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Digital Collaboration in Remote-First HR Firms: Key Drivers of Global Team Effectiveness

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Abstract: The debate over remote work continues to intensify as major global companies call for a return to in-person operations, driven by concerns over disrupted communication and productivity. However, technological advancements, access to a global talent pool, and growing employee demand for flexibility suggest that remote work is a long-term trend. This study investigates collaboration in remote-first, globally distributed teams, with a focus on the HR professional services industry. Based on a survey of employees across 45 countries, the study offers practical recommendations for managing global virtual teams across time zones, such as adopting culturally agile leadership, utilizing advanced digital platforms, and implementing clear communication protocols. The findings highlight the critical role of strong leadership, effective communication, inclusivity, and trust in fostering successful collaboration. While technology plays a key role, leadership's ability to cultivate trust and encourage knowledge sharing emerged as the most significant factor. The study also found that cultural diversity did not significantly hinder collaboration, but it reinforced the importance of inclusive leadership and structured digital workflows to address potential challenges. These insights contribute to the growing body of knowledge on remote work models and emphasize the need for further research into long-term global virtual collaboration, particularly in non-tech industries. The findings provide valuable guidance for managers and HR professionals navigating the complexities of managing remote work in a globalized context.

Keywords: Work-From-Anywhere, Global Virtual Collaboration, Technology, Leadership in Remote Teams, HR Professional Service Industry, International Management.

Type: Research paper

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1. Introduction

CEOs and executives from major global companies like Google, Amazon, Goldman Sachs, Meta, Salesforce, and Zoom are urging employees to return to in-person work, citing concerns over reduced communication, collaboration, and productivity (Tsipursky, 2023; Goldberg, 2023). In a May 2023 CNBC interview, Tesla and X CEO Elon Musk went further, stating that remote work is not only a productivity issue but also "morally wrong," criticizing remote workers for being disconnected from reality. The CEO of Goldman Sachs referred to remote work as an "aberration" (Goswami, 2023; Colvin, 2023).

This debate touches on a critical issue explored in recent research on the impact of digital work on productivity, collaboration, and communication. A study of over 60,000 Microsoft employees from 2019 to 2020 found that remote work had adverse effects, including increased asynchronous communication and decreased real-time interaction, which hindered information flow and heightened isolation within teams (Yang et al., 2022).

Despite these concerns, advancing technology and employee demand for flexibility continue to reinforce the importance of digital collaboration across industries. However, the "work from anywhere" model remains contentious across companies, sectors, managerial levels, and national borders.

In recent years, fully remote and remote-first companies have emerged, often operating without physical offices. GitLab, an open-source software company, exemplifies this model, with professionals from over 60 countries collaborating across time zones. While remote-first companies are predominantly found in the tech sector, this study examines the viability of remote-first models in professional services, where team composition, business models, and customer needs differ significantly. It explores the perspectives of global remote employees on key collaboration factors in work-from-anywhere, anytime environments.

1.1. Background

Digital or remote work is often considered the future of work, yet it has existed since the 1990s, primarily among software engineering teams on temporary projects. Initially known as telework, it has evolved into what is now commonly referred to as virtual or global virtual teams (Shuffler et al., 2010). Several key factors distinguish modern remote work from its early iterations:

- The widespread adoption and scalability of digital work environments, allowing employees to work from virtually anywhere.
- The expansion of remote work beyond project-based roles to entire organizations, spanning departments and industries.
- The increased intensity of virtual collaboration across time zones, requiring heavy reliance on digital platforms.

While these advancements introduce new challenges, continuous technological improvements have facilitated a smoother transition to remote work.

Major studies on global virtual teams have primarily focused on the IT and software development sectors (Stray & Moe, 2020; Davidavičienė, Al Majzoub, & Meidute-Kavaliauskiene, 2020; Garro-Abarca, Palos-Sanchez, & Aguayo-Camacho, 2021), which represent only a fraction of organizations. As technology advances, workforces become more mobile, and companies increasingly hire international experts to access needed expertise. While this enhances internationalization and innovation, it also introduces significant Human Resource Management (HRM) challenges, such as local tax compliance, compensation regulations, and contractual obligations in countries where the company lacks a legal entity.

As a result, demand for HR service firms such as Global Employer of Record (EOR) providers is rising (Dahan & Bouaziz, 2023). EOR firms enable companies to hire local or relocated workers in foreign markets without establishing a legal entity. Beyond administrative HRM concerns, managing and collaborating within global virtual teams presents unique challenges for

employees and leaders unfamiliar with remote-first work dynamics. Given these complexities, the HR professional services industry plays a crucial role in enabling seamless global workforce management, making it a key area for research on remote-first companies. The focus on EOR firms stems from their specialized expertise in managing global virtual teams. As leaders in global workforce management, EOR providers are well-equipped to navigate the complex dynamics of remote-first organizations. With extensive experience overcoming key challenges and coordinating dispersed teams across time zones, EOR firms offer valuable insights into optimizing virtual team collaboration and ensuring smooth operations across borders.

1.2. Research Aim

This research examines the key factors influencing collaboration in fully remote, globally distributed teams, with a focus on the HR professional services industry. Through empirical analysis, it identifies the critical determinants of effective collaboration in global virtual teams and contributes to a deeper understanding of best practices for remote-first work environments.

1.3. Research Objectives

The main research objectives are:

1- To examine the key factors influencing collaboration in fully remote operations with geographically distributed workforce models.
2- To investigate the unique characteristics and challenges faced by HR professional service firms.
3- To identify and evaluate the critical factors that enable effective collaboration in global virtual teams, drawing from empirical findings and best practices in remote-first work cultures within the context of the HR professional services industry.

1.4. Research Questions

This paper aims to provide the answers to three research questions:

1- What are the primary factors that influence collaboration in fully remote operations with geographically distributed teams?
2- What unique challenges do HR professional service firms face when managing fully remote, globally distributed teams?
3- How do best practices in remote-first work cultures contribute to improving collaboration in globally distributed teams in the HR professional services industry?

1.5. Significance of the Study

The global market for HR professional (HRP) services grew from $5.72 billion in 2022 to $6.52 billion in 2023, with a compound annual growth rate (CAGR) of 14.1%. By 2027, it is projected to reach $10.78 billion, growing at a CAGR of 13.4% (ReportLinker, 2024). In 2022, North America led the HRP services market, while Asia-Pacific is expected to experience the fastest growth during the forecast period.

The rise of digital businesses and digital transformation has significantly contributed to the expansion of HRP firms, enabling companies to scale and internationalize. Expenditure on digital transformation is projected to reach $3.9

trillion by 2027, driven by automation, evolving customer demands, and operational efficiency (Statista, 2023). Despite this growth, empirical research on global virtual teams in the HRP industry remains limited. These teams rely on digital communication and collaboration to deliver high-quality services to international clients.

The success of HRP firms depends on effective internal collaboration, technology-driven service delivery, and customer satisfaction. Key drivers of excellent customer service include a customer-centric culture, clear communication, product and service expertise, efficient technology use, and strong internal collaboration. Global HRP firms operate across multiple countries with diverse, international workforces, offering primarily digital, knowledge-based services. These firms require adaptability, a client-centric approach, and strong communication skills. However, industry-specific challenges remain underexplored.

This study focuses on collaborative effectiveness as a key predictor of customer service and overall organizational performance. While extensive research exists on global virtual teams in IT and software engineering, it primarily focuses on temporary projects (Swart et al., 2022; Stray & Moe, 2020). Long-term virtual collaboration in other industries remains under-researched, with most studies focusing on single cases or multi-site organizations (Stray & Moe, 2020; Hofstede et al., 2010). Though theoretical frameworks exist, practical strategies for practitioners are scarce, highlighting a gap between theory and application (Tran, 2025).

Additionally, many tech firms originally operated with co-located teams, influencing their approach to virtual collaboration. This study examines multinational companies with remote-first policies, focusing on fully remote teams without physical headquarters. It addresses existing gaps in global virtual collaboration research, particularly in the HR professional services industry.

This paper is organized as follows: Section 2 presents materials and methods. Sections 3 and 4 presents and discusses the findings, while Section 5 concludes.

2. Materials and Methods

A mixed-methods approach, combining structured and open-ended survey questions, was used to analyze collaboration in fully remote organizations. The sample included employees from companies that prioritize remote work and operate across at least three time zones. A non-probability sampling strategy ensured diverse perspectives, considering factors such as nationality, location, gender, and experience.

2.1. Research Design and Conceptual Framework

Based on the conceptual framework in Figure 1, the aim of this research is to explore the key factors influencing collaboration in fully remote and globally distributed workforce models. The study's hypotheses are grounded in three key variables, with the rationale for their selection outlined as follows:

- Cultural Diversity: In organizations with individuals from diverse national backgrounds working across multiple time zones—where English may not be the first language for many—cultural diversity plays a crucial role in

shaping communication styles and collaboration dynamics (Adamovic, 2022; Jiang & Chia-Hua, 2022). Empirical research in international business and management highlights variations in employee behaviors and attitudes within global companies, as illustrated by Hofstede's Cultural Dimensions Theory, which includes individualism vs. collectivism, power distance, uncertainty avoidance, masculinity vs. femininity, restraint vs. indulgence, and long- vs. short-term orientation (Hofstede, Hofstede, & Minkov, 2010). Additionally, the GLOBE study on global leadership identified six culturally implicit leadership dimensions. While charismatic/value-based and team-oriented leadership are universally applicable, the remaining four—self-protective, participative, humane, and autonomous—are subject to cultural variations (House, Hanges, Javidan, Dorfman, & Gupta, 2002). Teams with diverse cultural backgrounds bring unique perspectives, problem-solving approaches, and creativity. However, they also present a higher potential for misunderstandings and barriers if not managed properly (Tran, 2024). Therefore, studying global team collaboration necessitates understanding the cultural diversity of team members.

- Digital Platforms: Digital platforms are the primary medium for collaboration among dispersed teams. Understanding their role in facilitating communication, project management, and data sharing—particularly in asynchronous contexts—is essential. Effective platforms streamline workflows, enhancing collaboration and communication regardless of location. The adoption and use of these platforms depend on team members' perceptions, experiences, and engagement. Additionally, platform usability and reliability influence their effectiveness in fostering collaboration (Abarca, Palos-Sánchez, & Rus-Arias, 2020; Meluso, Johnson, & Bargrow, 2020), highlighting the importance of leadership initiatives in supporting successful digital collaboration.
- Leadership: Leadership plays a pivotal role, particularly in cultivating trust, nurturing relationships, promoting inclusivity, and facilitating knowledge sharing, especially in dispersed team environments (Maynard et al., 2019; Tsipursky, 2023). In sectors like HR professional services, where knowledge is a key asset, leadership is critical. These industries are highly knowledge-intensive due to the customized nature of their services (Gardner, 2015). Therefore, effective knowledge management within dispersed teams is crucial for success (Afandy et al., 2022; Gardner, 2015).

To explore these factors, a mixed-methods approach to data collection and analysis is employed. An online questionnaire is used to gather both quantitative and qualitative data, enabling respondents to share their opinions and experiences in their own words. This approach captures both the objective aspects of the study and the subjective interpretations of respondents. The use of a questionnaire is justified by the study's explanatory nature, aiming to gather comprehensive insights into respondents' experiences. Moreover, it offers flexibility for international professionals to complete the survey at their convenience, accommodating their busy schedules.

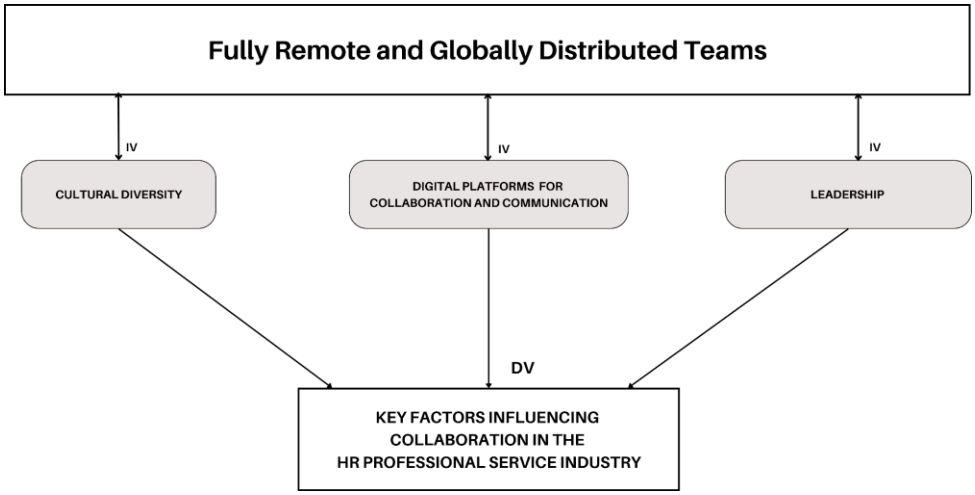

Figure 1: Conceptual framework of digital collaboration in fully remote hr firms

2.2. Sampling Strategy

This study focuses on fully remote, globally distributed Employer of Record (EOR) firms, specifically examining long-term remote collaboration (excluding hybrid or temporary remote firms). It explores collaboration dynamics in organizations without physical headquarters, where knowledge is decentralized. The research targets diverse employees in remote-first global HR service firms and provides insights for optimizing remote collaboration and reducing reliance on 'trial and error' approaches.

2.3. Key Selection Criteria

To ensure consistent and relevant data, companies included in the study had to meet four primary criteria. First, they had to operate under a remote-first policy, meaning they were fully remote with no hybrid arrangements. This was essential to maintain consistency across organizational models. Second, organizations needed to specialize in remote work and digital collaboration solutions. This ensured that the study focused on companies where digital collaboration was not incidental but central to operations. Third, firms had to have a global presence, with operations spanning at least three continents to ensure geographical diversity and capture varied collaboration experiences. Finally, companies were required to demonstrate strong customer satisfaction, with only those receiving high customer ratings included in the sample.

2.4. Verification and Selection Process

The selection of organizations was conducted using a combination of business directories—including Dun & Bradstreet, ZoomInfo, Crunchbase, AngelList, and Owler—to verify company data, industry classification, organizational size, and global workforce distribution. In addition, peer review platforms such as G2, Capterra, Trustpilot, and Gartner were consulted to ensure impartiality and assess overall performance. Priority was given to high-ranking companies with confirmed remote-first or fully remote policies. This verification was carried out through company career websites, job listings, and employee reviews.

Remote work policies were verified by reviewing company websites, Glassdoor entries, and detailed job descriptions. Global operations were confirmed by checking whether firms operated on at least three continents. To

assess customer satisfaction, only organizations with a minimum rating of 4.5 out of 5 on G2 or Capterra were considered. While every effort was made to ensure data accuracy, some organizational details may have changed by the time of publication. Ultimately, 12 qualified firms were identified, and data were successfully collected from 9 of these organizations, all of which met the defined study criteria.

2.5. Participant Identification and Sampling

A non-probability sampling strategy was employed, using purposive and quota sampling to ensure diversity in nationality, location, gender, remote work experience, and company affiliation. Participants were selected based on their involvement in global digital collaboration, without restrictions on position, department, or age, to provide broader insights beyond IT roles, as shown in Figure 2. Participation was voluntary, with no incentives or follow-up to preserve response quality. All communication was conducted in English.

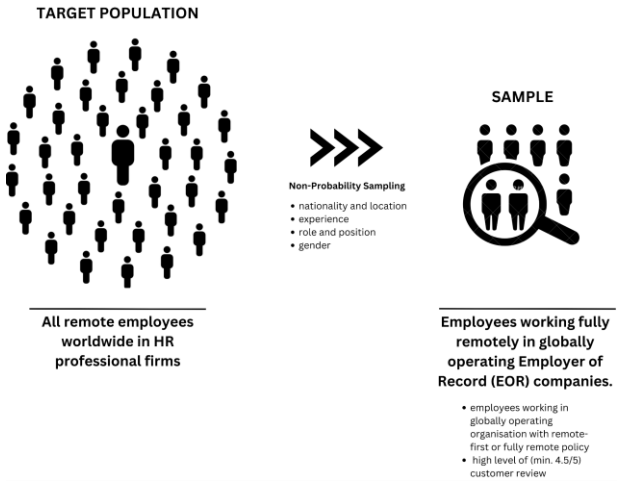

Figure 2: Target population and sample strategy

2.6. Quantitative Data Analysis Techniques

Quantitative data were analyzed using IBM SPSS and graphical techniques to examine relationships, influences, and patterns. The final sample comprised 167 qualified respondents from 45 countries across 6 continents, representing 50 nationalities. A total of 60 questionnaire items, organized into themes of demographic information, digital platforms, leadership, and challenges, were collected for analysis. Single-choice answers ranged from 1 to X; binary questions were coded as 1/0; Likert scales (ordinal variables) ranged from 1 (low) to 5 (high); and multiple-choice options were disaggregated into dichotomous variables. Open-text responses and 'other' selections were sorted separately for thematic analysis, with 'other' also counted for frequency analysis. Country-related responses were categorized using the ISO 2-Digit Alpha Code and numerically coded. A reliability test ensured consistency, requiring a minimum Cronbach's alpha of 0.7 before consolidating items into a single variable. Statistical analysis was conducted in IBM SPSS, while qualitative thematic analysis of open-text responses was performed using MAXQDA, facilitating code visualization and theme mapping.

Ordinal regression analysis was conducted to identify the factors highlighted in the literature that influence collaboration. This analysis aims to determine which factors should be prioritized to improve collaboration. Independent variables (IVs) such as cultural diversity, digital tools, and leadership support were included to assess their impact on collaboration, the dependent variable (DV). Collaboration is measured based on participants' perceptions of communication effectiveness, satisfaction, and overall performance, using a 5-point Likert scale. The results will inform which factors to prioritize for enhancing collaboration practices and predict how changes in the IVs will affect collaboration. Given that leadership support, digital platform utilization, and cultural diversity often interact in global virtual environments, these three independent variables were analyzed together.

2.7. Qualitative Data Analysis Techniques

Thematic analysis was used to interpret open-text questionnaire responses. This method identifies recurring themes, providing context to quantitative data and uncovering new insights. It highlights variables such as communication barriers, leadership support, and time zone differences, while also allowing for the emergence of themes beyond predefined hypotheses. To ensure a rigorous and consistent analysis, the six phases of the thematic analysis process (Braun & Clarke, 2006) were applied, as shown in Figure 3.

Figure 3: Six phases of thematic analysis for qualitative analysis
Source: Braun & Clarke (2006)

The coding approach is data-driven, using in vivo coding to retain respondents' exact words and preserve authenticity. This method is supported by researcher-derived data. Code similarity is determined by co-occurrence within a segment, meaning overlapping codes are counted, revealing relationships between codes. Each circle represents a code; distance indicates similarity, size reflects frequency, and colors denote groups. Lines show co-occurrence, with thickness indicating frequency. The number next to each code represents its frequency in the responses, while the number on the lines indicates the strength of the relationship between codes. A higher number reflects a stronger connection, aligned with the research question and purpose.

2.8. Reliability and Validity

Statistical techniques, including item-total correlations and Cronbach's alpha, were used to assess reliability. Cronbach's alpha values exceeded 0.70 for key variables such as collaboration (0.827), digital platforms (0.84), and leadership support (0.71). Categorical variables were cross-checked against relevant theories and external platforms to enhance criterion-related validity. To measure diversity (IV) in virtual teams, three commonly suggested variables—surface, deep, and functional diversity—were used (Morrison-Smith & Jaime Ruiz, 2020; Batarseh,

Usher, & Daspit, 2016). Blau's index (Blau, 1977) was employed to assess the demographic diversity of the sample. In this context, nationality, gender, age, and work location are considered social category diversity, while position or role and experience in global virtual teams are categorized as functional diversity. The study's focus on globally distributed diverse teams resulted in a representative sample, with 48% male and 52% female participants, including 77% in managerial roles, 20% in mid- or senior-level positions, and 3% in executive roles. Triangulation improves validity and reliability by cross-checking quantitative data patterns with qualitative themes.

3. Results

3.1. Hypotheses

Three hypotheses were formulated, each representing one of the three key independent variables: cultural diversity, digital platforms, and leadership initiatives. These hypotheses aim to explore the potential influence of these variables on collaborative practices in fully remote and globally distributed settings.

Hypothesis 1 (H1) states that high cultural diversity may significantly impact collaboration within fully remote, globally distributed teams. The null hypothesis (H0-1) assumes that high cultural diversity does not significantly impact collaboration, while the alternative hypothesis (H1) posits that it does.

Hypothesis 2 (H2) focuses on the role of digital tools and communication. The null hypothesis (H0-2) suggests that digital tools and communication do not play a crucial role in fostering collaboration among members of remote and globally distributed teams. In contrast, the alternative hypothesis (H2) asserts that effective digital tools and communication are essential for fostering such collaboration.

Hypothesis 3 (H3) addresses the influence of leadership. The null hypothesis (H0-3) claims that effective leadership support is not a pivotal factor in shaping collaboration in remote, globally distributed teams. Conversely, the alternative hypothesis (H3) maintains that leadership support is a pivotal factor. Figure 4 provides an overview of all hypotheses.

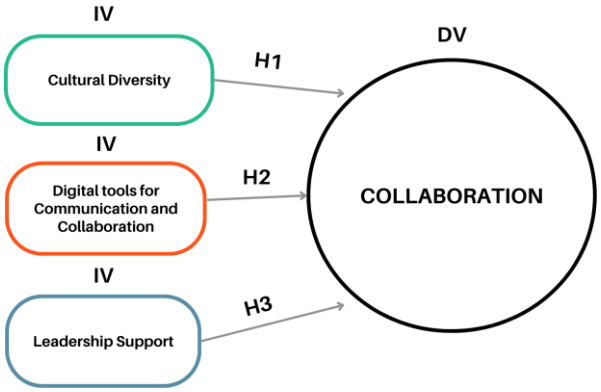

Figure 4: Overview of hypotheses H1–H3

3.2. Descriptive Analysis

Regarding Hypothesis 1 (Cultural Diversity), 59.9% of respondents considered their company and team to be highly diverse. The mean score was 4.40, with a standard deviation of 0.898, indicating strong consensus on the presence of cultural diversity, as shown in Figure 5.

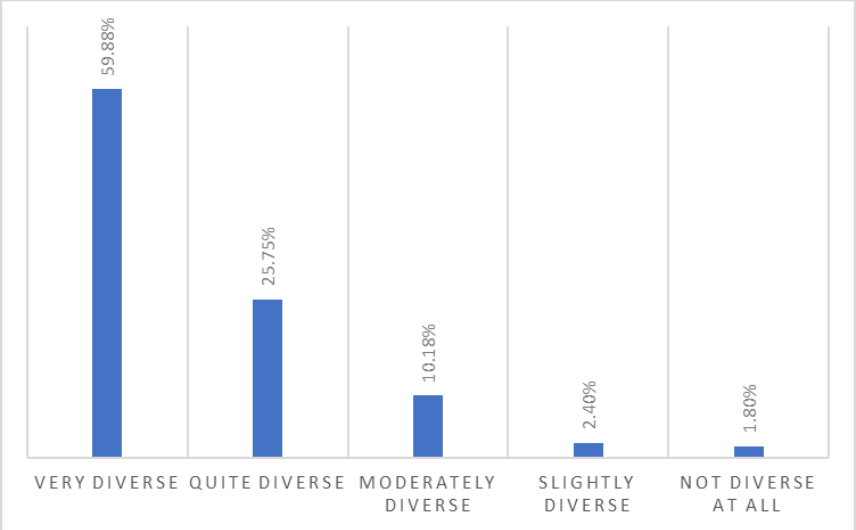

Figure 5: Distribution of cultural diversity perceptions

Blau's Index was used to calculate the level of diversity for each demographic variable as shown in Table 1.

Table 1: Blau's Index Calculation of Diversity

Category	Blau's Index	Interpretation
Nationality	0.96	Highly diverse workforce
Gender	0.49	Nearly equal gender distribution
Age	0.55	Reasonable spread across age groups
Location of Work	0.95	Highly geographically dispersed workforce
Position/Role	0.89	Very diverse distribution
Experience	0.61	A good mix of experience levels

Source: Blau (1977)

For Hypothesis 2 (Digital Tools and Communication), the average score was 4.2, indicating a high level of satisfaction with the digital tools used for collaboration (See Figure 6). The standard deviation was low (0.8), suggesting consistent responses. The reliability of this measure was confirmed with a Cronbach's alpha coefficient of 0.77.

For Hypothesis 3 (Leadership Support), several components were included under this variable. Leadership support was defined as the promotion of inclusivity, cultural awareness, trust, communication, collaboration, team building, knowledge sharing, and leadership effectiveness. The Cronbach's alpha was 0.71, confirming internal consistency.

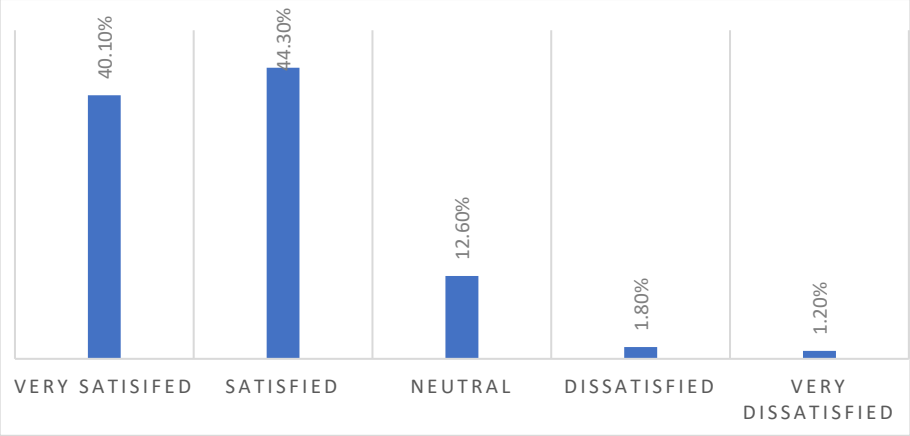

Figure 6: Respondents' satisfaction levels (Likert scale) with the use of current digital platforms in the company

Effective leadership practices reported included one-on-one check-ins (39.7%), informal communication (29%), and virtual team-building events (24.8%), often facilitated through applications like Donut, Kahoot, and Konat, as shown in Table 2. Trust was built through transparent communication (37.2%) and recognition of contributions (32.9%), supported by a proactive feedback culture and emphasis on psychological safety. Knowledge sharing was promoted through the use of digital platforms (34.9%), regular knowledge sessions (28%), and recognition-based systems (26%). Leaders emphasized transparency, proper documentation, and asynchronous communication practices.

Table 2: Factors included in "leadership support" and reliability assessment

Independent Variable	Description
Leadership Support	Promotes inclusivity, cultural awareness, trust, relationships, communication, collaboration, team building, knowledge sharing, and leadership effectiveness.
Cronbach's Alpha	0.71
Effective Practices	One-on-one check-ins (39.7%), informal communication (29%), virtual team-building events (24.8%) using apps like Donut, Kahoot, and Konat.
Trust	Cultivated through transparent communication (37.2%) and recognizing contributions (32.9%), with a proactive feedback culture and psychological safety.
Knowledge Sharing	Promoted through digital platforms (34.9%), regular sessions (28%), recognition (26%), with leaders emphasising transparency, effective documentation, and asynchronous communication.

The dependent variable—collaboration—was measured by assessing collaboration satisfaction, communication effectiveness, and team performance as shown in Table 3. The Cronbach's alpha for this variable was 0.80, indicating strong reliability. Spearman's correlation showed a strong positive relationship between collaboration satisfaction and team performance ($p < 0.001$, $r = 0.495$). There was no multicollinearity among variables, with the highest correlation being 0.388. The proportional odds assumption was also met ($p = 0.480$).

Table 3: Summary of dependent variable: collaboration and related statistical measures

Dependent Variable	Description
Collaboration	Investigates collaboration satisfaction, communication effectiveness, and team performance.
Cronbach's Alpha	0.8
Spearman's Correlation	Strong positive relationship between collaboration satisfaction and team performance ($p < 0.001$, $r = 0.495$)
Ordinal Regression Assumptions	No multicollinearity (max. correlation 0.388), p-value for proportional odds test: 0.480.

3.3. Results of Quantitative Analysis

The results of the regression analysis are presented in Table 4. The p-value for cultural diversity was 0.295, with an estimate of 0.165, indicating no statistically significant evidence that cultural diversity influences collaboration. Therefore, the null hypothesis (H0-1) could not be rejected.

For digital tools and communication, the p-value was less than 0.001, with an estimate of 2.170, showing a highly significant positive effect. As a result, the null hypothesis (H0-2) was rejected in favor of the alternative.

Similarly, leadership support had a p-value of less than 0.001 and an estimate of 3.082, confirming a highly significant influence on collaboration. Thus, the null hypothesis (H0-3) was also rejected.

Additional model insights revealed that the Pseudo R^2 was 0.579, meaning the model explained 57% of the variance in collaboration. The goodness-of-fit test ($p = 1.0$) confirmed an adequate model fit, and the proportional odds assumption was satisfied ($p = 0.480$).

Table 4: Results of the regression analysis to identify the key drivers of global team effectiveness

Hypothesis	P-Value	Estimate	Significance	Key Findings
Cultural Diversity (H1)	0.295	0.165	Not significant	No significant evidence that cultural diversity influences collaboration. Null hypothesis (H0-1) not rejected.
Effective Digital Tools (H2)	<0.001	2.170	Highly significant	Strong positive impact of digital tools on collaboration effectiveness. Null hypothesis (H0-2) rejected.
Leadership Support (H3)	<0.001	3.082	Highly significant	Leadership support strongly enhances collaboration. Null hypothesis (H0-3) rejected.
Additional Model Insights				Pseudo R^2 = 0.579, meaning the model explains 57% of the variance in collaboration. Goodness-of-fit tests ($p = 1.0$) confirm adequate model fit. Proportional odds assumption holds ($p = 0.480$).

3.4. Results of Qualitative Thematic Analysis

Respondents shared several positive experiences that supported effective collaboration in remote teams. The most frequently mentioned practices included asynchronous work (26 mentions), positive team relationships (16), and flexibility in work–life balance (15). Additionally, collaboration was often linked to

asynchronous workflows (6 mentions) and the use of global expertise, knowledge, and skills (4 mentions), as illustrated in Figure 7.

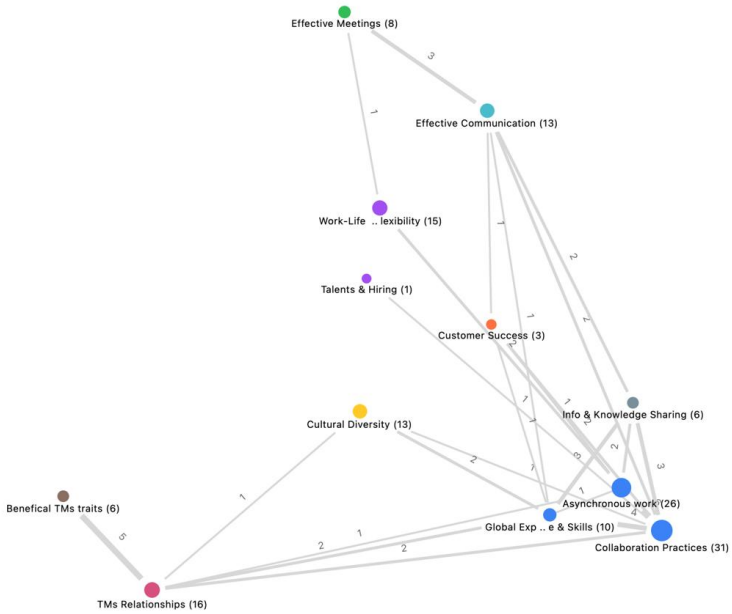

Figure 7: The intersection and relationship between codes on collaboration practices in global teams

4. Discussion

The findings of this study provide critical insights into the dynamic landscape of digital collaboration, particularly within the HR professional services industry. Beyond practical recommendations, the research contributes to broader discussions on organizational behavior, digital collaboration, and global leadership in remote-first environments.

Although cultural diversity was not found to significantly hinder collaboration, the study emphasizes the importance of inclusive leadership and structured digital workflows in mitigating potential challenges. Several factors may explain this outcome. First, company culture and hiring practices often prioritize individuals with relevant expertise, which naturally promotes inclusivity. Second, employees with three to five years of remote work experience tend to develop competencies that support adaptation and communication. Positive remote work experiences, combined with reliance on written communication and AI tools such as ChatGPT, also help to reduce language-related barriers. Third, diversity appears to be equally distributed across organizations. Employees from 51 nationalities across 46 countries perceived diversity as a natural feature of their environment, with no dominant group identified. This balanced distribution of diversity helps explain why it had no significant impact on collaboration.

Global HR services tend to hire team members for their local expertise, enhancing collaboration through a blend of diverse skills. However, in fully remote teams, time zone differences and asynchronous workflows can limit engagement with diverse perspectives. Communication often relies on written text or video, rather than real-time interaction, which may obscure cultural

nuances. Consequently, work discussions tend to remain task-focused, potentially overshadowing cultural considerations. Collaboration appeared more effective in departments such as customer success, legal, and accounting, where shared mental models tend to develop more naturally. Effective leadership and the use of digital platforms can help balance the challenges and benefits of cultural diversity, especially in teams from less dominant national or cultural backgrounds.

In fully remote environments, technological proficiency and time zone coordination are critical to successful collaboration. The study also underlines the value of digital tools in building relationships across dispersed teams. Informal virtual gatherings were cited by 42% of respondents as essential for fostering team connections.

Leadership support emerged as a crucial factor for successful collaboration in global virtual teams. The findings suggest that leadership exerts a greater influence on collaboration than technology alone. Effective leadership strategies focus on trust-building, communication, inclusivity, and team cohesion. This underscores the need for leaders to actively manage and engage distributed teams, rather than relying solely on technology. Existing research supports this, emphasizing the importance of communication, trust, and collaboration in virtual settings (Boyd, 2021; Breevaart & de Vries, 2019; Choi & Cho, 2019; Hill & Bartol, 2018). Leadership plays a central role in setting norms and strategies for digital teamwork, helping teams navigate emerging challenges (Stray & Moe, 2020). Trust is cultivated through transparent communication and recognition of individual contributions, reinforcing psychological safety and mutual respect. These factors are essential for effective cross-cultural collaboration. Team members thrive in environments where trust is established, allowing for deeper engagement and stronger collaboration. Moreover, flexibility in time management, especially across time zones, was identified as essential for building trust, beyond just being responsive to messages or tasks.

Positive collaboration experiences were often associated with strong teamwork and a supportive organizational culture. Open-minded, inclusive, and empathetic teams significantly enhanced employee satisfaction. Practices such as regular informal meetings, all-company gatherings, and collaborative document editing helped maintain unity and a shared sense of purpose. Furthermore, companies were found to carefully select candidates who align with the demands of remote and asynchronous work, ensuring a good fit with organizational culture and expectations.

Global virtual teams were also seen as a source of diverse expertise, improving idea generation, the quality of customer responses, and the ability to provide 24/7 service. Respondents reported valuing the opportunity to gain insights into different cultures and emphasized the importance of inclusivity, where all voices are respected. Mutual respect, trust, and psychological safety were frequently cited as essential for maintaining motivation and effectiveness within these teams. Flexibility and perseverance were also highlighted as essential traits, with one respondent noting: “It’s challenging… but with the right mindset, one can persevere.”

4.1. Implications

The study reinforces the idea that leadership in remote environments must go beyond traditional oversight and instead focus on building trust, promoting

knowledge sharing, fostering relationships, and ensuring cohesion. Organizations are encouraged to move away from hierarchical leadership models that emphasize control and instead adopt digitally fluent, culturally agile leadership practices. Such leadership empowers remote workers and supports alignment with organizational objectives through structured guidance and clear communication.

Leaders should actively promote a knowledge-sharing culture through the use of digital platforms and internal policies. Research shows that IT competency and knowledge sharing contribute to job satisfaction and effective collaboration (Kucharska & Erickson, 2020). Project management tools and regular check-ins help maintain connectivity and support collaboration across time zones.

While remote work offers employees greater autonomy, the study stresses the need for structure to maintain efficiency and alignment. Flexibility should not be mistaken for the absence of order; rather, clear workflows, communication protocols, and accountability systems are essential to balance individual autonomy with collective performance. In addition, organizations must develop comprehensive strategies that integrate advanced digital tools with human-centered processes to optimize collaboration. The research also reaffirms the significance of cultural inclusivity and psychological safety as foundations for effective teamwork in global virtual settings.

4.2. **Future Research**

Although this study offers valuable insights, it also highlights the need for longitudinal research to examine the sustained effects of digital collaboration in global teams. Future research should explore the evolution and sustainability of remote-first models, particularly their capacity to maintain employee satisfaction and productivity over time. In addition, studies should be expanded beyond the tech sector to gain a broader understanding of remote-first dynamics across various industries. Future research directions could include the long-term viability of remote-first work models, the transformation of leadership practices in light of emerging collaboration tools and AI-driven management systems, and the interplay between remote work and organizational culture, particularly in sectors that have traditionally depended on in-person collaboration.

5. Conclusion

This study examined the key factors influencing collaboration in fully remote, globally distributed teams within the HR professional services industry. Using a mixed-methods approach, the research identified leadership support and the effective use of digital tools as the most significant contributors to successful collaboration. Contrary to common assumptions, cultural diversity did not significantly hinder collaboration, highlighting the importance of inclusive leadership and structured workflows in remote-first environments.

The findings underscore the growing relevance of remote work models and the need for organizations to adapt leadership strategies, digital infrastructure, and workplace culture to meet the evolving demands of global virtual teams. Leadership emerged as a critical enabler, not only in fostering trust and inclusivity but also in aligning dispersed teams with organizational goals. Digital tools, while essential for operational efficiency, were found to be most effective when supported by deliberate leadership practices and a collaborative culture.

The study contributes to both academic and practical discussions on remote work, offering evidence-based insights for leaders and HR professionals navigating the complexities of global digital collaboration. It also bridges a gap in the literature by focusing on the HR professional services sector, which has been underrepresented in prior research dominated by IT and software development contexts.

As remote-first work continues to expand beyond the technology sector, future research should focus on the long-term sustainability of such models, the evolution of leadership in digitally mediated environments, and the role of organizational culture in supporting high-performing virtual teams.

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