two themes, GVTs and IM, are combined, an interesting research topic arises. The current literature review suggests that there is a research gap at the intersection of IM and GVTs that need to be addressed. Thus, more research in this specific area is needed, as this is an emerging issue with virtual work and global virtual teams becoming more common. With the nature of work is changing, it is essential to highlight the meaning and the importance of IM in virtual spaces, where this research also aims to contribute.

#### 1.4. Theoretical Framework

The theoretical framework of this study is described below (Figure 1). A theoretical framework is used to outline the key concepts that arise from the literature review and the research questions. The most important concepts of this study are internal marketing, internal communications and GVTs, based on the research questions of the study. The definitions of the key concepts can be found in paragraph 1.2. and explained more thoroughly in the following theory chapters.



*Figure 1. Theoretical framework of the study*

The context of the study is global virtual teams, and the research focuses on internal marketing and internal communications in these types of teams. In figure 1, internal marketing and internal communications both happen between team leaders and members. At the conclusions, a reviewed theoretical framework will be presented.

### **1.5. Delimitations of the Study**

There are certain delimitations regarding this study. The context of the research is limited to global virtual teams, whereas the focal research subjects are internal marketing, internal communications and communication challenges in those kind of teams. This topic could have been researched from different points-of-view, but to narrow down the research questions, communication was chosen as it is an important aspect and related to many other success factors of a team. Other possible views could have been to focus for example just on the aspect of building trust or leadership practices. Also, there are many other aspects of GVTs deserving additional scholarly attention, such as culture, that are outside of the scope of the current thesis but may complement its findings.

### **1.6. Research Methodology and Structure of the Study**

This research consists of a theoretical and an empirical part. The empirical part is based on qualitative research that uses a case study approach to gather information and answer the research questions. The main data collection method is semi-structured interviews with employees of the case company. The interview questions were created based on different themes derived from the literature review to find answers to the research questions. The interviews were conducted both in person and by Skype, then transcribed and analyzed.

The study consists of two theory chapters, one of global virtual teams and one of internal marketing. After the theory chapters, the research methodology used in the study is presented. Next, the research moves on to the empirical part with the

findings and discussion. Finally, the conclusions are presented including theoretical and managerial implications with future research suggestions.

## **2. GLOBAL VIRTUAL TEAMS**

Work life has gone through significant changes during the past years. Globalization and technological innovations emerging have changed the way we communicate and work. Shachaf (2008) points out that multinational companies have experienced a change in their nature due to the use of information and communication technology (ICT), increasing amount of multicultural workforce and new organizational models, like team-based structures. With talented workforce found across the world, employees do not longer have to be in the same location in order to work together. Global teams characterized by national, cultural and linguistic heterogeneity that operate in a globally dispersed virtual environment are establishing their position in MNE's (Zande, Mockaitis & Butler, 2012). Whereas GVTs can potentially bring plenty of competitive advantages to a company, they come with their challenges such as issues in establishing trust and efficient communication.

### **2.1. Virtual Team vs. Global Virtual Team**

Taking a look at academic literature, researchers so far have aimed to define what is a virtual team, a global virtual team and how to describe different levels of virtuality. According to Schweitzer and Duxbury (2010), the most common criteria for virtuality in teams are:

1. Use of communication technology (for example in communication between the employees or in decision-making)
2. Geographical dispersion (not all team members are in the same location)
3. Organizational dispersion (the team consists of members from different organizations or organizational units)
4. Asynchronous work (team members work at different times, different time zones or at the same location but different work hours)

Another definition by Zaccaro and Bader (2003) presents that virtual teams are also known as *e-teams* and that they:

- Either work in geographically separated workplaces *or* in the same place but at different times, and
- Most of the interactions amongst the team happen using electronic communication

It must be noted that this definition does not include the assumption of cultural diversity – meaning that a *virtual team* could consist also of one nationality or team members of the same cultural background, if the other criteria are met. However, teams that are geographically dispersed across the world are likely to have members from different cultures (Schweitzer & Duxbury, 2010).

This brings us to the definition of a *global virtual team* and what differentiates it from a virtual team. According to Dubé and Liné (2001), GVT members are dispersed around the world, resulting to few face-to-face meetings if at all, during a project. In addition, they represent different cultures and speak different languages (Dubé & Line, 2001). Daim et al. (2012) described GVTs as *culturally diverse*, geographically dispersed workgroups that communicate electronically. Thus, a GVT is a type of a virtual team that requires both geographical (and to be specific, global) dispersion and cultural diversity. Also, having simply a culturally diverse team does not automatically equal having a GVT if the other criteria of virtuality are not met.

It is hard to determine when a team or an organization exactly becomes virtual. However, Schweitzer and Duxbury (2010) have aimed to create a framework to measure the degree of virtuality in teams. The framework consists of three dimensions: the proportion of time that the team members spend working apart (*team time worked virtually*), the proportion of the team members who work virtually (*member virtuality*) and the degree of separation of the team members (*distance virtuality*) (Schweitzer & Duxbury, 2010). Thus, according to this framework, one team or organization can be more virtual than another.

Daim et al. (2012) stated that GVTs can form, change and dissolve fast due to different changes in the company or market dynamics. All *project teams* go through a life cycle of four stages: *forming, norming, reforming and performing* (Daim et al., 2012). However, not all GVTs are project teams, as they can also be more long-lasting. Saarinen (2016) points out that a lot of virtual work does happen in project teams, but in many organizations the virtual teams are more established and more or less permanent, which has an impact on the management of GVTs.

Nevertheless, it is interesting to look at the different phases for team formation, as leadership practices and the focuses used should be different in each of the phases. According to Greenberg et al. (2007) there are five different stages in the formation of virtual teams: (1) *establishing the team*, (2) *inception*, (3) *organizing*, (4) *transition*, and (5) *accomplishing the task*. There lies a challenge in encouraging the development of trust in the initial phase and nurturing trust throughout the team's life cycle (Greenberg et al., 2007). The aspect of trust will be discussed more further down below.

## **2.1. The Advantages of Global Virtual Teams**

Having your employees spread across the world has its advantages, and globalization and quickly internationalizing companies have made virtual teams essential. As organizations operate in contexts where they need to rely on processes that do not necessarily take place in one geographic area and procure expertise globally, virtual teams have become important (Horwitz et al., 2006). Especially in the high-tech sector GVTs are becoming extremely common (Daim et al., 2012). Virtual teams can be thought to overcome traditional organizational barriers regarding costs, location, time, space, lack of talent or expertise in an organization to ease collaboration between different functions and establishing partnerships (Eom, 2009). GVTs can improve productivity, obtain global knowledge and transfer best practices easily to different team members (Pinjani, 2013).

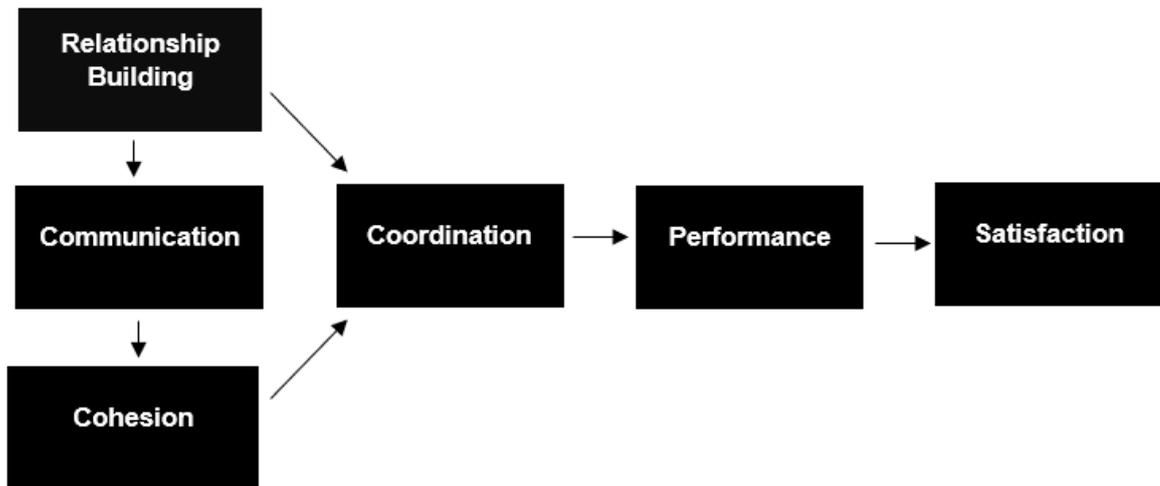
Being able to recruit anywhere and attract global talent without relocation to another country opens up great possibilities. Zaccaro et al. (2003) points out that e-teams can have greater potential to acquire certain skills or knowledge for complex projects, and Bergiel et al. (2008) states that virtual teams can be used as management tools in companies that want to tap into the pool of global talent. This can mean more versatile and flexible workforce for different projects. Another influencing factor in the flexibility is that v-team members can work at the same time in multiple teams (Bergiel et al., 2008).

Online social networks provide important opportunities especially for internationalizing firms. When used right, online social networks can be used to build networks to access diverse skills, build trust and create network identity that can help in new relationships. Social networks can lower coordination costs and be very valuable for business communication purposes. (Sigfusson & Chetty, 2013).

Working with virtual teams can also lead to savings both cost and timewise. Bergiel et al. (2008) stated that virtual teams drastically reduce travel time and costs. They can also reduce the number of unnecessary meetings as communication can be conducted virtually. Recruitment of global talents and the use of GVTs can also reduce project development time (Shachaf, 2008).

## **2.2. Success Factors in Virtual Teams**

Katzenbach and Smith (1993) emphasize that for any team to become high performing, the core pillars are trust, relations and leadership. Snow et al. (1996) state that having clear objectives, roles and responsibilities is the main contributing factor in the success of forming teams and communication in transnational teams. In addition to trust, team dynamics, cross-cultural communication, conflict resolution and team cohesion are key issues for collaboration (Snow et al., 1996).



*Figure 2. Social dimensional factors in virtual teams and their effect (Lin et al., 2008)*

As figure 2 shows, according to Lin et al. (2008) the social dimensional factors of relationship building and cohesion have a significant impact on coordination which in turn influences on the performance and satisfaction of a virtual team. Thus, these social factors should be considered during the virtual team development process. Another critical factor influencing the social dimensions is communication (Lin et al., 2008).

### *2.2.1. Trust*

According to the literature, trust seems to be one of the key pillars when building any successful team. Trust is a slow-building, iterative and layered process that happens over time (Brown, 2018). The importance of trust and developing it might be even more challenging in VTs and GVTs, which is why we take a look at this concept and its importance further.

Diverse locations and technology-based communication make trust more difficult to develop in virtual teams compared to traditional ones (Greenberg et al., 2007). Greenberg et al. (2007) point out that trust usually develops after a history of interpersonal interaction and communication – when people get to know one another and start to trust. This may not be the case with virtual teams. Building trust

can be complex as members might not have a joint past and no future to reference (Greenberg et al., 2007).

In virtual teams there is also prevalent the lack of informal conversations that facilitate getting to know each other. Even brief conversations and interactions face-to-face allow creating social bonds and professional respect that leads to trust (Greenberg et al., 2007). In a face-to-face discussion the team members can discuss and the reactions can be conveyed verbally with the content or tone and non-verbally (Greenberg et al., 2007).

Also, Daim et al. (2012) point out that trust is even more important in virtual teams as the project manager cannot have a face-to-face contact with the team members, and that the team morale can suffer if the remote members feel neglected. The sense of isolation and that affecting the team spirit or work motivation may have an effect on GVT performance. Informal conversations during occasions like having lunch or coffee together help teams form a collective identity and group norms (Greenberg et al., 2007). Thus, virtual team members might struggle in “seeing” themselves as belonging when the team is only visible electronically and the social dimensions of working together are different (Greenberg et al., 2007).

Working in virtual teams require different organisational skills. Key skills include for example selecting the team members carefully, having the ability to build trust and boost productivity within the team and conflict resolution capacities. It is also essential to determine which is the best technology that facilitates communication within the team. (Horwitz, Bravington, & Silvis, 2006)

### *2.2.2. Leadership*

A team is very hard to function and coordinate without a proper leader. However, leadership in GVTs has its own peculiarities compared to conventional, co-located teams. The role of a motivating team leader is important in GVTs – the leader needs to believe in himself and in the team performance (Daim et al., 2012). While this is

true to all teams, issues like motivation and goal alignment can prove to be a challenge especially in virtual work. Without a strong leader the team members might end up working towards different goals and directions without a sense of a common mission (Daim et al., 2012).

Eom (2009) also emphasizes the importance of strong leadership in GVTs. GVT leadership challenges that are critical to success include goal alignment, knowledge sharing and motivation (Zander, Zettinig & Mäkelä, 2013). As it will be discussed further below, it can already now be noted that many of these factors, such as establishing trust, leadership and communication, are related to IM as well.

As presented below (Table 1), there are different areas the leadership should focus on during different phases of team formation. Even though the leader has a huge role in trust formation, the team members should actively take part in the process (Zander et al., 2013).

Table 1. Leading Global Virtual Teams: Work Process, Action, and Feedback (Zander et al., 2013)

<b>Phase 1 - Welcoming</b>		
<i>Team focus areas</i>	<i>Leader tasks</i>	<i>Member tasks</i>
Goal alignment Relationship building Task definition	Create common interpretations of goals Create social context and trust Clarify tasks and specify outcomes	Build relationships Map out tasks and own interpretation of objectives
<b>Phase 2 - Working</b>		
Roles and processes Coordination tools Operations	Define location of capabilities and knowledge Specify communication and decision-making means Facilitate processes and interactions	Communicate own knowledge and capabilities Establish own use of communication and decision-making tools
<b>Phase 3 - Wrapping up</b>		
Finalization De-briefing	Critical review of project processes and outcome Reflect on experimental learning outcomes Emphasize GVT competence development	Conclusions for own capability development Conclusions on effective GVT team leadership

In the welcoming phase the team focus should be on trust-building processes, such as aligning the goals, developing the relationships and defining the tasks. In the working phase the focus is on roles and processes and coordination of operations, and team leaders should aim to discover the capabilities of each team member. When wrapping up the project teams should create closure by reviewing the process and its outcomes and as well the learning. (Zander et al., 2013)

### 2.3. Challenges in Virtual Teams

Working in virtual teams come with their challenges as well. According to Kirkman et al. (2002) the challenges in establishing and maintaining virtual teams can lie in building trust, cohesion, team identity and overcoming the isolated feeling among team members. Eom (2009) describes the challenges of a virtual team being related to leadership, but also differences in VT members' disposition, habits and willingness to communicate and share information. These factors are related to knowledge sharing and efficient communication. There also exists the challenge of giving and receiving feedback and monitoring performance. Snow et al. (1996) point out that these issues are not specific only to virtual teams, but all teams – however, it is more difficult to train, advise, assess and give feedback to team members that are not in the same physical location.

The different stages of team formation were briefly discussed above. O'Keefe et al. (2011) has taken a look at the different stages of virtual teams compared to co-located teams and the challenges that appear in different stages, as presented in table 2.

To highlight some of the challenges, in the forming stage difficulty in building trust can emerge due to lack of informal communication and the electronic communications used might cause mistaken first impressions. Relationships most likely take longer to develop. These challenges continue to influence in the storming phase becoming longer – in case of conflict the team members might avoid confrontation and refuse to respond. In the norming phase trust should be created and rules established, whereas virtual teams might struggle in coordinating tasks and having necessary discipline. Possible threats in completing the project can be competition from local management or office, failure to meet deadlines and lack of focus. (O'Keefe et al., 2011)

*Table 2. Stages of Team Development: Traditional teams vs. Virtual Teams (O'Keefe et al., 2011)*

Stage	Co-located teams	Virtual teams
Forming	<ul style="list-style-type: none"> <li>- Team creation</li> <li>- Introductions</li> <li>- Face-to-face communication</li> <li>- Building trust</li> <li>- Informal communication</li> </ul>	<ul style="list-style-type: none"> <li>- Team creation</li> <li>- Introductions (electronic communications):               <ul style="list-style-type: none"> <li>• Mistaken first impressions</li> <li>• Lack of nonverbal communication creates faulty stereotypes</li> </ul> </li> <li>- Difficulty in building trust</li> <li>- Lack of face-to-face and informal communication</li> <li>- Longer to develop relationships</li> </ul>
Storming	<ul style="list-style-type: none"> <li>- Team members vie for power or position</li> <li>- Conflict emerges</li> <li>- Manager can influence through negotiations or conflict resolution</li> <li>- Project manager could assign roles</li> </ul>	<ul style="list-style-type: none"> <li>- Electronic communications may prolong this phase</li> <li>- Lack of nonverbal cues creating misunderstandings</li> <li>- No accountability, with conflict members could refuse to respond</li> <li>- Lack of trust could lead to not having an informal leader</li> </ul>
Norming	<ul style="list-style-type: none"> <li>- Members agree on rules, norms, strengthen relationships</li> <li>- Trust is created</li> </ul>	<ul style="list-style-type: none"> <li>- Difficulty coordinating tasks</li> <li>- Rules should be established on communication type and response frequency</li> <li>- Lack of structure: imperative team establish timeline and schedule for communication and task coordination</li> <li>- Members may lack necessary discipline to fulfill team obligations</li> <li>- Members may be reluctant to be critical</li> </ul>
Performing	<ul style="list-style-type: none"> <li>- Members are working toward project completion</li> <li>- Members collaborate to help complete tasks</li> </ul>	<ul style="list-style-type: none"> <li>- Competition from local management or office could impact performance</li> <li>- Failure to meet deadlines</li> <li>- Lack of focus</li> </ul>

The challenges highlighted for virtual teams ring true for GVTs as well, but they come with their specific challenges also. As GVTs are dependent on IT and communication technology and lack in face-to-face interaction, problems can arise from interpersonal relationships, and also geographic barriers and time, language and cultural differences (Pinjani, 2013). Several GVT members might be working on different projects at the same time with different deadlines and priorities which can

also pose a challenge to the teamwork and increase the project delivery risks compared to co-located teams (Daim et al., 2012). An effective way to communicate is needed to find the right way to work together (Daim et al., 2012).

Having team members spread across the world in different time zones can create struggles. When the team members cannot contact their colleague right when they have a question that requires attention before continuing the work, they might be left with frustration (Horwitz et al., 2006). Some of issues like this might be resolved by technology and having the right communication tools, but it requires more work from the team members to overcome the communication gaps (Horwitz et al. 2006). When it comes to personal life of the employees, they might feel that a part of a virtual team might intrude their personal time. It is difficult for employees to prevent work issues from intruding their private life – some virtual workers might feel that they need to stretch their workdays to have meetings with their colleagues that work in different time zones (Snow et al., 1996).

#### ***2.4. Communication in GVTs***

Key to any successful team performance lies in efficient communication. Often there emerge communication breakdowns where the message isn't perceived the way the sender meant. When it comes to GVTs, the same practices used in traditional teams do not always work. As mentioned before, factors like gaining trust can prove to be more challenging in GVTs. According to Daim et al. (2012) trust, interpersonal relations, cultural differences, leadership and technology can contribute to the failure of communication, thus, they are important in maintaining a good collaboration within the team. So, all these concepts are very much intertwined.

Horwitz et al. (2006) emphasize that communication in virtual teams is more complex than in conventional ones due to skill complexities and subtle differences in personalities, cultures and language. When people with different cultural backgrounds come together and work virtually as a team, there can exist different ideas about what is considered as good performance, right way to communicate and

accountability (Shachaf, 2005). Thus, using communication technology can increase teamwork complexity and might affect its effectiveness (Shachaf, 2008). Technology limits the way virtual team members are able to communicate. Technology-aided communication does not convey the same emotional cues and reactions that face-to-face communication (Greenberg et al., 2007). This makes it harder to interpret the counterpart's feelings and might cause misunderstandings. In addition, there tends to be lack of informal conversations in GVTs. According to Greenberg et al. (2007), managers and team leaders should, in fact, encourage social encounters in addition to just work-related discussions.

## **2.5. Culture and GVTs**

As this research focuses specifically on GVTs, the aspect of culture should be considered. Some of the existing literature on cross-cultural communication and cultural differences in teams can be applied to GVTs as well. However, its special qualities like the technology-mediated communication can add up to an extra challenge.

According to Hofstede (1991), culture can be defined as the *"the collective programming of the mind which distinguishes the members of one human group from another"*. This is not applicable only to national culture, but also other types of cultures, like the ones inside an organization, for instance. Schein (1990, 111) has defined organizational culture as a three-layered phenomenon. First layer includes the observable artefacts and attitudes – such as rituals, dress codes and language – second layer beliefs, values and norms, and the third layer basic assumptions, like relation to time and space (Schein, 1990, 111). Also, Hall (1976) described culture as the "iceberg model", meaning that like icebergs, only a part of the culture can be seen. What is beneath, are the values and core assumptions to which the attitudes and beliefs, and the visible layer of behaviour and customs are based on. Thus, culture is a complex phenomenon and can entail both national and organizational culture.

When discussing multicultural teams in general, cultural diversity of a team can have several benefits like the variety of perspectives, different skill sets and qualities the members from different cultures bring to the team (Maznevski, 1994). However, multicultural teams in general have their obstacles as well. They are especially prone to interaction issues affecting the team cohesion (Matveev and Nelson, 2004). In addition, multicultural team members can have different ideas of the environment, motives, behavioral intentions, norms on communication, stereotypes, ethnocentrism and prejudices (Matveev and Nelson, 2004).

Related to communication, having team members from different cultures adds to the complexity as cultural biases can distort communication in GVTs (Shachaf, 2008). According to Dubé and Liné (2001), GVT leaders should be aware of their own cultural biases and how they might affect the judgement, and team members need to keep an open mind in conflict situations to have an effective level of synergy in the team.

According to Marquardt and Howarth (2001), the most common challenges in multicultural teams are:

- Handling geographic distances and dispersion of team members
- Managing cultural diversity, differences and conflicts
- Dealing with coordination and control issues
- Maintaining communication richness
- Developing and maintaining team cohesiveness

Comparing to the literature on GVTs, the first point regarding challenges in handling geographic distances and the dispersion of team members sounds familiar. Thus, GVTs and multicultural teams already automatically share some of the common challenges. Other mentioned challenges, like managing cultural diversity, dealing with coordination and control issues, maintaining communication richness and team cohesiveness, can easily emerge in GVTs as well.

According to Hofstede (1991), primary dimensions of culture include *individualism-collectivism*; *uncertainty avoidance*; *power distance (social hierarchy)* and

*masculinity-femininity (task orientation versus person orientation)*. Later on other dimensions were added to the framework: *long-term orientation vs. short-term orientation* (Hofstede, 2001) and *restraint vs. indulgence* (Hofstede, Hofstede & Minkov, 2010). These dimensions could be used to explain also cultural differences and possible emerging conflicts in GVTs as well.

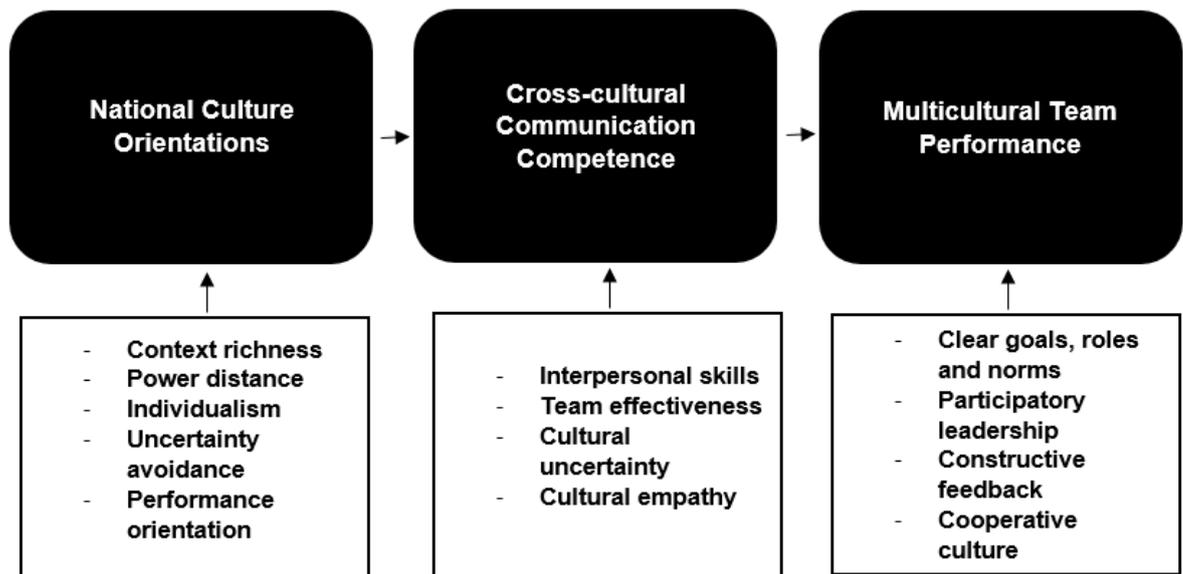


Figure 3. Framework relating on national culture orientations, cross-cultural communication competence and multicultural team performance (Matveev and Nelson, 2004)

The framework by Matveev and Nelson (2004), found above in figure 3, presents how national culture orientations of team members and cross-cultural communication competence can influence the performance of multicultural teams. Different factors, like power distance, individualism and performance orientation, stem from the national culture and might cause cultural differences. Also, individual factors, such as interpersonal skills have an effect. Another important part to consider are things related to leadership and the organization – for instance having clear goals, feedback, participatory leadership and cooperative culture. (Matveev & Nelson, 2004)

Table 3. Cross-cultural competence model (Matveev and Nelson, 2004)

<b>Interpersonal Skills</b>	<ul style="list-style-type: none"> <li>- Acknowledging differences in communication and interaction styles</li> <li>- Dealing with misunderstandings</li> <li>- Comfort when communicating with foreign nationals</li> <li>- Awareness of your own cultural conditioning</li> <li>- Basic knowledge about the country, the culture and the language of team members</li> </ul>
<b>Team Effectiveness</b>	<ul style="list-style-type: none"> <li>- Understanding and defining team goals, roles and norms</li> <li>- Giving and receiving constructive feedback</li> <li>- Discussing and solving problems</li> <li>- Dealing with conflict situations</li> <li>- Displaying respect for other team members</li> <li>- Participatory leadership style</li> <li>- Working cooperatively with others</li> </ul>
<b>Cultural Uncertainty</b>	<ul style="list-style-type: none"> <li>- Dealing with cultural uncertainty</li> <li>- Displaying patience</li> <li>- Tolerance of ambiguity and uncertainty due to cultural differences</li> <li>- Openness to cultural differences</li> <li>- Willingness to accept change and risk</li> <li>- Exercising flexibility</li> </ul>
<b>Cultural Empathy</b>	<ul style="list-style-type: none"> <li>- Seeing and understanding the world from others' cultural perspectives</li> <li>- Spirit of inquiry about other cultures, values, beliefs and communication patterns</li> <li>- Appreciating dissimilar working styles</li> <li>- Accepting different ways of doing things</li> <li>- Non-judgmental stance towards the ways things are done in other cultures</li> </ul>

As mentioned, the cross-cultural competences of the team members have an impact on the multicultural team performance. Such factors include for instance skills like basic knowledge of other cultures, ability to deal with differences and misunderstandings, conflict resolution and problem-solving skills, cultural empathy (being able to see the world from other's viewpoints) and cultural uncertainty (patience, acceptance of cultural differences) (Matveev & Nelson, 2004).

### **3. INTERNAL MARKETING**

*Internal marketing* has been studied by various scholars since the 1970's. Berry et al. (1976) defined IM as “*making available internal products (jobs) that satisfy the needs of a vital internal market (employees) while satisfying the objective of the organization*”. Later Berry and Parasuraman (1991) defined that IM is attracting, developing, motivating and retaining employees through job-products that satisfy their needs. Finally, IM means treating employees as customers, a strategy of shaping these job-products to fit human needs (Berry & Parasuraman, 1991).

Varey (1995) states that IM is based on a concept that the employees are the internal market of the company. Also Berthon, Ewing, & Hah (2005) emphasize that IM specifies that the employees are the company's first market. Also Mishra (2009) describes IM as being based on communicating with internal markets and treating employees as customers. Thus, employees should be treated like the internal customers of the organization and their needs should be attended.

When the company focuses on internal customer satisfaction, it helps the organization provide better services to its external customers and thus, increase also their satisfaction (Hwang and Chi, 2005). Thus, the satisfaction of the employees is the intermediate goal of IM and the final goal is customer satisfaction (Gounaris, 2010; Akbari, Seyyed Amiri, Imani, Rezaeei, & Foroudi, 2017). Zeithaml and Bitner (2003) described IM as marketing inside the personnel with the goal of helping the employees fulfill the promises of external marketing. Kaplan (2017) states that employees need to form relationships with the company, the brand, the co-workers and the management.

#### **3.1. Development of the Internal Marketing Concept**

Rafiq and Ahmed (2000) recognized three different paradigms in the literature regarding the development of the definition of IM. First, most of the literature focused

on employee motivation and satisfaction – due to the fact that the origins of the IM concept is in improving service quality. This paradigm consisted of viewing employees as internal customers and focusing on employee satisfaction. (Rafiq & Ahmed, 2000) As an example the abovementioned views from Berry and Parasuraman (1976; 1991).

The second phase was the focus on customer orientation and interactive marketing (Rafiq & Ahmed, 2000). Grönroos (1981) emphasized that service employees needed to engage in “interactive marketing” and be responsive to customer’s needs, and thus, customer-oriented and sales-minded personnel are needed. The goal of IM is to have motivated and customer-conscious employees (Grönroos, 1981). So Grönroos added the requirement of sales-mindedness to the discussion. Having effective customer service requires also coordination between the contact staff and backroom support staff (Grönroos, 1981).

Thus, according to Grönroos (1985) IM can be defined as a method of *motivating personnel towards customer consciousness and sales mindedness and using internal marketing activities in reaching the goal*. Rafiq and Ahmed (2000) note that Grönroos’ definition focuses on creating customer orientation in employees through a process of influencing, rather than satisfying and motivating employees.

The third phase recognized by Rafiq and Ahmed (2000) broadened the IM concept by defining it as a tool for strategy implementation and change management (Rafiq & Ahmed, 2000). Winter (1985) described IM as “*aligning, educating and motivating staff towards institutional objectives*” and that the goal of IM is the personnel understanding and recognizing their place in the organization. In other words, IM can be considered as a tool for goal alignment. This would suggest that IM has a wider scope than motivating employees towards customer consciousness – for example, IM can be used in motivating non-contact employees in behaving in a manner that would improve the end-customers’ experience (Rafiq & Ahmed, 2000).

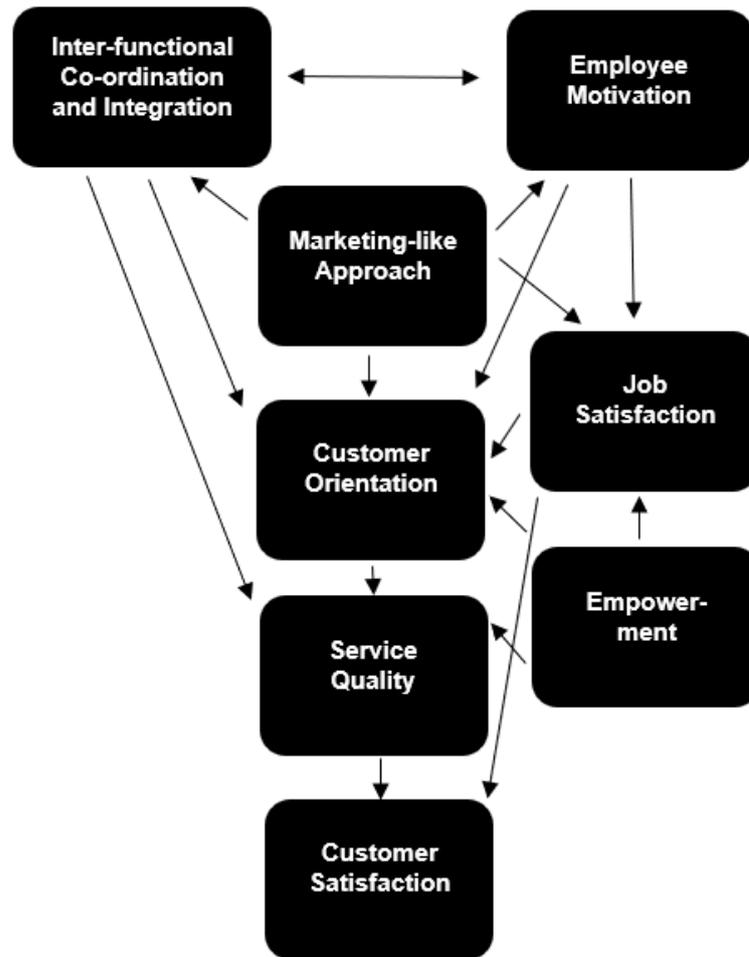
Rafiq & Ahmed (1993) defined IM as “*planned effort to overcome organizational resistance to change and to align, motivate and integrate employees towards the*

*effective implementation of corporate and functional strategies*". This suggests that strategic changes in the organization require IM to get over inertia, but also to motivate employees towards required behaviour (Rafiq & Ahmed, 2000).

Based on the different paradigms of the literature, Rafiq and Ahmed (2000) have identified five main elements of IM as:

- Employee motivation and satisfaction (phase 1)
- Customer orientation and customer satisfaction (phase 2)
- Marketing-like approach to the above (phase 2)
- Inter-functional coordination and integration (phase 3)
- Implementation of specific corporate or functional strategies (phase 3)

Thus, Rafiq and Ahmed (2000) concluded that IM is as a planned effort using a marketing-like approach *to overcome organizational resistance*, but also to align, motivate and inter-functionally coordinate and *integrate employees* towards the effective implementation of corporate strategies. The goal of IM is to *deliver customer satisfaction* with the help of motivated and customer-oriented employees (Rafiq & Ahmed, 2000). To put it shortly, IM focuses on integrating and motivating employees with the final goal of improving the end customer experience. This is also illustrated in the figure 4 below.



*Figure 4. A model of internal marketing for services (Rafiq & Ahmed, 2000)*

Chi (2005) has also recognized several different phases in the development of IM literature. According to Chi (2005), previous research and its definitions regarding IM can be divided into four main categories:

1. Treating the employees as internal customers
2. Developing employee customer oriented behavior – meaning having a marketing program aimed at the internal market
3. Human resource management (HRM) orientation – meaning training and encouraging employees
4. Internal exchange between the organization and its employees

The points 1 and 2 were also discussed by Rafiq and Ahmed (2000) when talking about the employee being the internal customer (e.g. Berry and Parasuraman, 1976; 1991) and customer oriented behavior (e.g. Grönroos, 1981). In addition, IM and human resource management are closely linked. Narteh and Odoom (2015) have stated that IM contains both marketing and HRM principles to influence employees in delivering better customer service. HRM efforts like job analysis, recruitment, performance management, rewarding and training systems have a great impact on the employee satisfaction and on IM success (Bansal et al., 2001). IM and HRM have similar goals: addressing employees' needs which can consequently increase employees' satisfaction, loyalty organizational commitment, organizational citizenship behavior (OCB) and higher performance, for example (Akbari et al. 2017).

### **3.2. Benefits of Internal Marketing**

As mentioned above, the end goal of IM is customer satisfaction and that is done by first satisfying the employees' needs – thus, IM and external marketing are linked. IM is essential in creating a workplace where the employees enjoy their job and the company can have the maximum advantage of their employees' potential (Vasconcelos, 2008). According to Ahmed and Rafiq (2002) IM increases the level of satisfaction among departments and makes the internal supply chain more effective – leading to more integrated departments and less conflicts.

IM can also function as a tool for goal alignment in an organization. IM can be used to drive employees toward organizational goals for example through employees' alignment, training and motivation (Akbari et al., 2017). IM is important in overcoming inertia when changes occur in the organization.

Another IM-related concept is *internal branding* that emphasizes the role of the employees in brand building. Employees are more and more important in brand building as their behaviour can either reinforce the brand values or undermine the credibility of marketing messages – thus, it is important to consider how the values

of the employees can be combined with the company's values (Berthon et al., 2005). Both concepts – IM and internal branding – emphasize how important the experiences of the employee are as they finally lead to the customer experience (Kaplan, 2017).

### **3.3. Internal Marketing Practices**

Before selling products or services to clients, the employees should “buy” the company's values and brand. Thus, IM needs to be considered in all internal communications: such as memos, emails and corporate training (Kaplan, 2017). Creating a plan for IM facilitates educating, advising and leading the workforce to perform better (Mishra, 2009).

According to Cooper and Cronin (2000), IM consists of efforts to train and encourage employees to provide better customer service. To influence employees in delivering better customer service, IM can use both marketing and HRM principles (Narteh & Odoom, 2015). Such HRM methods can include job analysis, recruitment, performance management, rewarding and training systems which can have a great impact on the success of IM (Bansal et al., 2001). When designing jobs and tasks, the features should include things that the potential employees value, which will help in attracting the best employees (Rafiq & Ahmed, 2000).

According to Akbari et al. (2017), studies show that key components of IM consists of training and development, recruitment, communication, motivation, rewards and empowerment. Factors like organizational support, honor, respect and sympathy should be considered as well(Akbari et al. 2017). In addition, Zeithaml and Bitner (2003) state that different IM tools include for example recruitment, training, motivating, reward systems and having the appropriate equipment and technology to the personnel (Zeithaml & Bitner, 2003).

Changing attitudes or behaviour of people is more difficult after recruitment, thus, companies should focus on recruiting motivated, customer-oriented personnel. With

this being said, the importance of training is huge – appropriate training can help to reduce role ambiguity, for example (Rafiq & Ahmed, 2000).

Increasing work satisfaction can be an effect of IM. When communicating marketing and other strategies to employees, it is important that the employees are made understand the effect of their work in the strategies (Rafiq & Ahmed, 2000). Thus, good and clear ways of communicating are necessary. Good communication is also linked to increasing job satisfaction and interfunctional coordination (Rafiq & Ahmed, 2000).

To conclude, IM practices can include, for example:

- Job analysis
- Recruitment
- Training and development
- Performance management
- Motivating
- Rewarding
- Communication
- Empowerment, organizational support, respect, sympathy
- Equipment and technology available

### **3.4. Internal Marketing in GVTs**

This sub-chapter discusses the topic of IM specifically in the context of global virtual teams. As stated earlier, GVTs can form and dissolve fast due to various changes (Daim et al., 2012) which might be pose a challenge for IM. Establishing an internal brand and gaining employees' trust requires time, thus, this can prove to be more challenging in the case of GVTs. However, not all GVTs are project-teams, which requires more permanent solutions, which is an argument in favor of establishing an IM strategy in the company.

Reflecting to the criteria for team virtuality by Schweitzer and Duxbury (2010) (technology-mediated communications, geographical or organizational dispersion, asynchronous work times), another GVT-specific challenge in IM can be especially the technology-mediated communications. As communication styles and mechanisms are different in GVTs, it also has an impact on IM. This is also related to the fact that in GVTs the employees are working in different locations, even different countries and time zones.

Snow et al. (1996) mentioned trust, team dynamics and cohesion cross-cultural communication and conflict resolution as key issues for collaboration in virtual teams. Also the profile of high-performing virtual teams of Lippert and Dulewicz (2018) include trustworthiness, commitment and cross-cultural communication style. When it comes to GVTs, the aspect of cross-cultural communication is relevant in conducting IM as well.

Dubé and Line (2001) recommended that all GVT members would be given cultural training at the beginning of a project, and stated that learning about national and organizational cultures can be very useful no matter the team members' past experiences. Training like this could address issues affecting team performance, for example working hours, expected behaviour, expected levels of performance and involvement, decision-making patterns, reviewal and approval of work and conflict resolution (Dubé & Liné, 2001).

As discussed in subchapter 2.5. regarding culture and GVTs, Matveev and Nelson (2004) stated that variables like having clear goals, roles and norms, participatory leadership, constructive feedback and cooperative culture affect multicultural team performance. These are factors that can be affected by IM. In addition, Matveev and Nelson (2004) point out the role of team member skills, such as being culturally empathetic and having information regarding other cultures. This is something IM could possibly help with: communicating and training employees, so they can strengthen these skills to become more cross-culturally competent.

Zaccaro and Bader (2003) stated that the following factors affect e-team effectiveness:

- Enhancing cohesion
- Nurturing trust
- Developing efficacy
- Generating shared understandings of the team task
- Promoting sharing of information and ideas
- Moderating team conflict
- Managing team affect
- Facilitating team coordination and integration
- Developing social and human capital

These factors, for example cohesion, trust, shared understanding of the tasks and information sharing, could be improved with the help of IM practices. As stated before, the IM practices can include job analysis, recruitment, training, performance management, motivating, rewarding, communication, empowerment and technology available, for example. Despite certain challenges, these same tools can be applied to GVTs as well. The goals and practices for IM in GVTs are summarized below in an integrative table, created based on the literature review.

*Table 4. Internal marketing practices in global virtual teams*

<b>Internal marketing goals in GVTs</b>	<b>What?</b>	<b>How?</b>
Goal alignment	Understanding team goals, roles, norms	Communication Participatory leadership Feedback
Developing trust	Improving cohesion and feeling of belonging	Participatory leadership Cooperative culture Feedback
Developing cultural competences	Knowledge about other countries, cultures and languages	Communication

## 4. RESEARCH METHODOLOGY

These following sections of this chapter introduce the case company, describe how data was collected and analyzed, and finally evaluate the validity and reliability of the study. The empirical part of the study utilized a qualitative approach based on a single case study, and the main data collection method is semi-structured theme interviews with case company employees.

In a qualitative study, the goal is to understand a phenomenon (Tuomi & Sarajärvi 2009, 28). A case study can answer questions starting with “how and why?” and it allows the researcher to gain specific information from a singular case or a small group of cases (Saarela-Kinnunen & Eskola, 2001; Laine, Bamberg & Jokinen, 2007).

Case study research might be a preferable method when the main research questions are “how” or “why”, the researcher has little or no control over behavioral events, and the focus of the study is a contemporary, not a historical, phenomenon. The more the research questions seek to explain a contemporary circumstance (for instance, “how” or “why” some social phenomenon evolves), the more the case study research will be relevant. In addition, case studies also are good if the research questions require an extensive and in-depth description of a social phenomenon. (Campbell & Yin, 2018)

The main research question of the study is: “*How* can internal marketing support communication in global virtual teams?”. The phenomenon to be studied is a contemporary issue and the researcher has no control over behavioral events. Hence, case study is an appropriate method to conduct the research.

A case study as an approach can combine different research methods and materials – it can for example have both quantitative and qualitative material (Laine et al., 2007). Case study data collection methods can include for example archives, interviews, questionnaires and observations (Eisenhardt, 1989). In this case all the

data is in qualitative form and the data collection method is semi-structured interviews.

#### **4.1. Case Description**

The case company operates in the field of technology, more specifically in 3D modeling and virtual reality. The company headquarter is in Helsinki, Finland, but most of the production team is located in Brazil in different cities. There are also some employees that work remotely from other locations. In addition to its own employees, the company often hires freelancers to help in different projects which adds up to the geographic dispersion of the project workers. The customers are mostly located in Finland, but also abroad.

#### **4.2. Data Collection**

In this study the data is in a qualitative form, and it is collected by conducting semi-structured interviews with the employees of the case company. Interviewing as a data collection method has several benefits. One key benefit is the flexibility as the interviewer can repeat questions, correct possible misunderstandings and present questions in desired order (Tuomi & Sarajärvi 2002, 75). In addition, interviews are targeted and insightful, focused directly on case study topics, but issues can emerge related to response bias and bias due to poorly articulated questions (Yin, 2009).

Interviews can be categorized into structured interviews, semi-structured interviews, and unstructured interviews or also called in-depth interviews (Saunders, Lewis & Thornhill, 2009). In a structured interview the questions and their order are the same to everyone (Hirsjärvi & Hurme, 2008). In an unstructured interview the questions are open, and the goal is to build a conversational setting between the interviewer and the interviewee (Hirsjärvi & Hurme, 2008).

This study uses a semi-structured interview, or a theme interview, as a data collection method. Semi-structured theme interviews are appropriate when the interviewees are not necessarily used to discuss the subject on a daily basis (Hirsjärvi & Hurme, 1982). In a semi-structured interview, the researcher has a list of themes and questions to follow, but the order of questions might vary and new questions might emerge during the interview (Saunders et al., 2009). Theme interviews allow the interviewees answer the questions with their own words, and they focus on certain themes instead of specific questions, so the interpretations of the interviewees come to light (Hirsjärvi & Hurme, 2008).

The main data collection method is semi-structured interviews with employees of the case company. The interview questions were categorized according to different themes and created based on the literature review to find answers to the research questions.

The interview process was as follows:

1. Planning the data collection (research method, themes and questions)
2. Choosing and contacting interviewees
3. Conducting interviews
4. Transcription
5. Analysing

The interviews were conducted one-on-one with different team members. The interviewees were chosen so that there would be representatives from different levels of the company and from different departments and locations. Four of the interviews were conducted in Skype and one in person. All of them were recorded either directly in Skype or by a smartphone recorder application, and transcribed. The duration of the interviews varied from 20 to almost 50 minutes – with the average length of 33 minutes. All the interviewees had previous experience of working in a GVT. The interviewees are described below (table 5).

Table 5. Interviewees

Interviewee number	Position	Interview date	Interview length
1	Project Manager	5.4.2019	40 min 44 sec
2	CEO	8.5.2019	24 min 31 sec
3	Employee	19.6.2019	20 min 12 sec
4	Project Manager	3.7.2019	47 min 4 sec
5	Project Manager	5.7.2019	33 min 41 sec

The interview themes, that were used as a basis to conduct the interview, were as following:

Table 6. Interview themes

Topic	Themes and possible questions
Beginning of the interview	Purpose of the interview Research questions and aims
Introductory questions	E.g. What is your position in the company? When did you start in the company and how?
<b>Global Virtual Teams</b>	
Working in GVTs	GVTs in your organization Advantages and disadvantages of GVTs Success factors and challenges of GVTs
Communication	Atmosphere and communication in the company Benefits and challenges of virtual communication How to tackle the communication challenges in GVTs
<b>Internal Marketing</b>	
IM in the organization	How can you see IM in the organization (examples, what IM practices are used) Has there been any critical moments in the development of IM Possible improvements

The basis for the interview was created on the goals of finding out the current stage of IM in the organization, after that recognizing the challenges in communication and finally, thinking what IM practices could help with the challenges in the context of GVTs. When planning the interview themes and possible questions, the literature review conducted earlier was taken advantage of.

### **4.3. Data Analysis**

Baptiste (2001) presents four phases common to all qualitative data analysis:

1. Defining the used analysis type
2. Classifying the data
3. Making connections among different classes of data
4. Presenting the results of the analysis

In this research the data analysis is done by qualitative content analysis that can be used as a basic analysis method in qualitative research. The analysis starts by selecting observations that are relevant to the research questions from the collected data and separating them from other data. Analyzing continues for example by categorizing and thematizing the separated data. Finally, the separated data will be analyzed and conclusions are made. (Tuomi & Sarajärvi, 2009)

Categorizing can happen with coding. Coding means that the features, instances, issues and themes in empirical data are classified and given a specific label, a code (Eriksson & Kovalainen, 2008). In coding, for example numbers, colours and letters can be used. Thematizing is grouping qualitative data according to different themes, so comparisons can be made easier on how often the different themes appear in the data (Tuomi & Sarajärvi, 2009).

The analysis of the recorded data started by transcribing the interviews to a text format. All of the interviews were transcribed, besides the breaks and filler words were left out, as they were not considered relevant in analysing the results. In this study coding was done by using different colours by grouping data according to different themes that were relevant to the research questions. This helped seeing

connections between different respondents and highlight important observations. After that the selected responses were thematized, grouped according to themes.

#### **4.4. Reliability and Validity**

This chapter discusses the reliability and validity of the research. Reliability means the consistency of the study, for example if other researchers would come up with similar results or conclusions (Saunders et al., 2009). For example, in the context of a case study as a research method, the reliability is related to the question if the same case study would be repeated, would the researcher come to the same conclusions than in the first one (Yin, 2009). Validity refers to the accuracy of the research, meaning whether the research methods measure what they are supposed to (Saunders et al., 2009).

According to Hirsjärvi and Hurme (2008), the reliability or trustworthiness of a qualitative study can improve if the researcher explains the research process to the reader – for example, the circumstances when conducting interviews (e.g. place, time and possible distracting factors) and basis for researcher's conclusions. Explaining about the interviews is in fact done in the paragraph 4.2.1. and the data analysis methods in 4.3.

It is essential that the research questions are not leading or expose the researcher's own opinions, since the researcher needs to stay unbiased and let the interviewee provide the answers (Yin, 2009). The aim to stay impartial was crucial in the research. The researcher was working in the case company and already had prior knowledge on the topic, which is why the research questions needed to be planned objectively.

*Subject error, subject bias, interviewer bias and interviewee bias* can be threats to reliability of a study. If the interviewer or interviewee is not properly prepared for the interview, the threat of interviewer/interviewee bias arises. (Saunders et al., 2009) To decrease interviewee bias, the interviewees were sent a brief of the study,

including the main concepts, before conducting the interview. In the beginning of the interview the main concepts were explained to the interviewees.

Another possible weakness in interviews in data collection is subject bias, or reflexivity, meaning that the interviewee might give such answers that they think the researcher wants to hear (Yin, 2009). Thus, the interviewees were explained that there were no right or wrong answers in the interview, which aimed to decrease the pressure of answering in a certain way.

Also, the faster the data is transcribed and analyzed, the more reliable the research is (Hirsjärvi & Hurme, 2008). To increase reliability, the interviews were transcribed on the same day or maximum the next day after the interview.

Being a qualitative research that is based on a single case company, having multiple sources of data would increase the reliability and validity of the research, such as interviews from other companies or from more team members. To verify both reliability and validity, other research methods such as quantitative surveys could be used to complement the qualitative data, but this was discarded in the scope of this particular research.

## **5. RESULTS AND DISCUSSION**

This chapter describes the results of the empirical research, while relating them to existing literature. The chapter is divided into the following topics:

- Benefits and downsides of GVTs
- Communication challenges
- Trust and connection
- Internal marketing

### **5.1. Benefits and downsides of GVTs**

This subchapter will describe the benefits and drawbacks of GVTs that came up in the interviews, as it sets a basis for some of the challenges that might emerge when working in GVTs.

Interviewee 4 described GVTs often starting out as a business model: it can be a way of companies allocating the most time-consuming tasks to regions with cheaper labor costs. However, GVTs can become much more than that when companies know how to use it in the right way, as interviewee 4 added. Nowadays more and more employees appreciate the possibility of working remotely. Interviewee 2 explained that the company culture can offer the chance to work from anywhere you want and even change places occasionally, a flexibility which might attract job seekers. Interviewee 5 agreed that having the possibility to work remotely is essential today. Interviewee 1 pointed out the aspect of flexibility that GVTs can bring and that not everyone is the most productive from 9 to 17, which companies don't always take advantage of.

Already ten years ago, Eom (2009) has stated that virtual teams can be used to overcome traditional organizational barriers regarding costs, location, time, space, lack of talent or expertise in an organization. According to Pinjani (2013), GVTs can improve productivity. This came up in the interviews as well. Interviewee 2 mentioned the productivity improvements and cost savings, if the company is being

able to tap into the full potential of GVTs and spread their production to different time zones. This can mean for example organizing the production so that one employee can pick up from where the other employee in another time zone just left off. Another way of taking advantage of these time differences is for example preparing feedback to the team when the others are still resting. This was in accordance with the previous studies regarding the benefits of GVTs. In contexts where companies' operations do not necessarily have to happen in one geographic area, virtual teams have become important (Horwitz et al., 2006).

What came up in four out of five of the interviews as a benefit of GVTs was hiring people across the world. The interviewees believed that being able to use the global talent network can increase the quality of the work as you can hire professionals no matter the location. Also, previous research had pointed out that virtual teams can be used to acquire certain skills or knowledge for projects, and that they can be used to tap into the global talent pool (Zaccaro et al., 2003; Bergiel et al.; 2008).

Related to recruiting worldwide, interviewee 3 emphasized the learning factor in GVTs. Having different talents in the team lets the other team members learn new things. This also allows creating the best possible team for each project. According to Pinjani (2013), GVTs can indeed obtain global knowledge and transfer best practices to new team members. Interviewee 4 brought out that in the best case, GVTs bring together people with different points of view and cultural backgrounds. Thus, everyone in the team can end up learning a lot, which can add a lot to the company.

As stated, in this study the main benefits of GVTs were described as increasing productivity, gaining cost savings, being able to hire people across the world and creating cross-cultural teams that can bring added value to the company. In addition, from the point-of-view of an employee, GVTs can bring flexibility, possibilities to work location-independently and to learn from different people.

GVTs were seen mainly as a positive phenomenon in this study, even though they do come with their challenges. Such challenges mentioned were overworking

(interviewee 1), language issues (interviewee 2, 4), communication problems (interviewees 1, 2, 3, 4, 5), cultural conflicts (interviewee 4) and time difference issues (interviewee 3).

The overworking was mentioned as a drawback of the flexibility GVTs bring on a personal level. According to interviewee 1 sometimes you might end up working too many hours and you don't realize that your work life is affecting your free time. Interviewee 3 mentioned that when people are working in different time zones, often someone has to compromise and adapt their working hours to maximize the time spent at the same time online. Already Snow et al. (1996) has stated that virtual workers might have issues in preventing work matters from intruding their private life, and that they indeed might feel the need to stretch their workdays to have meetings with their colleagues working in different time zones.

Earlier research, such as Pinjani (2013), has stated that in GVTs problems can arise from interpersonal relationships, geographic barriers and time, language and cultural differences. Thus, this research supports this conclusion that geographic barriers, time, language and cultural differences have an effect on GVTs. A lot of this is related to communication as many of these factors might cause miscommunication. What emphasizes the importance of communication in GVTs, it came up various times in the interview, also when the interviewees were asked about the success and failure factors of GVTs (interviewees 1, 2, 5). Thus, it seems that clear communication is one of the keys for a GVT to succeed.

## **5.2. Communication Challenges**

The main issue that arose in the interviews was communication: misunderstandings and communication breakdowns which can be caused by various features that GVTs tend to have. First of all, GVTs usually have members who don't necessarily have the same mother language and come from different cultural backgrounds. Not sharing the same language can cause misunderstandings, and when you add in being in a different time zone than your colleague, communication can get quite

tricky. For example, it is quite common that people are not online at the same time and there is a delay in responding messages.

Both interviewees 1 and 2 described a familiar situation, where you are physically in the same office with someone, and you have a question where you need a quick response. Getting that answer tends to be much easier in that situation than writing to a person in the chat or via email and waiting for an answer.

*“If you are with someone in the office, if you didn’t understand something, you can just stand up and walk up to the next desk and say “hey, I’m not getting it”. In this situation, you have to write if the person is online, they will respond, otherwise they won’t respond right away.”*

- Interviewee 1

As Horwitz et al. (2006) stated, when the team members cannot contact their colleague right when they have a question that requires attention before continuing the work, they might be left with frustration. However, sometimes asynchronous communication can be seen as positive as well. Interviewee 5 saw asynchronous communication as a benefit of GVTs, as you do not have to wait the other person to be online to send them a message. Whether or not you see asynchronous communication as negative or positive, might depend how urgently you need your co-worker to respond. In some cases, there might not be a problem, if the other party answers when they find the suitable time or when they are online.

When the GVT consists of individuals that do not speak the same language fluently, communication breakdowns can occur due to the language barrier. Interviewee 3 pointed out if the main communication method is in text format, for example using chats or email, the chance for misunderstandings increase as text is prone to misinterpretations. Interviewee 4 and 5 explained that a lot of things can get lost in the communication when you don’t see people’s expressions, you don’t hear the intonations, which makes communication challenging. Already Greenberg et al. (2007) stated that technology-aided communication does not convey the same

emotional cues and reactions that face-to-face communication, which was found as a challenge for communication in GVTs in this study too.

On the other side, interviewee 4 pointed out that despite language being an issue, there are ways to work around it with the help of technology. They described a situation that even though a person would not have perfect language skills, they can still use tools like Google Translate to translate materials and instructions. Interviewee 4 also added that in these kinds of situations it is important to ask if there is anything unclear, and for the managers, to state even the obvious.

Previous research, such as Horwitz et al. (2006), Pinjani (2013) and Daim et al. (2012), have stated that culture can indeed create communication challenges in GVTs. What is interesting, not everyone of the interviewees brought up the effect of culture in the discussions. However, it might be an underlying factor to some of the challenges the interviewees did bring up. It might also be that in this specific study, the persons interviewed were already used to dealing with some of the challenges culture might cause. Interviewee 4 did point out that sometimes all parties could meet each other at the middle when dealing with communication and cross-cultural issues. Often mutual understanding and putting yourself in the place of the other are very important.

Eom (2009) has described VT challenges being related for example to differences in virtual team members' habits and willingness to communicate and share information. When different communication styles come together, problems might emerge. Shachaf (2005) had also stated that when people with different cultural backgrounds work virtually as a team, there can exist different ideas about what is considered as good performance, right way to communicate and accountability.

What was surprising, only interviewee 4 pointed out directly some important cultural aspects that might cause conflicts especially in GVTs, one of them being time management. According to Meyer (2014), there are linear-time and flexible-time cultures. In linear-time cultures the project steps are seen as a sequence – completing one task before beginning the next, the main focus being on the deadline

and schedule, and valuing organization over flexibility (Meyer, 2014). On the contrary, in a flexible-time culture the project is seen as more fluid, tasks might change suddenly, interruptions are more acceptable, and multitasking is more common (Meyer, 2014). The focus is on adaptability and flexibility is valued over organization (Meyer, 2014). Thus, time and its linearity or lack of can be perceived very differently in different cultures. This can be seen for example in scheduling meetings or deadlines.

Another dimension mentioned by interviewee 4 was indirect versus direct communication. For example, it can vary a lot culturally if problems and issues are communicated straight way when they occur, if saying “no” to your co-worker or boss is acceptable, or if there is a low barrier to ask questions to make sure you have understood correctly. This is related something as Hall (1976) described as low-context versus high-context communication. In high-context cultures, a part of the message is delivered more indirectly and non-verbally, via the context. Meyer (2014) called this “listening to the air” – meaning that it is the listener’s responsibility to read by the lines and understand the meaning of the message. However, in GVTs this might be a problem as the practice of “listening to the air” might lead only to more misunderstandings. As interviewee 4 said, trying to read between the lines is like “trying to create mistakes”, meaning that it can be very dangerous.

When discussing communication and misunderstandings, interviewee 2 described situations where people end up working on a task but not have understood it properly, which might lead to the task having to be re-done later. Interviewee 4 brought out the fact that in a virtual environment people might be afraid to make questions if they are scared their question could be considered silly. This might be enhanced if the other party comes from a culture where communication tends to be more indirect, or high-context.

Interviewee 4 explained that another aspect that can emerge in the work culture of GVTs is that if people need to be reminded of tasks and whether or not they assume the task was not important if nobody is checking up. Interviewee 2 added that in GVTs it is essential to make sure that everyone understood the task and keep

checking up on the process, and patience and attention to detail is needed from the team leader. Culture might affect this as well, as in other cultures being a self-starter is more appreciated and in others a task might not be considered as important if you do not get reminded about it. These can be used as examples of situations where culture can be an underlying influencer, even though the language or text-based communication can already cause misunderstandings by themselves.

In addition to time zone, language and culture differences, the interviewees brought up also other challenges related to communication in GVTs. They also described the challenges as updating everyone on the things that are going on (interviewee 1, interviewee 2), making people feel like they are part of the same team (interviewee 2) and making people understand their purpose and place in the company (interviewee 5). So, communication challenges in GVTs are not caused solely by speaking a different language, being in a different time zone, coming from a different culture or using technology to communicate.

In fact, all of this has a deeper layer. The challenges that the interviewees brought up are related to internal communications, feeling of integration and belonging and understanding the connection between the company goals and your own work. For example, Greenberg et al. (2007) has stated that VT members might struggle in “seeing” themselves as belonging when the team is only visible electronically and the social dimensions of working together are different (Greenberg et al., 2007).

Earlier research has also stated the importance of communication in GVTs, and that there are several factors that can lead to communication failure or misunderstandings. Horwitz et al. (2006) emphasized that communication in virtual teams is more complex due to skill complexities and differences in personalities, cultures and language. According to Daim et al. (2012) trust, relationships, cultural differences, leadership and technology can contribute to the failure of communication in GVTs. This research adds to those studies, while emphasizing also the deeper layer of communication. This is something that will be discovered further in the subchapter 5.4 where internal marketing is discussed.

### 5.3. Trust and Connection

All successful teams share core pillars that are trust, leaderships and relationships (Katzenbach & Smith, 1993). In addition to trust, team dynamics, cross-cultural communication, conflict resolution and team cohesion are key issues for collaboration in transnational teams (Snow et al., 1996). Thus, it is clear that establishing trust and connection within the team is very important. According to Lin et al. (2008), relationship building and cohesion have an impact on both communication and coordination, which finally influences on the performance and satisfaction of the virtual team (see figure 2 in chapter 2.2.) Thus, these social factors should be considered during the GVT forming and development process. This study also indicates the importance of relationship building and getting to know your colleagues.

Interviewee 5 described the relationships and the trust in the team as very good despite the distance, and that the team knows each other in a personal level which helps communication and the teamwork. Interviewee 1 described trust being a sum of knowing people and having experience working with them, for example delivering a project together. Interviewee 3 said that trust in a virtual environment can be increased by having responsibilities and meaningful tasks, which gives the idea that the company really trusts the employees to deliver. Greenberg et al. (2007) has pointed out that trust usually develops after a history of interpersonal interaction and communication – when people get to know one another. Brown (2018) has stated that trust is a slow-building, iterative and layered process that happens over time, and that it needs reciprocal vulnerability. This might be hard with GVTs. Interviewee 2 emphasized the importance of meeting your colleagues at least once face-to-face, if possible. Despite working virtually, it is important to get to know each other and each other's skills. Without knowing your own team, a GVT might fail, interviewee 2 states:

*“Even though you have a virtual team, it's important to meet and work from the same location occasionally. -- People have to get to know*

*each other, to get to know the mutual skills. If you don't have this, you can easily fail, without knowing the people and your own team."*

- Interviewee 2

When a VT is forming, building trust can emerge due to lack of informal communication and the electronic communications used might cause mistaken first impressions (O'Keefe et al., 2011). Relationships most likely take longer to develop, and in case of conflict the team members might prefer to avoid confrontation and refuse to respond (O'Keefe et al., 2011). Daim et al. (2012) pointed out that trust is even more important in virtual teams as the project manager cannot have a face-to-face contact with the team members, and that the team morale can suffer if the remote members feel neglected. What supports this, is that interviewee 2 linked trust and communication: any lack of communication might affect trust negatively. Interviewee 4 stated that creating trust can be difficult in GVTs due to the possible communication breakdowns or misunderstandings, but that asking and being clear tends to help. As Brown (2018) phrased: clear is kind, unclear is unkind. Interviewee 4 also described the creation of trust starting with honesty and clarity:

*"I think the tool to creating trust is honesty. And there is no other way of creating honesty than being honest."*

*"You shouldn't read between the lines; you shouldn't even try. It's like trying to create mistakes. So sometimes what I do, when I feel like something isn't that clear, someone is not understanding, someone is like... that I can't count on them, because of something, I ask."*

- Interviewee 4

What was surprising, interviewee 1 explained that they feel closer to the virtual team than if it was a physical team, and explained it is because working virtually requires more attention and engagement. Interviewee 5 also stated that often when working virtually, people tend to share more and give status updates, things they would not

necessarily do if they were at the same office. This was also an interesting and surprising, as it suggests that the level of trust or engagement is not necessarily lower in a GVT than a traditional team. This also indicates that there are ways to work around the challenges GVTs struggle with.

Technology brings challenges in GVTs but can alleviate them as well, since it offers possibilities to communicate and work in new ways. Interviewee 5 praised the virtual communication tools and said that nowadays people can even work together on the same software without being physically in the same place. Interviewee 1 also explained that technology helps to get over the geographical distance and the challenges of not being physically present:

*“I don’t believe in distances. I believe in organization and commitment. I think the tools we have today, allow us being present without being physically present.”*

- Interviewee 1

Daim et al. (2012) and Eom (2009) have emphasized the importance of a strong leader in a GVT. Some of the leadership challenges that are critical to success include goal alignment, knowledge sharing and motivation (Zander, Zettinig & Mäkelä, 2013). Related to communication and creating trust, interviewee 1 explained their approach as a manager on how to create connection virtually with the team members. Interviewee 1 had created a routine of talking a little bit with each of the team members every day, checking up on how things are going, what possible challenges they might have, and how can the team leader be of help. Interviewee 1 described this approach as being as an assistant to the team members, not just a manager.

*“Providing them [the team members], more feedback and support, is a way of saying: ‘Hey guys, you’re not alone, let’s all work together. I will be here tomorrow.’ So they feel some sort of, not obligation, but some sort of partnership and think: ‘I should be here tomorrow too.’”*

- Interviewee 1

According to interviewee 1, once you see the manager working with the team, not just supervising them, it increases the engagement of the team members drastically. As interviewee 1 put it, being understanding, having empathy and trying to put yourself in the shoes of the others, often works wonders. This emphasizes the role of the manager in engaging the team members. It also indicates that having low hierarchy in the team and seeing your manager as a part of the team, might increase the engagement too.

To conclude, trust can be a challenge for GVTs but there are ways to work on it and make the trust grow. A lot of establishing trust relates to communication. Clear, honest communication with the help of technology can help to alleviate the challenges GVTs are facing, and this is also where IM comes in.

#### **5.4. Internal Marketing in GVTs**

So far, this study has discovered some of the challenges GVTs have, and a lot of it seems to be related to communication. When asked about the current state of the internal marketing and internal communication in the company, interviewee 2 had a metaphor of being on different, isolated islands when talking about the people who work from different locations. However, interviewee 2 explained that it is something that the company does want to improve by making everyone feel like they are a part of the same company and the same team.

One of the IM goals can be making sure everyone feels they are a part of the same team working towards common goals. As presented in subchapter 3.4. in table 4 (Internal marketing practices in global virtual teams), IM can have goals like goal alignment, developing trust and developing cultural competences. Developing trust is also related to improving cohesion of the team and feeling of belonging. Interviewee 1 mentioned how sharing the achievements and the vision of the company can make people more engaged and want to work harder. Earlier research supports these statements. According to Vasconcelos (2008), IM is essential in

creating a workplace where the employees enjoy their job. Akbari et al. (2017) had stated that IM can be used to drive employees toward organizational goals, using for example training and motivating.

It seems that the need for IM grows together with the company. For instance, in small teams miscommunications might be easy to resolve, but as the company size increases, unsolved things might become an issue. Interviewee 4 describes how the case company started to pay attention more to internal communication and marketing issues little by little:

*“Starting the moment, when we started to have people taking care of that [internal marketing] – that was the first step. Like having someone whose part of their duties were to think a little more about the communication, to think more about company culture, and of people feeling valued and feeling trusted.”*

*“The company has to have a conscious effort to always make sure that things are being communicated clearly and understood clearly. And that takes time, that’s something we are learning right now.”*

- Interviewee 4

In addition to communication, the interviewees described the challenges of GVTs as updating everyone on the things that are going on (interviewee 1, interviewee 2), making people feel like they are part of the same team (interviewee 2) and making people understand their purpose and place in the company (interviewee 5). While as these factors were mentioned as challenges, they could be also considered the goals of IM might have in an organization. Interviewee 2 explained that in the routines of the busy work life it is easy to think that everyone is aware of the things happening in the company. In fact, keeping everyone updated and keeping up IM efforts should be very well planned, and it requires time.

*“When a lot of things are happening and you are involved in the daily hustle here, you start easily to think that that is conveyed*

*automatically to the whole company, but that's just not possible. You have to create mechanisms and tools to take the things that are obvious to us, to elsewhere."*

- Interviewee 2

Interviewee 4 described the same issue, but from another point of view: it is easy for people to feel not lack of belonging or integration to the team, when they do not see everything that is happening in the company or "behind the scenes", so to say. According to Kirkman et al. (2002) the challenges in virtual teams can indeed be related to overcoming the isolated feeling among team members. Informal conversations during lunch or coffee breaks help teams form a collective identity and group norms, which can contribute to virtual team members struggling with sense of belonging when the team is only visible electronically (Greenberg et al., 2007). Thus, informal discussions should be included to the communication of GVTs as well as it can help in increasing sense of belonging.

*"Being far away, people don't see the background of stuff, like what's going on, what they're not working on directly, but other people are. If you are in the same space, you can kinda see what the others are doing, even though you are not working together with them."*

- Interviewee 4

When discussing effective IM practices, the interviewees saw that information sharing, spreading company goals and values and celebrating achievements together were the most important aspects. Interviewee 4 emphasized it is essential to make sure people know their work is being valued and used:

*"You let people know that the work they are doing is being shared with other people in the company. I think that is very important and that they feel that their work is a part of the company, and not just that 'I just do my work and I never see it again and I don't know what happens.' And that's it. "*

- Interviewee 4

Already earlier research on IM has stated that it is important that the employees understand the effect of their work (Rafiq & Ahmed, 2000). What came up in this study was in accordance with this. It needs to be made sure that the team members know their work is being valued, shared and being used. This makes people see the effect and the purpose of their work. To increase the integration of new people entering the team, interviewee 5 explained that it is essential already during onboarding to explain the purpose both of their personal work and of the company to each employee.

Interviewee 3 explained that so far the communication of company values and goals has been indirect. However, the aim is to make it more visible from now on and the company had recently taken an approach of sharing the company vision by organizing a separate event. What needs to be noted that not every company or team might have the possibility of organizing an event, or there might be some people who cannot be present due to the distance. Interviewee 2 did state that it is important to find new ways of communicating the goals to the people who are not present, so that even the team members who take part in just one project would be able to understand the purpose and the importance of their job performance. Interviewee 5 suggested that the company could do more video content and live streams to organize virtual events.

Interviewee 4 stated it is important that the people have goals and places they can get to inside the company or team, for example in the form of feedback and development discussion sessions. Snow et al. (1996) had also pointed out that having clear objectives, roles and responsibilities is the main contributing factor in the success of forming teams and communication in transnational teams. Interviewee 3 emphasized how important it is to have a proper closure for a project and receive feedback. In addition, interviewee 5 talked about the importance of giving feedback and open information sharing. Interviewee 5 also said that digital tools can help giving feedback and quick praise to people, as it can be done privately via a chat tool, for example. Interviewee 2 also brought up celebrating things together, for instance the end of a project.

Matveev and Nelson (2004) had developed a framework on multicultural team performance that includes national cultural orientations, cross-cultural communication competence and other factors. The framework highlights that clear goals, roles and norms, participatory leadership, constructive feedback and a cooperative culture influence team performance (Matveev & Nelson, 2004). This can be applied to GVTs as well, as the interviewees stated especially having goals and receiving constructive feedback as effective ways of conducting IM.

Zander et al. (2013) described leading global virtual teams as a process: the three phases consisted of welcoming, working and wrapping up (see table 1 in chapter 2). In the welcoming phase the focus would be on goal alignment, relationship and trust building and task definition, whereas the second phase would focus on roles, processes, coordination and communication. The third phase would be the finalization and de-briefing where you would review critically the project outcomes and reflect on learning outcomes. Based on the outcomes of the thesis, this kind of process could indeed be used in GVTs. Establishing relationships, trust and goals is important for the team to function, whereas communication is also one of the critical factors. In addition, as the interviewees stated, receiving feedback is important, thus, post-project de-briefings are an excellent tool for that.

When the team members are not in the same physical space, IM practices such as feedback sessions and sharing company values need to happen virtually. As Horwitz et al. (2006) stated, some of the GVT issues related to communication might be resolved by technology and having the right tools, but it requires more work from the team members to overcome the communication gaps. Thus, while creating certain challenges, technology can be a solution as well. With the help of technology and different tools the communication can be, in fact, improved and enhanced, but it needs effort from the team members and managers. In a virtual environment communication and IM can happen through videos, like explaining the project feedback and current updates on what is happening in the company.

Interviewee 4 and 5 emphasized that having a centralized communication tool, for example Slack, for the whole company helps. Interviewee 4 added that having a

common communication channel breaks the hierarchy as everyone has access to everyone, while it also helps to get to know the team better. Interviewee 4 explained they always request people to put their photos on their Slack profiles which makes recognizing people easier and adds up to people feeling like they are a part of the company. Interviewee 5 also said that centralized communication helps remembering to answer all the messages, and that tools that allow sending messages to groups help to follow the status of a project.

Interviewee 4 pointed out a similarity between external marketing and IM. Both consists of activities that require effort and time and do not happen automatically:

*“It’s an effort. It’s not something that happens naturally that we are just gonna be this nice brand and people are suddenly gonna love us. It’s kinda like ‘no, we are going to work on this’ and we want people to understand a certain message, a certain value.”*

- Interviewee 4

This is just what Rafiq & Ahmed (2000) stated in their definition of IM: “Internal marketing is a *planned effort using a marketing-like approach*”. IM needs an effort from the company and only by allocating resources, time and energy to implement it, successful results can be achieved.

Also, according to various studies (Berry et al., 1976; Varey, 1995; Berthon et al., 2005) emphasize the importance of employees being the first market of the company. Meaning, that employees should be treated like the internal customers of the organization. In this context, the company should aim to satisfy the employees’ needs first. Thus, the satisfaction of the employees is the intermediate goal of IM and the final goal is customer satisfaction (Gounaris, 2010; Akbari et al. 2017). This study emphasizes the importance of IM in the context of GVTs.

According to Akbari et al. (2017), studies show that key components of IM consists of training and development, recruitment, communication, motivation, rewards and empowerment. Also, previously Zeithaml and Bitner (2003) had stated that different

IM tools can include recruitment, training, motivating, reward systems and having the appropriate equipment and technology.

This research adds to the existing literature on GVTs and IM. Often GVTs struggle with the lack of sense of belonging and integration, which can be caused by the fact that people are not able to see everything that goes on in the company daily or what their colleagues are working on. Out of IM practices, information sharing and communicating company goals and values were seen as very important.

Another key element is having proper closure for projects, receiving feedback and celebrating achievements together. In GVTs, communication and IM can happen through videos, like giving project-related feedback and updates on company issues. Like Akbari et al. (2017) had stated, honour, respect and sympathy are important elements in IM too. This study also discovered that having empathy and trying to put yourself in the shoes of the others helps in a lot of situations.

## 6. CONCLUSIONS

This section will conclude the main findings of the research. This section answers the main research question as well as the sub-questions, while presenting both theoretical and managerial implications of the study, and finally, the limitations and possible future research topics.

### 6.1. Summary of the findings

This subchapter will summarize the findings of the study, starting from the two sub-questions and finishing with the main research question.

#### *Challenges in the internal communication of GVTs*

Communication was recognized as one of the main challenges in the study, and this was due to many different factors combined. When communication happens mostly in text format which is prone to interpretations and you cannot see the other party's expression, misunderstandings tend to happen more. Language differences and time zone are also aspects that can lead to communication breakdowns. Misunderstanding work tasks might lead to reworking as someone might start working on a task that they have not understood properly, which can cause huge risks. When it comes to the time zone dimension, often you cannot get a response to your question right away.

Building trust and connection can be challenging in virtual environments, since it might take longer to get to know your colleagues properly due to lack informal discussions and face-to-face meetings. When it comes to globally dispersed teams, people cannot not see everything that is going on in the company or the background. This might be a reason for feelings like the lack of sense of belonging or lack of integration, which can also affect communication negatively. Thus, on a broader scale, communication challenges in GVTs do not consist only of language or time zone issues, but also about deeper things like how to create connection and integration in a virtual environment. GVT members might struggle also with

perceiving the connection between the company goals and their own work. If the team members do not see their input being valued, it can easily affect their motivation. It needs to be thought out how to create a culture where the remote employees do not feel left out, but instead, feel supported and be engaged members of the team.

### *IM practices that can help with the communication challenges*

As mentioned, GVTs do not struggle only with language, culture, time difference or communication tool issues, but with building connection, trust and integration amongst team members. To facilitate communication in GVTs, it is important to aim to be as clear and concise as possible and be active in asking questions if anything is unclear. This also requires a certain atmosphere of trust in the team, as everyone needs to be able to feel free to ask questions that might feel even silly.

Basis for effective communication is creating an atmosphere of trust where the team members know each other and the common goals they are striving towards. Trust starts with honesty and is developed little by little, for example after first working together to deliver a project. As Brown (2018) wrote: *“Trust is the stacking and layering of small moments and reciprocal vulnerability over time.”* This applies to any team. Thus, trust building should be considered in GVTs as well.

Zander et al. (2013) described leading global virtual teams as a process: the three phases consisted of welcoming, working and wrapping up (see table 1 in chapter 2). In the welcoming phase the focus would be on goal alignment, relationships, trust building and task definition, whereas the second phase would focus on roles, processes, coordination and communication. The third phase would be the finalization and de-briefing where you would review critically the project outcomes and reflect on learning outcomes. Based on the outcomes of this research, a similar process could be extended to include internal marketing in GVTs. Establishing relationships, trust and goals is important for the team to function, whereas communication is also one of the critical factors. In addition, as the interviewees

stated, receiving feedback is important, thus, post-project de-briefings are an excellent tool for that.

For instance, IM practices for GVTs can include:

- Sharing the story of the company internally
- Brainstorming the values and the goals of the company together
- Building trust and relationships through honesty and informal discussions
- Celebrating achievements together, such as the end of a project
- Giving constructive feedback
- Expressing appreciation and gratitude

While as technology sets challenges for GVTs, it can also alleviate them. In a virtual environment a lot of IM practices can be implemented through videos whether it be pre-recorded videos, Skype conferences or live streams. Having a centralized communication tool, like Slack, can make communication easier and helps to get to know the teammates better. Managers can also use virtual communication tools to praise and give feedback to people individually. In addition, some IM practices, for example feedback and gratitude, can be done by fellow teammates too. Thus, if there exists a culture of feedback and gratitude, it can nourish IM and communication as well.

#### *Internal marketing supporting communication in GVTs*

It is important to acknowledge that co-located teams do not automatically have better communication than dispersed teams, as sitting in the same office does not always mean that the communication would be working smoothly. Effective communication needs always an effort to work, no matter the team. However, GVTs do tend to struggle with lack of sense of belonging or integration, which highlights the importance of internal marketing in such teams.

IM can focus on updating everyone on the things that are going on, making people feel more integrated, and making people understand the purpose and the effect of their work, for instance. This way the team members become more aware of the

common goals and see their part in achieving them. Another important aspect is making sure people know their work is valuable. Eventually all these can be seen to increase organizational commitment, sense of belonging and knowledge of the common goals, which can lead to improved communication.

Table 7 summarizes the practices and tools of how IM can be implemented in a GVT during the different phases of team performance. The table is integrated with earlier literature, with the team formation phases and the focus areas column adapted from Zander et al. (2013) and the “What?” and “Why?” columns being based on this research.

*Table 7. Internal marketing process for GVTs (Adapted from Zander et al., 2013)*

<b>Phase 1 - Welcoming</b>		
<i>Focus areas</i>	<i>What?</i>	<i>How?</i>
Goal alignment Relationship building Trust building Task definition	Sharing the goals and the story of the company “Getting everyone on the same page”, having a shared vision Getting to know people Assigning tasks and projects that feel important	Stories and customer case studies Internal videos Communication tool like Slack Organizing a vision event Informal discussions
<b>Phase 2 - Working</b>		
Finding capabilities and knowledge in the team Roles and processes Coordination tools	Keeping up communication Increasing engagement and sense of belonging	Informal discussions Status updates Videos
<b>Phase 3 - Wrapping up</b>		
Finalization De-briefing Critical review of outcome Reflect on learning outcomes	Making people feel valued Celebrating together Sharing achievements Showing appreciation Thinking of development points	One-on-one feedback Team feedbacks Project closure meetings Culture of gratitude

One of the most essential elements is sharing the vision and goals. Even though in process these aspects are placed in the welcoming phase, they need reinforcement

during the other phases as well. Another key element is placed in the wrapping up phase: making people feel valued, celebrating together, sharing achievements. Also, this does not have to happen only at the end of a project – it might be even better if you receive small pieces of gratitude and feedback when the project is going on. To conclude, all of the internal marketing practices have a strong connection to communication. The tools to implement IM in GVTs already exist – it just needs an effort from the organization.

### **6.1. Theoretical Implications**

We can reflect on the definition of IM of Rafiq and Ahmed (2000): *“Internal marketing is a planned effort using a marketing-like approach to overcome organizational resistance, align, motivate and inter-functionally coordinate and integrate employees towards the effective implementation of corporate strategies. The end goal of IM is to deliver customer satisfaction with the help of motivated and customer-oriented employees.”*

The definition from almost 20 years ago is still relevant even with global virtual teams, with the goals being implementing corporate strategies and delivering customer satisfaction with the help of motivated employees. Especially important has become the part of motivation of employees, though the motivating factors might have changed during the years.

In this study the main challenges of GVTs were considered as communication problems which indeed emphasizes the importance of effective and clear communication in GVTs. These issues were caused by various factors such as language and time difference aspects, but challenges also emerged from lack of sense of belonging and integration that global dispersion can cause.

What this study mainly contributes to the research is the IM practices in a virtual environment, as this was something that had not been studied before in this context. Out of IM practices, information sharing and communicating company goals and

values were very important to create trust and align goals. Another key element is having proper closure for projects, receiving feedback and celebrating achievements together. What is extremely important, is to make sure people feel valued and that their work has an effect and a purpose. In practice, when it comes to GVTs, communication and IM can happen through virtual communication tools and videos.



Figure 5. Updated theoretical framework of the study

To conclude, figure 5 presents the updated theoretical framework of the study. It explains how internal marketing is an effort from the company or team leaders towards the team members. Internal communication is described as a two-way arrow. However, in reality it wouldn't be a linear process since often the meant message can get distorted in the communication process and misunderstandings can emerge. Also, internal communication can include the communication between employees as well. Thus, the arrow describing internal communications is simplified in this framework.

IM is described as a one-way arrow as in this study, as it represents the effort from the direction of the team leaders or management towards the team members. However, in the context of GVTs, certain challenges like lack of feeling of belonging, language differences or culture differences can emerge and that can affect in

internal communication, and internal marketing can help to alleviate such challenges.

## 6.2. Managerial Implications

Relating again to the definition of internal marketing: *“The end goal of IM is to deliver customer satisfaction with the help of motivated and customer-oriented employees.”* (Rafiq & Ahmed, 2000) Customer satisfaction indeed is the key for any company, and to put it simply, happy and motivated employees are more likely to lead to happy customers. IM has the goal of affecting how people feel in the organization, as employees who feel sense of belonging and integration, are more likely to be motivated as well. Creating a sense of belonging and an atmosphere that nourishes open communication is not easy, but it will pay off in the long run.

As more and more employees prefer to work remotely, implementing IM in virtual environments becomes very important. The way we are used to work is changing and companies need to update their IM practices to fit the new communication and work methods. An interesting example is from a company called HelpScout who has built a fully remote culture with 75 people from more than 50 cities in over 12 countries:

*“Let’s take the common trap a lot of co-located cultures are falling into today, where they make exceptions for certain people to work remotely so they can dip their toe into the talent pool. This is a recipe for disaster because the company hasn’t changed the way they share information. Once someone goes remote, they miss out on information in impromptu meetings, on whiteboards, at the proverbial water cooler, and when grabbing drinks after work. Very quickly, they’ll feel out of the loop and unhappy, unable to do their best work.”* (Francis, 2018)

This is where IM can come in: create new ways of sharing information and create a space for informal discussions and meetings. This emphasizes the importance of

IM: it needs to be a planned effort, otherwise, the risks of failing in building a GVT grow very high. With the tools we have nowadays it is possible to do IM in a virtual environment; however, each organization and team needs to find the way it works the best for them.

### **6.3. Limitations and Future Research**

As global virtual teams are fascinating and complex, this research is unable to cover all parts of the phenomenon, which is why the scope of the research is focused on IM and communications in GVTs. To simplify the scope, it is presumed that the studies of GVTs from other industry sectors can be applied to this case as well. The empirical research is based on a case company that operates in the tech field. It could be researched further if there were any differentiation in the results if the operation context would be different. What also would be interesting would be to conduct the same study in different organizations and see what kind of answers and findings would come out, and if IM should be conducted differently in different types of GVTs.

Related to the topic, there exist other possible research themes. It would be interesting to dig deeper on the culture aspect of GVTs – for example, how much the culture affects for example on IM success, and if are there differences between cultures (either national or organizational culture). Another interesting approach would be a quantitative research where co-located and virtual teams would be compared for example on their level of integration and sense of belonging, while taking into account if IM is implemented or not in the team.

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