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Identifying the Factors for Influencing the Performance of the Virtual Teams in the Sri Lankan IT Industry

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The growth of virtual teams (VTs) in organizations can be attributed to the numerous technological advantages. However, virtual teams often face challenges when working on projects. Also, virtual teams are challenged not only to coordinate projects in virtual team environment but also to improve and build trust and, psychological safety within the culturally and geographically diverse team members. This research aims to identify the factors for influencing the performance of virtual teams in Sri Lanka, a topic that has received limited attention in developing countries. The study focuses on four independent variables; trust, knowledge sharing, psychological safety and team leader support with virtual team performance as the dependent variable. A 5 – point Likert-type online questionnaire was used to collect sample of 244 responses, representing 61 virtual teams from 22 private Information Technology (IT) companies in Sri Lanka. Structural Equation Modeling (SEM) was employed for data analysis. The findings indicate that trust and knowledge sharing significantly affect factors virtual team performance in the IT industry in Sri Lanka. However, knowledge sharing and team leader support were not found to have a significant impact on virtual team performance. Based on research findings, recommendations will be provided for IT industry employees and managers to ensure the trust and knowledge sharing between the team members, thereby improving overall team productivity.

Keywords: *knowledge sharing, psychological safety, team leader support, trust, virtual team performance*