

Making the Most of Virtual Working

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In 1980, the renowned futurist Alvin Toffler wrote in his famous book, *The Third Wave*: “Work is not necessarily going to take place in offices or factories, it is going to take place everywhere, anytime.” Toffler’s prophecy is almost prosaic and eminently true. In merely 25 years, the future is racing ahead of the futurists.

Rapid, ground-breaking advances in technology and intense global competition have turbocharged both the speed of business and the need to optimize costs, contributing to the need for people to be able to work anywhere, anytime. Workplace models and norms are being revolutionized by the tremendous reach of instant communication capabilities. The physical barriers that once required employees to be in a specific location to accomplish their tasks are removed by the constant use of computers, cellular phones, fax machines, convenient high-speed Internet access and other advanced collaborative software. In the high-tech, high-speed, knowledge-based world of business, virtual working is becoming one of the fastest-growing trends.

To stay in the game, many organizations have started to endorse and embrace remote working. True success for them lies in creating a culture where employees and managers understand the profound value of remote working and transform their mental models and behaviors to operate successfully in the virtual arena. This article examines the growing popularity of this new work arrangement and why it is a strategic advantage for organizations. It presents a typical profile of a remote employee and unravels the innate contradictions in the realm of remote working. Finally, it suggests ways by which managers of remote employees could obtain high payoff from this new trend by developing a focus for change — a shift beyond the outmoded “command and control” management approach to a more trusting and uniting relationship that will unleash the talent of virtual employees.

Tracking the Trend

There is overwhelming evidence to suggest that technology breakthroughs are changing the way we work, allowing individuals to work remotely and connect, as never before, with their colleagues and customers. According to a survey by the Telework Association & Council in September 2004, the number of employed Americans who performed any kind of work from home, with a frequency range from as little as one day a year to full time, grew from 41.3 million in 2003 to 44.4 million in 2004, a 7.5 percent growth rate.

Given the continued rise, it is encouraging to note that many companies are fast embracing virtual working in some form or other to retain talent. In a 2003–2004 Hewitt Associates survey of U.S. Salaried Work-Life Benefits, 30 percent of 975 employers surveyed reported

that they offer work-at-home/telecommuting arrangement. Organizations are seriously evaluating the real need for a permanent office space, which according to Charles Handy, is available for 168 hours a week but often used only for 12 or less. Instead, advances in 3G technology is supporting the agile workforce — an increasing number of employees who are “on call” at all times from coffee shops, airport lounges, hotel rooms, client sites, suburban telework centers and homes.

The next generation demands greater flexibility.

Organizations that are leading the pack in employing a virtual workforce report stunning improvements in cost savings, productivity and employee morale as a result of remote working. In a recent survey of 237 senior executives from 17 industries across Europe, Asia and the United States conducted by the Economic Intelligence Unit and AT&T, potential cost savings were cited by 69 percent of respondents as the main benefit of remote working, followed by 64 percent who cited increased productivity.

“Telework alone generates over \$150 million annually in productivity increases, real estate savings and enhanced retention for AT&T,” said Joe Roitz, the Telework Director of AT&T.

Virtual working becomes even more important as the next generation talent bench demands greater flexibility in choosing its lifestyle and work options. In selecting future employers, talented individuals are proactively investigating companies that offer flexibility and allow them to balance their personal and professional goals. In a recent survey of 1,078 managers by TheLadders.com, a New York-based executive job service, nearly 40 percent responded to taking advantage of telecommuting if it was offered to them.

Who Are They?

This ever-growing legion of virtual employees is beginning to replace the traditional on-site worker. Typically, virtual workers can take many forms but are likely to be placed in one of the three categories described below:

► **C-Suites:** These corporate leaders make up the senior ranks of an organization. They may not be proficient in using sophisticated tech-ware for managing work but are aware of the importance of information technology in connecting with people. Remote working, for them, is more a necessity than choice because their job requires them to travel extensively. When on the road, they rely heavily on simple-to-use technology such as cell phones and Blackberry for communicating with their internal teams and clients. Many C-suite professionals can be spotted in corporate jets that are usually transformed into virtual “offices in the sky” with a host of the latest communication infrastructure.

► **Mobile managers:** These are employees for whom on-the-job travel is over 90 percent of their job requirement. These individuals are sales professionals, project managers or management consultants — who are working on the fly between, for example, customer or employer premises — for at least four days a week. They are equipped with the usual armory of mobile gadgets that work well in the trenches. For example, they can be seen lugging sturdy, powerful laptops and extra batteries to remain occupied during long layovers. They are completely dependent on technology, not just to communicate but to get their smallest level of work done. Because of their extended time away from the office, many do not have a designated office space, and when in office, rely on hoteling and hot-desking, a shared space used by multiple people.

► **Teleworkers:** The most popular and growing breed of virtual workers are teleworkers or telecommuters. These individuals, who are the primary focus of this

article, carry out work on a permanent basis away from traditional corporate offices. Teleworkers may work from home where they maintain a full-fledged office with heavy-duty technology access, or telecentres where workers collect at a local facility and minimize travel to a long-distanced centralized location. For the purpose of this article, reference to teleworkers, virtual or remote workers, and telecommuters is made interchangeably. Additionally, this article delves into challenges faced in managing full-time, work-from-home employees.

Virtual Contradictions

As with myriad other changes in our working environment, the world of remote management is engulfed by contradictions. As we know, a contradiction is bounded by two opposites. The contradiction is evident in the very nature of remote working: On the one hand, it promotes virtual working, connectedness, flexibility, individualism and autonomy, while on the other hand, visibility, distance, structure, teamwork and control are evident. These dichotomies are discussed below.

Virtual But Not Invisible

Virtual is usually taken to be something that does not exist in reality and is not visible at least in the traditional sense. In a virtual environment, work is performed outside of the definition of a visible realm. Employees who work virtually are dispersed organizationally and geographically. They have fewer opportunities to observe each other and have face-to-face contact.

At the same time, being physically away from the front view of their manager or co-workers is fodder for the “out of sight, out of mind” phenomena. Often, teleworkers fear that absence of “face time” will push them behind in corporate advancement and cut them out of the peer social circle. As a result, they experience a greater desire for visibility to avoid any negative impact or being seen as easily expendable.

Distant But Still Connected

Blackberries, cell phones and pagers are only a few embellishments in the growing list of communication devices that demand constant attachment to work-places, making it difficult to wean from the need for an instant response. Collaborative working technologies such as Web conferencing, instant messaging or e-mail enable virtual employees to connect with their colleagues anytime, anywhere.

At the same time, remote working has a tendency to create the “lone cowboy” or “fearless gumshoe” because teleworking exhorts the employee to seek life away from the regular place of work. Working from the remote environs of home or other locations away from the office often leads to a feeling of social isolation on the part of teleworkers. They are not able to participate in war stories around the water cooler, sewing circles and rumor mills. Many remote workers report missing co-worker camaraderie and the intellectual spark by bouncing ideas off their colleagues. Researchers have interviewed teleworkers who experience “feelings of loneliness, isolation, and a growing desire to escape the ‘same four walls.’”

Flexible Yet Structured

Employees working remotely enjoy the flexibility of time, space and tasks. Since work is only a couple of steps away, flexibility of time allows virtual workers to run a personal errand or watch TV when the work is slow or remain in front of their keyboards at hours such as 6 a.m. or 11 p.m. during peak work loads. A flexibility of space allows workers to be at a few minutes’ proximity from their children or elderly parents while connecting with colleagues or customers who are

thousands of miles away in perhaps another corner of the world. In the virtual enterprise, workers have the flexibility to perform varied roles and tasks — from an assistant to a manager — according to the need of the hour.

Simultaneously, organizations with successful teleworking programs have clearly defined structures and guidelines to ensure that critical decisions are not lost in a virtual vacuum. These companies sense an

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even greater need for redefinition of roles and tasks and a continual review and evaluation of what tasks are being performed, by whom and at what level. Companies such as IBM and Hewlett-Packard have well-articulated guidelines on topics relating to who can participate, family and household issues, administrative processes and so forth. The existence of clear structure and boundaries becomes essential to have a common point of reference, a uniform understanding of the “big” picture instead of undirected freedom and creative chaos.

Individual-Focused But Also Team-Centric

A home office works best for individuals who are internally motivated self-starters adept at their job and technically self-sufficient. While not denying that a remote worker needs to build on the achievements of others, teleworking can lead to a greater degree of self-reliance and self-discipline. In a co-location environment, workers are tempted to swing by the offices of their colleagues for a “quick question” interruption. Remote working may stimulate workers to develop greater self-awareness, motivate them to exercise free choice and drive them to move in new directions on their own. Since self-motivation is critical for a teleworker, some organizations offer self-assessment questionnaires to teleworking candidates for determining

their suitability and chances of success in a remote environment.

In a similar vein, teleworkers, more often than not, are members of a virtual team that has a shared purpose. Digital networks and collaborative software enable telecommuters to be just a “click or a call” away and exploit reliable and consistent communications to work together and overcome some of the frictions of time and geography. For example, e-mails, discussion boards and chat rooms are used with minimal cost to communicate and co-work. Some organizations also set up telecottages that are locally based facilities offering the teleworking community a chance for collaboration, personal interaction and knowledge sharing. Cigna Corp. offers “touchdown spaces for workers who occasionally need shared offices for meetings or social contact.”

Autonomous But Not Without Control

Virtual working can create an environment that promotes autonomy and empowerment. In an environment of trust and commitment where the teleworkers are not under the watchful lens of “big brother,” the omnipotent manager in the office, they understand their personal responsibility toward accomplishing the mission at hand. Remote workers become skilled at discovering and learning on their own how they should go about doing things.

On the other side, managers trained in old management style often feel a higher need to control teleworkers and monitor their job performance than an employee in the office because they “can’t see them and don’t know whether they are actually working.” In the 2004 Economic Intelligence Survey, “the difficulty in monitoring output of remote workers” emerged as the

main perceived obstacle to implementing remote working. Research indicates that teleworkers may be viewed as being less committed and loyal to the organization. Often a line-of-sight supervision and control are exercised to ensure consistency and quality of service delivered. Some managers end up using their power and authority to micro-manage every process and use computer software such as “TrueActive Monitor” to electronically monitor activities of a self-directed teleworker.

As you can see, the world of remote working is wrought with many contradictions. Organizations moving toward this new way of working are disadvantaged if they don’t leverage and integrate the opposite forces. More importantly, managers of teleworkers need to adopt a new management paradigm that is a departure from the traditional perception that employees should cede control and managers should assume it.

Managers of teleworkers are on the spot.

A New Manifesto for Managers

If you do a quick experiment and search on Amazon.com for books by keyword “remote manager,” you probably will find more than a thousand titles on the topic. The topic is catchy, current and probably crowding many managers’ minds. After weeding through a significant amount of popular and research literature on this topic, the authors have identified a pattern that suggests that managerial style is the single most common hurdle in achieving the benefits promised by remote working. The managers of teleworkers are on the spot.

Several recent research studies assess the telecommuter’s relationship to his/her manager. Some companies, for example, Pfizer Inc., Merrill Lynch and Sun Microsystems, train managers before allowing them

to manage teleworkers. (See Sidebar.) Despite this, there exists insufficient clarity on what managers need to do differently for higher performance and commitment from work-from-home employees.

Sidebar

Sun: Blazing Success from Remote Working

Sun Microsystems' iWork program belongs to the first generation of telecommuting initiatives aimed at providing innovative workplace choices for its mobile and distributed employees. Nearly half of Sun's workforce (15,000) opts for a flexible work arrangement, where employees either work from home, drop-in-centers or Flex Zones within Sun office buildings, enabling the California-based company to achieve \$200 million in operational cost savings (IT and real estate) during the last three years.

During the past 10 years of its existence, the program has become an integral part of the working environment at Sun. Every Sun employee is eligible to participate in the iWork selection process once approved by his/her manager.

So, is this really a successful "people" initiative? Significantly enhanced satisfaction levels and increased participation over the years demonstrate the real success of the program. Internal surveys reveal an 80 percent overall employee satisfaction with iWork in fiscal year 2004. One of the program's key architects, Eric Richert, vice president of iWork Solutions Group, said the element of choice and control that employees have over their work generates a feeling of "Wow!" among them.

As part of the iWork program, employees and managers undergo systematic education and training on areas such as time management and personal organization, remote management, staying connected to colleagues and distance collaboration. Despite rigorous training, Richert admits that one of the biggest challenges facing the iWork program is a small minority of managers who still resist virtual working. These managers believe that when employees are not in the office, they cannot monitor and make sure that work is actually being performed. Richert said, "We are trying hard to shift the mindsets of people managers from being a traditional supervisor to a direction giver."

Through its huge investment in technology solutions, distance collaboration tools and training, Sun is committed to its company vision of "making the net work" by providing flexibility in planning and managing work to all its employees.

The behavior and management styles of managers who direct teleworkers are not vastly different from those of effective managers of co-located employees. However, they are different on two counts. First, managers of remote workers need to understand and harness the potential of technology. Second, they need to shift from the elitist industrial age mindset of control to a greater appreciation for the power of self-management.

This need for a shift in the management style and focus has inspired us to present a new "manifesto" for managers who have to lead, direct, coach and manage virtual employees. The manifesto highlights five fundamental characteristics required by a virtual manager. There are no absolutes, but this can be a point of reference to rate the performance of managers responsible for virtual employees. Surely, the weight and importance attached to each characteristic can be calibrated based on the situation.

1. Build Trust and Emotional Currency

In a virtual work environment, a trusting relationship between the manager and the remote worker is essential for increasing motivation, gaining commitment and creating the energy required to achieve high performance. An absence of physical proximity can reduce the socio-emotional development between the manager and remote workers, thus disabling them to share their intellectual capital. Managers need to understand the preference for autonomy and direction of each virtual employee and jointly determine the optimal balance for the task at hand. They have to give up their skepticism about "is he/she really working at home?" and replace it with a level of trust in a remote worker's capabilities.

Managers who are crippled with the traditional checkpoints and control mentality often use software to monitor employee activities, thereby fuelling an environment of distrust. Instead, managers will get a better sense of their remote worker's engagement and loyalty by high social interaction and regular

communication patterns. They can address some genuine concerns about their remote employee's motivations to work by hiring individuals with high integrity and then establishing a bond of trust. Also, simple gestures such as sending a quick personalized greeting or a call every other day to virtual employees that says, "Hope you are doing well" can go a long way in building social similarity and emotional currency.

2. Drive to Achieve

Managers need to find new ways to inspire and motivate their remote workforce and help them achieve excellence. The flexibility and freedom that comes from remote working can easily distract individuals and remove them from the larger purpose. The manager will need to ensure that institutional structures, systems and processes support self-organization and eliminate those that prevent it. Intimately connected to this is the idea of keeping one's own and the remote worker's eye on the ball. Since teleworkers often are away from the center of action and decisions, they rely on the leadership of their managers to open doors, anticipate and provide resources and break down organizational barriers that preclude them from achieving their goals.

To ensure that virtual employees are focused on the desired target and understand their performance expectations clearly, managers can establish a "mutual work code." A working code or charter will minimize misunderstandings between manager and remote employee and promote consensus on performance objectives, core responsibilities, measures and milestones, issues and risks, timing, and procedures for celebrating and rewarding success. Managers will need to constantly

motivate, not monitor, the remote worker through regular "reality checks," rewards and recognition of accomplishments.

3. Focus More on Productivity Than Process

Managers need to replace their desire for supreme authority and control to give remote workers enough elbow room to self-manage the process (e.g., way of working, time, pace, workspace, etc.) as long as productivity targets remain uncompromised. Numerous

research studies point to productivity gains from teleworking. Internal IBM studies have shown gains of 15 percent to 40 percent. In separate studies, J.D. Edwards, Compaq and American Express reported increased productivity with telecommuting. Whether telecommuters are working longer or working better due to enhanced quality of life, improvement in productivity is always positive. Therefore, managers with a traditional "policing" mindset often forget that myriad factors can play into each event to hold up any person, not just those working remotely, from realizing the most pedestrian challenge.

Unwarranted supervision and vigil on every move of the telecommuter create tension and turf-wars between the manager and self-directed teleworkers and shifts their focus from productive work.

4. Champion Collaboration and Mutuality in Work Relationships

Managers need to create opportunities for remote employees to connect for professional or social reasons and intervene if they see one of their team members losing touch. Working remotely can cause individuals to work independently and lose connection with their colleagues and the company. Managers have a key

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responsibility for uncovering unproductive or self-limiting behaviors by team members that can cause remote workers to become stressed, frustrated or disenfranchised and prohibit transactional patterns such as team play and knowledge sharing. Organizing regular e-meetings and occasional face-to-face social or official interaction opportunities can help in developing team interdependence and mutuality. In remote collaboration, it is even more important to ensure that teams are composed of people with complementary skills who share a common language. To promote collegial working in the virtual world, managers can employ easy ideas like a “virtual conversation salon,” an e-space for swapping informal stories, grapevine and snippets related to work.

5. Never Hesitate to Communicate

Finally, managers need to have regular dialogues with their team. While technology is the lifeblood of virtual communication it also can create a bridge between the teleworker and the manager. In remote working, managers need to take full advantage of the nested communication networks by engaging in informal and unscheduled communication. This reduces social isolation of remote workers, creates shared understanding, trust and respect, and encourages them to proactively share knowledge. Many managers get their communication wrong — some overpowering managers tend to over-communicate, often in a haphazard fashion, leading to work disruptions or under-communicate because they achieve a sense of power from closely guarding information. At the same time, electronic communication can be depersonalized because body language is not discernable over the phone or Internet. Nevertheless, establishing strong communication channels for understanding teleworker’s expectations and priorities and providing constant feedback can reduce their level of insecurity from failing to meet commitments.

These five characteristics are common sense but not common practice. They may sound straightforward and matter-of-fact. But many teleworkers will vouch that these simple rules are nowhere on the radar screen of managers when leading or guiding remote employees. While companies entering this new work arrangement invest in education and training for managers and telecommuters, changing mental blocks of “command and control”-styled managers is often arduous and lengthy.


To avoid tensions in the manager-telecommuter relationship, many companies and/or employees prefer only part-time rather than full-time telecommuting. For example, only 10 percent to 15 percent of Sun Microsystems’ workforce falls into the “work from home most of the time” category, while 50 percent to 60 percent falls into the “work from home a little” category. Having a part-time telework arrangement, in a way, can be a win-win situation as it allows employees to collaborate and socialize with co-workers, and at the same time managers can feel satisfied that employees have reported to work.

Closing Thoughts

The combination of advancing technology and escalating competitive pressures will prod more and more companies to employ new ways of improving business processes and reducing costs. Workforce agility is becoming more a matter of survival than choice. And virtual working is a mainstay of the future workplace.

Telecommuting represents a new way of working that offers unprecedented levels of flexibility and autonomy to workers, causing an absolute revolution in the workplace of tomorrow. Evidently, the benefits of telecommuting are both at employee and organizational levels. Teleworking can result in significant gains for the employers by increasing workforce productivity and improving employee retention. It can better the quality of work-life for employees.

However, management of remote workers and keeping them fully committed to work is critical to the success of a teleworking initiative.

To win the hearts and minds of teleworkers, managers will need to focus on performing well on the manifesto proposed in this article. Managers who meticulously and consistently practice these characteristics will have teleworkers motivated to continuously improve their self-organizing capabilities and optimize the contributions they make. The new manifesto may not guarantee success as a manager, but it will certainly give managers a stronger chance of getting more loyal, committed and responsive remote workers who perform better on the job. 

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