

NetAge article on world-class collaboration

## The Elusive Quest for Collaboration and Teamwork, Part II

### Collaboration Is at the Tipping Point

It can't be stopped now. A critical mass of innovators in IT now know that collaborative leadership and team performance aren't just nice to have, they're central to the continuous delivery of value to customers.

### Teamwork Remains Mission Impossible

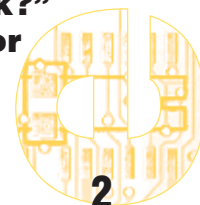
The barriers to effective teamwork are unyielding. If it's not the style of individual contributors and leaders, or the old unbending culture, then it's the nature of the workflow that will always be in the way.

**"The concepts and tools associated with teamwork and collaboration have moved away from the realm of specialists and have been integrated into user domains. What more could one ask?"**

— Christopher Avery, Guest Editor

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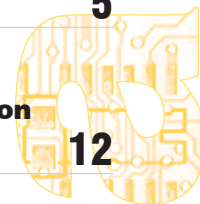
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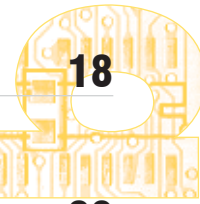
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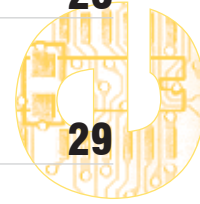
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# The Easier Way to Work: Collaborating in World-Class Virtual Teams

by Jessica Lipnack and Jeffrey Stamps

## THE SCALE OF CHANGE

Rolling with waves of change is standard motion for 21st-century businesses. Just as one effort gets underway to meet a looming challenge, a bigger one roils up behind, ready to subsume it. Internal dynamics respond to global pressures, bringing even more change, more rapidly.

On the very large scale, organizations can't dodge the change technology drives. First, globalization reconfigures enterprises. Then, localization redefines work to fit diverse home circumstances as accountability and responsibility migrate down the chain and out through the functions. Virtualization, the newest large-scale trend in organizational agility, enables unprecedented collaboration.

In the pantheon of change, virtualization is enormous, and, while centuries in the making, it's happening very quickly. The world is 50 years into the Information Age, but only 10 years into the Internet Age. Many organizations were founded when hierarchy and bureaucracy were in their prime. Perfectly adapted to the height of the industrial economy, they ascended many levels and multiplied across myriad specialties. The best bureaucracies *were* the best

companies. As the Information Age dawned, developed, and finally reached critical mass in the second half of the 1990s, organizational structures have had to evolve to look more and more like networks.

The networked organization is coming of age, visible in corporate blueprints that link geographies within and between regions while respecting cultural, economic, and legal realities. People thread through the system at all levels in these new organizations, and teams — often global, usually virtual — are everywhere, encompassing everyone from senior executives to front-line employees.

Practically speaking, most reorganizations look worse on paper than they turn out to be in practice. Usually people stay where they are, but management shrinks a layer or two. Accountability and decision making push down to their logical locales; coordination and oversight move up and usually physically away to executives. Communications and computer technology make this organizational hat trick possible, but more-networked organizations are the *sine qua non*. Companies that learn to hitch their new technologies to their new organizations gain lasting

advantage. In a phrase, they're easier to work in.

Ah, but. There is internal war possible at any moment. In these new distributed organizations, the age-old tension between independence and interdependence brews. Typically, reorganizations try to strike a new balance between them. But more of one means less of the other, and more typically than not, this usually means more power to the center. Consolidation of interdependence is at the expense of independence for individuals and teams.

Networks are different. They require more of both. The trick is to increase both together — have more local power, more independence by business, function, project, and person — while at the same time increasing the interdependence and the coordination that align through common purpose.

Flexible interdependence won't just happen without the right organizational design and thick-skinned champions. Distributed groups can be effective and efficient only when global work becomes the norm. This part is not easy. Under the stress of distance and differences, people must work together as well as they typically do in face-to-face

groups. The true promise of virtual work in global structures is rich: people working together at unprecedented levels of capability and innovation. It's efficient, and people don't necessarily have to leave home much. The way forward to achieving these benefits is through world-class collaboration.

**Focus only on the people aspects without support from new technology, and, well, you might as well book another flight.**

### WORLD-CLASS COLLABORATION

At many enterprises around the world, collaboration is the one-word label for a big idea: "people working together better," as one energy company calls its program. In many firms, collaboration projects revolve around technology, implying use of real-time tools, such as teleconferences, Web conferencing, and instant messaging (IM), and enduring tools, such as data repositories, online threaded discussions, and knowledge management systems. Both support work at a distance.

For the networked enterprise, traditional restrictions of time and space no longer apply. New rules of communications physics are being written. People work together while apart in previously undreamed-of ways. While technology is the driver, it's the ability of people to embrace and adapt to the

opportunities that determines success. On the people side of collaboration, *cooperation* is the hidden key to realizing the value of working together better.

Much effort is required to develop a world-class culture for collaborative working. People need a virtual means to get to know and learn from one another. They have to master new ways to learn — many new ways to learn. Most of all, world-class performance requires exceptional teamwork in every way: individuals working together to achieve shared goals, both the goals that move local efforts forward as well as those that align with global objectives.

Our organizational strategy has an implied belief; namely, that people reach higher levels of performance by working together more closely, more consistently, through greater collaboration among increasingly diverse people. To do this requires complex structures linked by cross-boundary, cross-cultural, and cross-disciplinary cooperation of unprecedented intensity.

World-class collaboration relies on the "twin pillars of collaboration": people and tools. Throw new technology at people without the right culture and behaviors, and watch it flop. Focus only on the people aspects without support from new technology, and, well, you might as well book another flight.

Just as companies invest in assets and information technologies, so must they intentionally invest in the "people" processes that

encourage cooperation across boundaries. Cooperation releases creativity, which translates into competitiveness.

*Cooperate internally to compete externally.*

### WHAT CAN WE LEARN FROM "FAR-FLUNG TEAMS"?

In 2003, the Society for Information Management, two university professors, and our company, NetAge, collaborated to study best practices in "far-flung" teams. Ann Majchrzak, professor of information systems at the University of Southern California's Marshall School of Business, and Arvind Malhotra, assistant professor of information technology and e-commerce at the University of North Carolina's Kenan-Flagler Business School, designed and conducted the study, which involved 54 heterogeneous teams in 26 companies. Two distinguishing features of these teams were that they didn't perform their core work in person and their members changed over time. Our role was to connect the researchers with teams that wanted to participate in the study and to jointly analyze the results [1].

Majchrzak and Malhotra posed questions in two general areas — people and tools:

- What management practices were critical?
- What technology features were critical?

This research on successful far-flung teams, which operate at the extreme of virtual work, provides the clearest expression of the problems such teams pose and how to solve them. The study offers strong clues to emerging best practices for enterprise-wide collaboration. Working together, we identified three key findings:

1. Intellectual capital, not cost savings, is the greatest advantage of far-flung teams; the more diverse the better.
2. The most effective mix of technologies to support virtual working is teleconferencing coupled with IM and an online workspace — not video conferencing.
3. Team leaders worked hard to keep the team committed and connected.

### **Finding #1: Increased Intellectual Capital Is the Greatest Advantage of Far-Flung Teams**

The myth surrounding far-flung teams is that cost is their driver. Our study found that the real benefit comes from the intellectual capital that virtual work makes available. Team leaders described their efforts as “revolutionary” in regard to innovation, new processes, and new business ventures. The efficiency of “always-on” work processes took advantage of people’s penchant for staying put — the ease of working at any time rather than always waiting for face-to-face meetings. Why put people through the stress of travel when they can work more effectively by staying where they are?

*Successful virtual working means capability goes up (innovation) and expenses go down (efficiencies).*

To accommodate diversity, team leaders in the study overcorrected on inclusion. When in doubt, they included more people (new behavior) rather than fewer (old behavior). Global work benefits from good old word-of-mouth — one person passing news along to the next — albeit through new and unexpected means, such as a p.s. to an e-mail or a posting on a Web site. Operating on the principle of inclusion, so fundamental to virtual teams, the people on these teams feel as if they’re part of the same conversation, which fuels the electronic equivalent of hallway chatter.

Our far-flung teams found that increasing diversity produced greater innovation. The reason? Greater diversity fundamentally allows a virtual team to deal with more complexity, as in the systems principle of “requisite variety.”

When things are complex, you need a diversity of skills and experiences to discover new ways to deal with unrelenting change.

One way teams practiced “always-on innovation” was having members work in ad hoc pairs for a week or two. These couplings allowed people to get to know each other better and discouraged the formation of cliques. Within the strategic accounts team of a chemical products company, for example, the leader had team members partner temporarily to flesh out the details of their account plans.

These mini-teams then came together to compare notes and make modifications based on common patterns.

The big benefit of far-flung work lies in the otherwise unavailable meshing of expertises, viewpoints, experiences, cultures, and responsibilities. Some of the teams’ best practices were to:

- “Meet” often virtually
- Learn about differences in decision-making style
- Explicitly identify and overcome language barriers
- Distribute leadership (among subject-matter experts, facilitators, and process owners, for example)
- Create a combined work process from individuals’ work processes
- Conduct external reports virtually
- Carry out continuous “team tuning”

Instead of glossing over differences, the far-flung teams actively managed them as a *strategic advantage*. They surfaced barriers, impediments, and differences as early as possible, using their resolution as the catalyst for team building. This practice flies in the face of common wisdom about team building — that *forming* must take place before *storming* can begin. Our far-flung teams stormed to form. Take this finding to heart. Dive into the differences without delay.

**Finding #2: To Best Support Virtual Working, Use Teleconferencing Coupled with IM and an Online Workspace**

Here's the data from the study:

- 89% of the far-flung teams used teleconferencing.
- 83% used living repositories.
- 45% used IM.
- 33% used video conferencing.

Frankly, at the time of the study, IM was not sanctioned by most of the enterprises — although nearly half of the far-flung teams used it. Stealth IM has erupted, just as stealth e-mail did in the early 1990s. Take heed on this one. IM is much more than private chat, offering as it does the subtle glue of “presence” for online groups. Encourage people to use it and distribute learning about it quickly. Expand your repertoire in real-time connectivity by using a wider spectrum of Web conferencing capabilities, particularly for meetings.

To understand the finding on videoconferencing, consider the managerial and operational-level, not executive-level, nature of our teams. In our experience, videoconferencing has been best used at the executive level and when organizations are new.

The way in which the study teams used their data repositories is striking. Most teams used their repositories as “living rooms,” not posterboard Web sites. The teams worked together in their rooms, with all documents posted and little distribution by attachment. Many teams in the study had variations

of one basic rule: e-mail is only for one-on-one interaction. Among our teams, online discussions took place in the rooms. Some far-flung teams made a rigorous practice of using their team rooms during their teleconferences.

We recommend that this teleconferencing-repository combination become the anchor collaboration protocol for virtual teams. Use it even for face-to-face meetings. The use of a team room sets the standard and introduces skills people will need to work virtually even in a familiar collocated setting.

Successful virtual working requires both real-time (synchronous) and enduring (asynchronous repository) capabilities. But what is historically new? Not the tools striving to provide the virtual equivalent of face-to-face interaction but rather the group memory made possible by the repository. In this historically new digital place lies the greatest unmined organizational capability offered by collaboration technology.

*The persisting team spaces made possible by the repository are key to world-class collaboration.*

**Finding #3: Team Leaders Worked Hard to Keep Their Teams Committed and Connected**

There seems to be a centripetal force working against virtual teams, flinging members apart, cutting their sense of connectedness. Add this to the normal challenges that teams face — trust issues, gossip, power struggles, even finding a convenient time to get

together — and it's easy to see why some virtual teams do fly apart. Not ours.

The team leaders in our study were intense communicators; one estimated he spent 10-15 hours a week just on the phone. Teleconferences, telephone calls, Web postings, and instant messages all contributed to our teams' overall sense of inclusion. And that was only the beginning of how much effort leaders had to devote. While our team members were part-time, many indicated that leadership of these teams was more than full-time.

Just as in-place teams develop their own shorthand, acronyms, and in jokes, so did our far-flung teams. One Latin American team even invented its own *lingua franca*, “Portuñol,” which both Spanish and Portuguese speakers understood. It is not unlikely that other teams faced the same circumstances and responded with similar creativity.

Many teams find it necessary to compile glossaries, as did one of our teams. Although this geographically distributed team was all-American, its members nevertheless used technical terms differently. This act of group definition, in which people concur on the meaning of things, is a powerful device for gaining commitment. We're on the same team if we speak the same language. Our teams found this to be true.

Extend glossary definition further, and we find our teams sharing work processes for their projects, amalgamating everyone's unique

approaches. Synchronization of phases, stage-gates, and expectations around deliverables brings distant team members into the same mental frame.

One of our leaders, Tom Kunz, Shell Chemical's Global Finance Manager, Lower Olefins, was creative in his attempts to gain commitment among his global team members in Singapore, Kuala Lumpur, London, and Houston. Early in the project, he put together a slide with all the team members' pictures arrayed around a clock. For meetings, he insisted that everyone log onto the same Web site, where the slide was posted along with the meeting's agenda. He started teleconferences with ice-breaker questions that required people to say something personal, such as "What's your favorite meal?" or "Who was your best teacher?" Then he called on people in order, going around the clock. This allowed everyone to see what each team member looked like as he or she talked. (Soon telecommunications advances will no doubt make this tactic obsolete, as the first versions of desktop multi-point video are upon us.) Similarly, Kunz designed a survey asking about people's pastimes, their heroes, and their favorite music. These are simple ideas, but a wealth of unforeseen connections can grow from them.

No matter how many techniques a team comes up with internally, however, external forces are strong magnets, pulling members away. To keep their team members

focused, our leaders were careful to negotiate explicit contracts with each respective home office manager. Clarity about expectations proved important, including how performance would be reported and rewarded.

There's no question that it requires effort to keep virtual teams together. But as one senior virtual team leader said to us, "Why would I spend 24 hours travelling for a 90-minute meeting when I can stay here and get so much more done?"

### **PRACTICE VIRTUAL MEETINGS**

Our far-flung teams faced space, time, and technology challenges, but this did not deter them from trying new things. When one method didn't work, they moved to another. When "the system" prevented them from doing something, like IM, they went around it. Communication is the lifeblood of virtual teams.

Meetings are the most basic of group activities. Improvements in meeting effectiveness and efficiency offer enormous leverage at all levels and across all specialties and across all societies. For executives, the higher they go, the more time they spend in meetings. For managers in multiple teams, meetings *are* the work. For operating staff, who need to continuously improve their ability to work smarter with more people further away, meetings are on the rise, both internally with managers and externally with vendors, partners, and customers.

To improve meetings, we can make gains by using better communications technology, improved meeting behavior [2], and, most particularly, the historically new capability to create a shared meeting memory, a persistent workplace that enables smarter groups. There is always going to be someone or several someones who can't make a meeting. Speed things up immediately by refusing to wait until the meeting fits into everyone's diary. To reduce the problem of absentee members, remove the face-to-face attendance requirement; to eliminate it, record the meeting in the team room.

**When "the system" prevented our teams from doing something, like instant messaging, they went around it.**

Expedite the collaborative process by adopting virtual-meeting capability as the standard — even when teams are meeting face to face. At a minimum, this means you need the far-flung combo: teleconferences with online workspaces. Pepper in Web conferencing and video conferencing as needed — so long as it's easy (no long trips to video conferencing facilities). Make sure all physical conference rooms have network connections so that everyone can use their laptops and attach to beamers. Equip such rooms with good teleconferencing devices so people don't have to yell or move seats to be heard. Make as

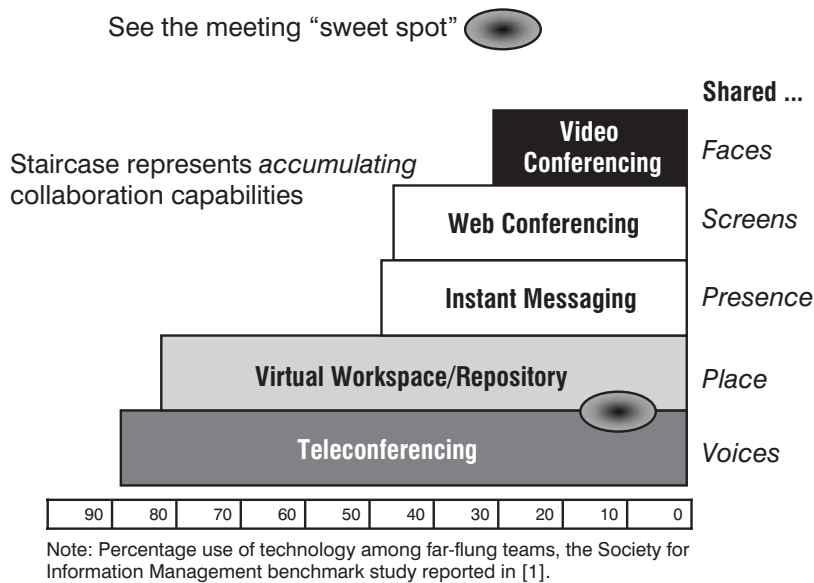


Figure 1 — Collaboration technology staircase.

many meetings as possible “virtually accessible.”

Figure 1 shows a collaboration technology “staircase” that depicts the frequency of use of various communications technologies in the teams we studied. As you ascend the staircase, the virtual meeting capability grows. On the figure, we have located a meeting “sweet spot.” Look to see if your current technologies are optimized for meetings.

Inherently expensive and limited video meetings should set the “gold standard” for collaborative meetings by using all applicable collaborative capabilities — including use of living team rooms to support and document the progress of meetings. The special needs of executive virtual meetings and teams are largely overlooked in the literature. This area warrants

immediate attention and is a prime point of leverage in the new competitive realities of a networked world.

### CONCLUSION

For the past 25 years, we’ve worked intensively on projects that stretch across oceans, languages, time zones, countries, cultures, and countless organizations. We’ve been able to advise clients, conduct research, and plan complex events. Over the years, we’ve had to travel less from our home in Boston as organizations have become smarter about how they work. Speaking personally, our lives have gotten very much easier since the days when we had to physically show up elsewhere in order to get anything done. Yes, the world is more complex than it was when we started our work, but so was it

more complex for our parents than it was for theirs. It’s the natural order of things, and we, for two, feel quite fortunate to be living in this time.

To support the many conversations going on across and within levels of organizations and across organizations, we advocate networked structures. They foster abundant communication and flexible frameworks. If done right, they simply make everyday working and home life easier.

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