Leading Virtual Teams: Managing When People Are At A Distance

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Incorporated 1998 to develop software, methodology, and tools for distributed organizations, NetAge is privately held and generates revenue from consulting, licensing, and royalties. Its founders and principals are Jessica Lipnack and Jeffrey Stamps, PhD.

Website: [www.netage.com](http://www.netage.com)
Blog: [www.endlessknots.com](http://www.endlessknots.com)
What We’ll Cover Today

- Managing in today’s virtual workplace: multi-site, multi-country, multi-time-zone
- What does it mean to "lead at a distance?“
- What are the benefits of virtual teams?
- What are the problems/challenges of working in virtual teams?
- What lessons can we glean from global organizations such as Volvo, Shell, and the US Army?
- What can managers do today to improve how they lead their virtual teams?
"We can’t solve 21st-century problems with 19th-century organizations"
### Profound Shift in Way We Work in Just 10 Years

**1998**
- Face-to-face
- Go to a meeting
- Snail mail
- Attachments
- Filing cabinets
- Libraries
- Water cooler
- War rooms
- Memos and newsletters
- “I’m out”
- “I’m in”
- Wired
- 9-5

**2008**
- Conference calls (and Facebook)
- gotomeeting.com
- Voicemail to email to “no mail!”
- Links
- Files
- Wikipedia, search
- Online communities
- Virtual rooms
- Wikis, blogs, chat, podcasts, vlogs
- “I’m online” to “I’m outside online”
- IM
- Wireless
- 24/7 (Follow the Sun)

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“I didn’t grow up like these kids today with cell phones and Instant Messenger and texting.”

--ELS, age 24

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The 15-Meter/50-Foot Rule

Based on physical proximity, collaboration is difficult if people are farther than 15m/50 ft apart

Do you work with such people?

Proximity and Communication

Probability of communicating at least once a week

Tom Allen, MIT, 1977

Proximity and Collaboration

<table>
<thead>
<tr>
<th>Office Location</th>
<th>Probability of Research Collaboration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Same corridor</td>
<td>10.3%</td>
</tr>
<tr>
<td>Same floor</td>
<td>1.9%</td>
</tr>
<tr>
<td>Different floor</td>
<td>0.3%</td>
</tr>
<tr>
<td>Different buildings</td>
<td>0.4%</td>
</tr>
</tbody>
</table>

Bell Communications Research & Univ of Arizona, 1988

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The Technical Definition of a Virtual Team

Small group with common purpose interacting interdependently on agreed tasks across boundaries of space, time, and organization supported by technology.

A Virtual Team — also known as a geographically dispersed team (GDT) — is a group of individuals who work across time, space, and organizational boundaries with links strengthened by webs of communication technology. They have complementary skills and are committed to a common purpose, have interdependent performance goals, and share an approach to work for which they hold themselves mutually accountable. Geographically dispersed teams allow organizations to hire and retain the best people regardless of location. From Wikipedia.
Virtual Teams Have all Normal Team Challenges

1. Leading and participating effectively up, across, down, out
2. Building and deepening trust
3. Speaking same language
   - Shared terminology, meaning
   - Similar experiences
   - Common standards & tools
4. Behaving according to agreed norms
   - Operating agreements, guidelines
5. Making decisions that benefit both team and its members
6. Managing conflict, responding to crises
7. Evaluating team, member performance
8. Providing performance incentives for team, member
+ Purely Virtual Challenges

9. Lack of daily face-to-face, people losing touch
10. Cultural differences “virtually” guaranteed
11. Time-shifts, extra long “days”
12. Misunderstanding frequent without established communication norms
13. Trust delicate to maintain without informal socializing
14. New tools carry overhead of having to learning them
15. No blueprint exists for how to do it
16. New field of leadership being invented on the fly
Plus They Cross Many Boundaries

Do you regularly work with people in different **internal** organizations?

- **Internal Units**
  - Businesses
  - Functions
  - Regions
  - Sites

- **Management**
  - Hierarchy levels
  - Bureaucracy

Do you regularly work with people in different **external** organizations?

- **Value Chain**
  - Partners
  - Suppliers
  - Customers
  - Competitors

- **Professional**
  - Disciplines
  - Expertise

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How Virtual Are You?

Increasingly virtual

Global Sites         Global Cross-Functional         Global Alliance

Distributed Sites          Local Cross-Functional          Local Alliance

Traditional work unit     Co-located Cross-Functional         Joint Venture

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Tom Botts, EVP, Royal Dutch Shell, Writes: In the “Old Shell World”

- People used to **seeing** boss frequently, feeling as if hard work **noticed** by boss
- Great pride and affiliation with old in-country Operating Unit. People still complained about how their business was run, but it was “theirs”
- Relatively few people used virtual tools because “**face-to-face is better**”
- Comfort in rigid, well-defined hierarchy. Insistence on **single-point accountability** (rarely carried out in practice)
- People at same layer in organization regarded as roughly **interchangeable** with same burden of responsibility
- Relatively **little external focus**--more focus on maximizing my OU’s scorecard and doing better than other OUs
- **Managers** manage their line, and **defend** it to others

--Used with permission of Tom Botts
In the “New Shell World,” Tom writes:

- **People comfortable with working across boundaries.** Working for boss in different country OK because I know I can get support I need from my ‘virtual’ boss as well as local and extended network I work within.

- I am proud of my extended network, even though I can’t touch it and it isn’t represented by single building, plant or platform. I feel I am important part of something much bigger and what I do matters. Even though I work in large organisation, I don’t feel lost or unimportant.

- Virtual working and virtual tools are “the way we do it around here.” Most importantly, everyone knows right behaviors to make virtual working work. We don’t feel hampered by notion that face-to-face is necessary to form effective relationships.

- We have much sharper and aligned view of accountability and are comfortable with matrix organisations. We know that simple boxes and lines on an org chart don’t reflect the way work must get done---we are more comfortable with networking to solve complex problems.

- We are much more aware of where the critical hubs are in the organization and recognize they may appear at any level. Critical hub jobs are well thought out, properly supported, and resourced with special care.

- Everyone is externally focused aiming to beat competition. I own the success or failure of the whole, not just my bit.

- Leaders intervene in ordinary to help others produce extraordinary. Leaders are systems thinkers and are good at shaping and enabling networks.
“Can Absence Make A Team Grow Stronger?”
Benchmarking “Far-flung” Teams

- Comprehensive, best-practice study of “far-flung” teams
  - Core work not done face-to-face
  - Membership changes over time
  - Cross-function, -discipline, -organization
- Researchers posed two kinds of questions:
  - People: Management practices?
  - Tools: Technology features?
- Collaboration of university researchers Majchrzak (USC) & Malhotra (UNC), Society for Information Management (SIM), and NetAge
- 54 teams from 26 primarily global companies across 15 industries
HBR Article: The Three Rules of Far-Flung Teams

Rule no. 1: Exploit diversity
Rule no. 2: Use technology to simulate reality
Rule no. 3: Hold the team together

Industries
- High-Tech
- Industrial manufacturing
- Telecommunications
- Consumer products
- Chemical
- Automotive
- Engineering design
- Medical device manufacturing
- Consulting
- Printing
- Financial services
- IT research analysis
- Health care
- Non-profit
- Logistics

Companies
Agilent • Air Products • AMP • Childrens Health • Digitas
• Dupont Dow • Emery • EDS • Freelances • Fullcircle •
Gartner • GSK • HP • Heidelberg • IDS Scheer • IBM •
Intel • International Truck & Engine • Kraft • LDS Church
• Lucent • Marinos • Medtronic • MSC • Motorola • NGIS
• RFG • RealWorldSystems • Shell Chemicals •
Tektronix • Unilever Latin America • Verizon

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Boeing-Rocketdyne project to build new rocket engine

Recruited two experts from outside Rocketdyne location

Came up with breakthrough design for thrust chamber and turbo pumps that reduced:

- Number of parts from 100s to a few
- Design time to 10% of schedule
- Number of hours to 1% of normal
- Manufacturing cost by millions

Q: How did they do it?

- Weekly face-to-face meetings
- Working at a distance
1. Exploit Diversity

- Make the most of people’s differences
- “Storm to form,” not “form to storm”
- Engage detailed conversations, allowing them to wander
- Use team assessments; share results among members
- Rotate pairs who don’t know each other on subtasks
- Also pair people with differing perspectives
  - Greater differences in pairs working together produced breakthrough solutions
2. Use Technology to Simulate Reality

- Combine teleconferencing (86%) with virtual workspace (83%)
- Instant Messaging used by 50% even when prohibited
- Videoconferencing used by only one-third
- Online threaded discussions used between meetings
- E-mail poorly regarded for team communication
3. Hold the Team Together

- Communicate daily, intensely
- Adopt common language
- Blend work processes of members
- Encourage cultural descriptions, expressions (e.g., Portuñol)
- Protect members by agreeing time commitments with their managers
- Orchestrate conference calls as “can’t miss” events
  - Begin with news, unexpected query to “get voices in room”
  - Introduce topics that generate heat
  - Discourage status reporting
  - Actively encourage conversation
  - Close with “self-propelling endings”
A Methodology for Virtual Teams
What Is the Virtual Team Methodology?

- Based on 25 years of work with public and private organizations around the world
- Combination of principles, practices, processes
- Four core principles: People, Purpose, Links, and Time
- Used by GE, Roche, Shell, Apple, Pfizer, Merck, Qantas, Hewlett-Packard, NCR, US government agencies, United Nations, Volvo
- Evolves with use
- Data point: IT division of international financial services firm showed 34% increase in collaborative capability by using methods

Methodology— a body of methods, rules, and postulates employed by a discipline", (2) "a particular procedure or set of procedures", or (3) "the analysis of the principles or procedures of inquiry in a particular field" (Merriam–Webster)

From Wikipedia
A Model for Virtual Teams (and Networks)

- **Why?**
  - Goals
  - Tasks
  - Results

- **When?**
  - Media
  - Interactions
  - Relationships

- **Who?**
  - Process
  - Phases

- **How?**
  - Members
  - Leaders
  - Levels

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Building Blocks for High-Performing Virtual Teams

1. Create identity
2. Draft Mission
3. Frame Timeline
4. Set Objectives
5. Identify Members
6. Establish Relationships
7. Make Agreements
8. Draft Comm. Plan
9. Create Network Map
10. Shared Values, Behaviors
11. Shared Work Processes

Ongoing Self-diagnosis and change

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Six Key Aspirations to Keep in Mind

1. Everyone shares same picture of overall purpose
2. Everyone follows same process for doing similar work

3. People have the freedom and flexibility to do their work
4. Everyone continuously clarifies roles, responsibilities, and competencies needed

5. People collaboratively set operating agreements that they actively apply
6. High level of trust enjoyed by everyone
### Purpose

1. Everyone has same picture of overall purpose
2. Team discusses, agrees, and reviews clear, simple goals
3. **Everyone follows same process for doing similar work**
4. Team looks for ways to interconnect and improve work processes
5. **Everyone understands the deliverables**
6. Team develops and reviews measures and milestones for deliverables

### People

7. People have the freedom and flexibility to do their work
8. Team continuously clarifies roles, responsibilities, and competencies needed
9. **Leadership widely distributed and shifts as needed**
10. Individuals are encouraged to lead and to follow as appropriate
11. **Key system interdependencies are clearly articulated**
12. People are encouraged to talk across levels

### Links

13. A variety of media are available and accessible
14. Team knows how to use collaboration tools consistently and creatively
15. **Team has collaboratively established and actively applied operating agreements**
16. Team actively implements strategy for engagement across organization boundaries
17. **Team members build “social capital” through multiple connections**
18. Team has high level of trust

### Time

19. Team has clear milestones and schedules of dates
20. People are aware of ongoing key team dates and cultural calendar
21. **Task timelines are collaboratively established**
22. Team is able to adapt to rapidly changing conditions
23. **Team has clear view of its life cycle and current phase**
24. People discuss team processes and suggestions for improvements

### Scale

1 - Strongly disagree... 3 - Somewhat agree... 5 - Strongly agree
If This Were a Conference Call: We’d Get Voices in the Room

“This is John at 6 o’clock”
Collaborative Conference Calls

- If no agenda, then no meeting
- Avoid status reporting
- Use screen sharing
- Rotate facilitator, note taker, timekeeper, "break" buddies
- Keep notes, display them, and distribute immediately

- Check-in: go around clock face
- Get voices in room with "ice breaker" question
- Say your name each time you speak
- Generate heat: Discuss, disagree, decide
- Check-out around clock
How Do You Decide When to Travel to Meetings?

- Do you need to have a difficult conversation?
- Do you need to make decisions that depend on interpretation of subtle cues in body language?
- Do you need 8 or 16 hours of continuous work together?
- Do you have to share “things” that would be difficult to experience at a distance, like touring a facility or using a piece of equipment?
- What is the true cost of the meeting in terms of direct expenses and personal wear-and-tear?
- Have you done a back-of-the-envelope calculation of the meeting’s contribution to CO2 emissions?
- Do you sometimes travel because you like it or get the feeling that you are important for doing so? Is the meeting you’re planning one of those?
- If you do absolutely need face-to-face, could you:
  - Organize a high-end video conference if people have never seen one another?
  - Conduct a series of highly organized conference calls over a week’s time?
- If you absolutely need face-to-face, are you traveling to the most convenient location for everyone?
- Is everyone attending the meeting essential? Could some call in for part of the meeting?
- If you choose not to travel, can you explain your decision clearly to others?

See *The Content Economy*
What’s Wrong with Email?

Thursday, 19 July 2007

"Email is for old people"

There have been a few problems at my alma mater of late, which have captured my attention sufficiently to get me to attend alumni meetings, where passionate grads are arguing the future of one of America's great institutions, Antioch College.

So while I'm sitting at the most recent one trying to follow the conversation, someone said something that has proved to be the only direct quote I recall from the meeting: "Email is for old people."

The speaker, whose name I've been trying to get but alas, she may not reply to email, went on to say that post. They don't email.

I email and I post. Like right now. This is a thinking since about what this might mean.

1:1 communication in public? In private fora can join by registering?

We know from our research over the years - means the only ones recognizing this -- email limitations. Long discussions do not lend the Bulletin boards, threaded discussions, and in the moment, wiki do.

What's Wrong with Email?

Why is everyone ranting on E-Mail? The premonitions of its imminent demise (or calls for its outright impeachment) are constant - each week a new report on how old-fashioned and oh-so-1980's it is in the eyes of the Millenial generation (see here and here).

So, what's wrong with it? Or more appropriately, what is so new and different about the contenders for its crown?

The argument seems to be that email is old-fashioned, disorganized, cluttered with spam, and used for too many things for which there are better solutions.

Old-Fashioned? Yes, email is essentially text-based. Yes, it does pictures and you can force it to do formatting or attach video or audio. But you cannot rely on anything but the text matching the other end. (That is part of its old-fashioned charm.)

Disorganized? Yes again. Folders are an oh so familiar mechanism for organizing information. But I don’t know anyone who has actually got their mail under control. The volume and nature of email changes too frequently, it confounds and exceeds the ability for any individual to keep its structure up-to-date. As a consequence the inbox starts to behave like an overstuffed filing cabinet. Search and sort (by sender, by subject) become the primary tools for finding old mail.


Used for too many things? Well, wait a minute...

Endless Knots

Email Archiving: "It's Here Somewhere!"

By Rick Cook
Dec 9, 2005

The Problem of Email

I have a problem, and its name is "email". Many as I do. When I say "my inbox is out of control", and knocked it down from 3,000 messages to 50 messages spread out over 5+ inboxes. This is an archive, and started fresh. This is after I unsubscribe company mailing lists. This is after spending 3-5 day on it.

O'Reilly Radar

Incredibly Dull blog
It Takes a Lot More than Email to Lead at a Distance

Network Model

- People
- Purpose
- Links
- Time

Concepts

Framework: Structure and Process

<table>
<thead>
<tr>
<th>Periodic Table of Organizational Network Elements</th>
<th>Inputs</th>
<th>Processes</th>
<th>Outputs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose</td>
<td>Goals</td>
<td>Tasks</td>
<td>Results</td>
</tr>
<tr>
<td>Modes</td>
<td>Member</td>
<td>Leadership</td>
<td>Levels</td>
</tr>
<tr>
<td>Links</td>
<td>Media</td>
<td>Interactions</td>
<td>Relationships</td>
</tr>
<tr>
<td>Time</td>
<td>Calendar</td>
<td>Projects</td>
<td>Phases</td>
</tr>
</tbody>
</table>

Assessment and Diagnosis

- Measures
- Systems Model

Input

Output

Technology

Architecture for Online Team Rooms

<table>
<thead>
<tr>
<th>General Function Team Specific</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communications</td>
</tr>
<tr>
<td>Purpose</td>
</tr>
<tr>
<td>People</td>
</tr>
<tr>
<td>Time</td>
</tr>
<tr>
<td>Links</td>
</tr>
<tr>
<td>Content</td>
</tr>
</tbody>
</table>

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Successful Virtual Team Leaders Employ New Principles, Behaviors, and Tools

Use four common principles

And “co-locate” virtual team

To assess virtual team behaviors

© NetAge, Inc., 2008
One US Army Project Around Virtual Teams: "Teams of Leaders Handbook" Team Room

Used with permission of Battle Command Knowledge Systems “Teams of Leaders (ToL) Handbook” Project

NetAge, Inc., 2008
How Volvo Works with Virtual Teams

Some Volvo IT Initiatives

- Management seminar for senior people
- Launching key initiatives, project teams
- Behavioral Guidelines
- Media Campaign
- Information Worker Package: IM, email, team room, audio, video, web conferencing
Shell’s Many Years with Virtual Teams

Just a few of many projects

- Networked Community Strategic Initiative
- Network Learning and Support Center
- Expro-SIEP Staff Collaboration Project
- People Working Together Better
- IBM-style Jam
Strategy for Success at a Distance

90% People + 10% Technology

Myth:
Leading virtually is about using right technology

Reality:
Leading virtually requires understanding people, culture, organization, and collaboration

“We always get the technology right and the sociology wrong”—Paul Trevithick
“Only Connect”—E.M. Forster

“We are born to work and play together in teams, but we have to give enough of ourselves to let the filaments connect”

Paul F. Levy, soccer coach; CEO, Beth Israel Deaconess Medical Center; and blogger: Running a Hospital
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You can access today’s webcast within three business days on [www.amanet.org/editorial](http://www.amanet.org/editorial)
Is there any specific limit to the size of a virtual team?
Are face-to-face connections not necessary anymore? My own experience is that once I had face-to-face meetings my virtual relationships were hundreds times better than without that personal contact. As humans, are we not needing face-to-face especially in the anonymity of the internet?
What are best practices for establishing and building trust on a virtual team when the team members will never met?
Is there a noticed trend in 'adaptability' across industries? i.e., is a virtual team successful faster in a software development company vs. a company that is not necessarily known for using technology?
Can you give us an example of "creating heat" in a conference call?
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