

MANAGING IN A VIRTUAL ORGANIZATION

Open Work Services Group

White Paper

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Abstract

Team management is always a challenge, yet, when you need to manage teams across distance and time zones, the challenge is greater. Remote teams can work well, but their success requires managers to pay close attention to a number of seemingly small — but highly impactful and achievable — good practices. This paper provides practical tips for ways to improve your virtual team management skills.

Introduction

Like it or not, many of today's companies need to work across borders, across time zones, and across cultures. Managing from afar can be a challenge. Physical, social, and psychological distance can create barriers to communication. Isolation, time zone issues, and cultural differences can make it difficult for distributed teams to jell. Trust becomes paramount. Expectations and understandings require clear definition. If not properly managed, these challenges can derail a team's effort.

But the advantages of a virtual organization far outweigh the disadvantages. Virtual organizations benefit in many ways:

- Wider pool of available workers. Hiring the best regardless of where they live gives organizations tremendous flexibility.
- 24x7 availability. The ability to conduct three-shift working around the globe gives organizations true around-the-clock coverage.
- Improved efficiency. Studies prove that home-based workers tend to be more productive. Sun's Open Work employees typically give Sun 60% of the commute time saved through flexible and home options.
- Improved performance. Sun employees who work at home score higher on performance ratings than their counterparts.
- Reduced need for real estate. Avoid the costs of opening offices in distant places. Plus, using a network of workplaces allows companies to accommodate more workers within the same office footprint.
- Increased recruitment. Leverage virtual work to attract top talent. In the annual Sun all employee survey, the Open Work program is listed as the number one reason for an employee to recommend Sun as a great place to work.
- Improved employee retention. Sun's multiyear employee survey found that home-assigned employees have a significantly lower turnover rate and higher satisfaction ratings than other employees.
- Greater accountability. In a virtual organization, employees are judged by results, unlike in the office, where one can "look like one is working." With the right controls in place, it's impossible to "fake it" remotely.
- Greater business agility. Flexible work practices allow enterprises to respond quickly to changing business conditions.

- Reduced infrastructure costs. For example, Sun's home-assigned employees' initial and annual workplace expenses are about 70% less than fixed-office employees.
- Smaller carbon footprint. On average, Sun employees involved in our Open Work program save 160 hours per year in avoided commute time.
- Financial savings for employees. Avoiding the commute results in real savings for employees. Each Open Work employee saves 125 gallons of gasoline a year.

Same skill set, different emphasis

Managers of virtual teams use exactly the same skills and best practices as those used for regular teams. You already have what you need to succeed. These skills are core competencies of all managers, not just those who manage virtual teams. The remainder of this paper will share advice from Sun's successful managers of remote teams.

Overriding principles for successful virtual management

Make Meetings Memorable

When you hold face-to-face events, make them special, and hold them in unique locations. Coming together in person on a regular basis is an important part of the success of a virtual organization. Prepare for the meeting so that the time together is used well. This means sending out materials for advance reading and preparation and using meeting time for debate, decision-making, project kickoffs, and having fun. The fun does not need to be highly structured or expensive — but it should allow people to get to know one another.

Lay the groundwork carefully and you'll reap the rewards of a great team. Here are a few principles to keep in mind:

Establish an environment of trust. Successful teams are built on trust — the trust between supervisor and employee and the trust between team members. Encourage relationships that are based on respect and trust. Assume that all employees are motivated to do well and can be trusted to deliver their best. If task conflict arises, deal with it quickly and professionally. Take care to encourage diversity of opinion — you want to encourage an atmosphere of creative, free-flowing interchange.

Develop and build relationships. In virtual situations, relationships between manager and employee, and among coworkers, need to be especially strong. The virtual/remote working environment can exacerbate problems. Without the visual cues available to collocated work groups, it can be difficult to "read" each other remotely. As a result, you need solid relationships and a lot of trust.

Build community. Nurture team relationships and encourage a sense of openness. Help your staff connect across levels, teams, and locations. There are three types of connectedness in an organization:

- **Functional identity.** This is typically a business unit or department.
- **Cross-functional identity.** For example, subject matter or project-based teams.
- **Locational identity.** This is an employee's identity based on where he or she lives. Help employees get to know others who live nearby by holding small group activities, celebrating cultural identity, etc.

Find ways for employees to connect across all three levels — functional, cross-functional, and locational. Encouraging deep connections throughout the enterprise helps to give employees organizational roots and is a great retention tool.

Encourage camaraderie. Hold virtual celebrations, using technology and imaginative ways to bridge distance and culture. Some organizations hold virtual birthday parties and special holiday celebrations, even to the extent of giving "virtual gifts."

Maintain rigor and discipline. Set clear expectations for accountability. Make progress against goals visible to all through the use of wikis, dashboards, and other visual reporting devices. For example, when evaluating employees, measure based on results, not on presenteeism or activity. Take deliberate actions to build a sense of team cohesion rather than simply assuming that it will develop naturally as it might if the team were collocated.

Support good virtual work practices. All levels of the organization should be aligned behind a virtual team. This includes role-modeling by leaders, highly proactive managers, and high-performance individual contributors.

Good practices for team formation

Spend time in the initial stages of team formation for greater results.

Big Rules

Successful virtual teams agree together on the protocols and etiquettes for working virtually. These rules set the stage for collaboration and help all members develop an appreciation for everyone's work patterns. Be sure to have these rules in place before your team begins work.

- Working hours. Establish core hours when the entire team is available for phone calls, meetings, and group IM.
- Communication protocols.
 - Group IM: When should employees log on to IM (beginning of workday), and how to communicate status using presence indicators such as "available," "in a meeting," or "working on a deadline."
 - Email: How frequently employees should check in, respond, etc.
- Shared calendar. Regular status meetings, how to set up meetings, inviting others to meetings.
- Reporting. When and how often to document.
- Conference calls. Vary time zones and set time limits for calls.
- Deadlines. Some virtual organizations use Wednesday as deadline day (Friday in North America is Saturday in Asia.)
- Common software and protocols for file naming.
- Issue handling. When and how to escalate issues.

Hire the right people. Virtual organizations need to work closely together, even if they are far apart physically. You want to have a staff that melds well, and one way to do this is by holding multiple interviews and involving all team members in the process of interviewing for technical competency. This can be done via telephone and video conference. You want employees with the skill set and personality traits that make for successful virtual working. Look for:

- Track record of virtual work
- Good work habits
- Discipline in staying focused on work when working alone
- Self-sufficiency
- Self-awareness
- Independence
- Comfortable using technology to reach out to others (e.g. Group IM)
- Previous experience working virtually is a bonus

Encourage referrals. People don't refer people they don't like or respect.

Form teams deliberately. Pay attention to geographies. Avoid the "we/they" syndrome, which happens when a majority of the team works out of the headquarters location. "Seed" the team with a few members who are highly adept at virtual work. These people can help to model best practices.

Start off with a face-to-face meeting. In-person meetings are especially good for:

- Getting to know team members and their style of communicating
- Solving problems, such as discussing technical matters that are unclear
- Transferring knowledge

Keys to Effective Virtual Meetings

Successful virtual teams agree together on the protocols and etiquettes for working virtually. These rules set the stage for collaboration and help all members to develop an appreciation for everyone's work patterns.

- Prepare. Send agenda and documents in advance.
- Socialize. Spend the first minute or two of the call checking in, getting to know each other.
- Share. Rotate meeting leadership to develop skills for all members.
- Check in. Be alert to participation. You don't want quiet members to become invisible. Speak with every member on every call.
- Honor time. Don't allow calls over 60 minutes. Any longer, and either the agenda is wrong, you don't have the right participants, or the preparation is insufficient.
- Chat. Use Group IM for interjections, questions, and comments during conference calls and team meetings.
- Alternate. Vary call times to align when employees in other time zones are fresh.
- Summarize. End with action items and a final check in. Briefly sum up meeting deliverables and ask for agenda items for next meeting.
- Document. Send meeting notes and post them to the team site.

Agree upon accepted processes and protocols. One of the essential first steps of structuring virtual teams is to agree on business processes and protocols. These set the stage for collaboration and direct the workflow. As a group, decide how decisions will be made and documented, whether "core hours" will be required, what communication protocols should be in place, and how quickly to respond to various types of communications. Make big rules.

Good practices for day-to-day success

These are some of the practices employed by successful Sun managers.

Pay attention to time zones. Time can be tricky for globally dispersed teams. Even defining a deadline can be confusing. For example, if work is due at the end of the week, whose end of the week do you mean? Thursday at 2 p.m. in Egypt, Friday at 5 p.m. in Austria, or Saturday at noon in Bolivia? Have your team pick a specific time, and specify the common time zone they will use in communicating about meetings. For help scheduling global meetings, try the World Clock Meeting Planner.

<http://www.timeanddate.com/worldclock/meeting.html>

Honor team meeting and manager/employee one-on-one (1:1) time. Distant teams need regular, structured team meetings. In addition, you need to schedule 1:1s and keep to the schedule. Have a regular cadence for team meetings and 1:1 meetings between managers and employees, and treat these as immovable events.

Use the right tools to promote collaboration and knowledge-sharing. Use the same technology as your remote staff. Become adept at its use.

Take advantage of smart technologies, such as:

- Instant messaging (IM). Set up a group chat room, preferably with persistence (ability to save conversations). Encourage its use by signing in every day.
- Virtual team space. Some examples are a group calendar, project status dashboard, and message threads for various subjects.
- Wikis. These simple Web sites, where members contribute content and comments in a nonhierarchical way, can be especially useful for encouraging openness and capturing knowledge.

- **Blogs.** These are personal Web sites, which can be used to provide opinions, commentary, links, etc. If you don't have a blog, start one.
- **Web conferences.** Synchronous Web meetings with visuals, shared software, electronic whiteboards, and polling add depth and increase meeting participation.

Manage compliance to the big rules. Make sure that the group adheres to the big rules your group sets at the outset. Revisit them quarterly. If they need to be changed, get group agreement on changes.

Be proactive about conflict. Don't wait for problems to occur. Ask how the members of your team are feeling, not just what they're doing. Deal with issues before they escalate.

Stay on the same page. Set up a team site or wiki where team members can contribute to a common document that states the team's purpose, identifies players, specifies delivery dates, and spells out goals. As you add to it over time, it provides a team history.

Communicate often. Virtual teams thrive or fail based on the level of communication. The openness of communication is key. Managers should consider communication their most important duty. Be signed on to group IM. Make a point of greeting each member of your team every day. Make lots of phone calls. Plan to talk to each team member by phone at least once a week.

Conclusion

Remember, the skills needed to manage remote teams are skills you already have. There is no "silver bullet" for building effective virtual teams. But, if you are purposeful in how you implement many good practices, you'll find success.



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