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MANAGING YOURSELF

Getting Virtual Teams Right

by Keith Ferrazzi



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Virtual” teams—ones made up of people in different physical locations—are on the rise. As companies expand geographically and as telecommuting becomes more common, work groups often span far-flung offices, shared workspaces, private homes, and hotel rooms. When my firm, Ferrazzi Greenlight, recently surveyed 1,700 knowledge workers, 79% reported working always or frequently in dispersed teams. Armed with laptops, Wi-Fi, and mobile phones, most professionals can do their jobs from anywhere.

The appeal of forming virtual teams is clear. Employees can manage their work and personal lives more flexibly, and they have the opportunity to interact with colleagues around the world. Companies can use the best and lowest-cost global talent and significantly reduce their real estate costs.

But virtual teams are hard to get right. In their seminal 2001 study of 70 such groups, professors Vijay Govindarajan and Anil Gupta found that 82% fell short of their goals and 33% rated themselves as largely unsuccessful. A 2005 Deloitte study of IT projects outsourced to virtual work groups found that 66% failed to satisfy the clients’ requirements. And in our research, we’ve discovered that most people consider virtual communication less productive than face-to-face interaction, and nearly half admit to feeling confused and overwhelmed by collaboration technology.

There is good news, however. A 2009 study of 80 global software teams by authors from BCG and WHU-Otto Beisheim School of Management indicates that well-managed dispersed teams can actually outperform those that share office space. Similarly, an Aon Consulting report noted that using virtual teams can improve employee

productivity; some organizations have seen gains of up to 43%.

So how do you create and lead an effective virtual team? There's a lot of advice out there, but through our research and our experience helping organizations navigate collaboration challenges, we've concluded that there are four must-haves: the right team, the right leadership, the right touchpoints, and the right technology. By following simple high-return practices for each, managers can maximize the productivity of teams they must lead virtually.

The Right Team

Team composition should be your starting point. You won't get anywhere without hiring (or developing) people suited to virtual teamwork, putting them into groups of the right size, and dividing the labor appropriately.

People. We've found that successful virtual team players all have a few things in common: good communication skills, high emotional intelligence, an ability to work independently, and the resilience to recover from the snafus that inevitably arise. Awareness of and sensitivity to other cultures is also important in global groups. When building a team, leaders should conduct behavioral interviews and personality tests like the Myers-Briggs to screen for all those qualities. If you inherit a team, use the same tools to take stock of your people and assess their weaknesses; then train them in the skills they're lacking, encourage them to coach one another, and consider reassignment for those who don't make progress.

Size. Teams have been getting larger and larger, sometimes even exceeding 100 people for complex projects, according to one study. But our work with companies from large multinationals to tiny start-ups has

taught us that the most effective virtual teams are small ones—fewer than 10 people. OnPoint Consulting's research supports this: Of the virtual teams the firm studied, the worst performers had 13 members or more. "Social loafing" is one cause. Research shows that team members reduce effort when they feel less responsible for output. The effect kicks in when teams exceed four or five members. As groups grow, another challenge is ensuring inclusive communication. The late Harvard psychology professor Richard Hackman noted that it takes only 10 conversations for every person on a team of five to touch base with everyone else, but that number rises to 78 for a team of 13. Thus to optimize your group's performance, don't assemble too many players.

Roles. When projects require the efforts of multiple people from various departments, we devise appropriate subteams. Our approach is similar to the X-team strategy advocated by MIT professor Deborah Ancona, who defines three tiers of team members: core, operational, and outer. The core consists of executives responsible for strategy. The operational group leads and makes decisions about day-to-day work but doesn't tackle the larger issues handled by the core. And the outer network consists of temporary or part-time members who are brought in for a particular stage of the project because of their specialized expertise.

Ferrazzi Greenlight worked with a large multinational manufacturing company to help a dispersed team make better cross-division decisions, particularly when product output from one area fed others. The group was composed of more than 30 members—a mix of HQ, operational, and divisional leaders, some of whom reported to others. While many had knowledge vital to the work at hand,

a fair number were included on an honorary basis. By the time we were asked to help, teammates openly acknowledged that they were in disarray and unable to achieve their financial goals. We brought everyone together for a face-to-face summit and then broke the group into smaller constituencies to brainstorm short-term wins. Those subteams continued to meet virtually after all parties were back in their respective offices. One group, made up of five divisional GMs, latched onto the goal of greater cross-selling and had a near-immediate success story: As a small, narrowly focused team, they were able to recognize that a plentiful stabilization agent used in ice cream could be repurposed to replace a scarce agent needed by other customers, including makers of hairstyling products and fracking fluids.

The Right Leadership

A recent study of engineering groups showed that the best predictor of success for managers leading dispersed teams is experience doing it before. That said, we've seen even novices excel by practicing some key behaviors that, while also critical in face-to-face settings, must be amplified in virtual ones:

Fostering trust. Trust starts with respect and empathy. So, early on, leaders should encourage team members to describe their backgrounds, the value they hope to add to the group, and the way they prefer to work. Another practice, utilized by Tony Hsieh and Jenn Lim at their entirely virtual organization, Delivering Happiness, is to ask new hires to give video tours of their workspaces. This allows colleagues to form mental images of one another when they're later communicating by e-mail, phone, or text message. Remember too that relationship building should be an

ongoing process. While employees who are in the same office commonly chat about their lives, virtual teammates do so much more rarely. Try taking five minutes at the beginning of conference calls for everyone to share a recent professional success or some personal news. This is probably the easiest way to overcome the isolation that can creep in when people don't work together physically.

Encouraging open dialogue.

If you've established trust, you've set everyone up for open dialogue, or "observable candor"—a behavior that professors James O'Toole and the late Warren Bennis described as a foundation of successful teamwork. Our own recent study of 50 financial firms confirmed that leaders of dispersed groups, in particular, must push members to be frank with one another. One way to do this is by modeling "caring criticism." When delivering negative feedback, use phrases like "I might suggest" and "Think about this." When receiving such feedback, thank the person who offered it and confirm points of agreement. A tactic for conference calls is to designate one team member to act as the official advocate for candor—noticing and speaking up when something is being left unsaid and calling out criticism that's not constructive. On the flip side, you should also occasionally recognize people for practices that improve team communication and collaboration.

Clarifying goals and guidelines.

Management gurus from John Kotter to Chip and Dan Heath acknowledge the importance of establishing a common purpose or vision, while also framing the work in terms of team members' individual needs and ambitions. Explain to everyone why you are coming together and what benefits will result, and then keep reiterating the message.

Specific guidelines for team interaction are equally vital; research shows that rules reduce uncertainty and enhance trust in social groups, thereby improving productivity. Agree on how quickly team members should respond to queries and requests from one another, and outline follow-up steps if someone is slow to act. Virtual teammates often find themselves saying, "I thought it was obvious that..." or "I didn't think I needed to spell that out." So also insist that requests be specific. Instead of saying "Circle back to me," state whether you want to give final input on a decision or simply be informed after the decision is made. If you have a conference call about project details, follow up with an e-mail to minimize misunderstandings.



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Also make it clear that multitasking on calls isn't OK. According to a recent study, 82% of people admit to doing other things—from surfing the web to using the bathroom—during team calls. But virtual collaboration requires that everyone be mentally present and engaged. Explain your policy, and when the group has a virtual meeting, regularly call on people to share their thoughts. Better yet, switch to video, which can essentially eliminate multitasking.

Delivering Happiness finds that using video also reinforces one of the company's core values: having fun. At the start of videoconference calls, participants pretend to make direct eye contact as their images appear side by side on-screen, much like the opening of the hit 1970s TV show, *The Brady Bunch*. New agenda items are often introduced with music—for example, to lead into a discussion on driving the firm's long-term growth, the emcee might play "Stayin' Alive" by the Bee Gees, causing everyone to burst into dance. The fun and camaraderie match anything coworkers experience in person while ensuring that people are engaged in the conversation and focused on the specific tasks or topics at hand.

The Right Touchpoints

Virtual teams should come together in person at certain times. Here are the stages at which it's most critical:

Kickoff. An initial meeting, face-to-face if possible and using video if not, will go a long way toward introducing teammates, setting expectations for trust and candor, and clarifying team goals and behavioral guidelines. Eye contact and body language help to kindle personal connections and the "swift trust" that allows a group of strangers to work together before long-term bonds develop. This is when you can assess

The Dangers of Distance

Geographic separation is just one challenge facing 21st-century work groups. Karen Sobel Lojeski of Stony Brook University and Richard Reilly of the Stevens Institute of Technology calculate the "virtual distance" among teammates by charting three types of distance:

PHYSICAL—geographic or temporal separation, or affiliation with different departments or organizations
OPERATIONAL—variations in team size, the extent of members' other commitments, the amount of face-to-face interaction, or technical skills and support
AFFINITY—differences in culture, rank, or the level of interdependence and preexisting relationships

When rating teams on a five-point scale in each subcategory, Lojeski and Reilly found that teams with high virtual-distance scores overall showed drops in:

TRUST—down 83%
INNOVATION—down 93%
SATISFACTION—down 80%
PERFORMANCE—down 50%

Even colleagues on different floors in the same building might be considered physically distant, and operational and affinity distance can certainly affect colocated workers. But the associated problems are more common—and more acute—for virtual teams.

team dynamics and work to bridge specific gaps—for example, by assigning an achievable task to a pair of dissimilar colleagues, allowing them a “small win”—as HBS professor Teresa Amabile calls it—together.

Onboarding. Too often, plans for bringing new people onto a virtual team consist of a short e-mail or conference-call introduction to the rest of the group and a dozen or more documents that the newcomers are supposed to read and digest. A much better approach is to give them the same in-person welcome you gave the group. Fly them into headquarters or another location to meet with you and others who will be important to their success. Encourage them to videoconference with the rest of their teammates. We also recommend pairing newcomers with a mentor who can answer questions quickly but personally—the equivalent of a friendly colleague with an office around the corner.

Milestones. Virtual team leaders need to continually motivate members to deliver their best, but e-mail updates and weekly conference calls are not enough to sustain momentum. In the absence of visual cues and body language, misunderstandings often arise, especially on larger teams. Team members begin to feel disconnected and less engaged, and their contributions to the project decline. So get people together to celebrate the achievement of short-term goals or to crack tough problems.

Ritesh Idnani, founder and CEO of Seamless Health, a health care startup that relies on dispersed teams of managers, is adamant about bringing everyone together in person at least quarterly. Also, whenever someone new joins the team, he allocates two weeks for that individual to talk to colleagues deemed “important to know,” who can share information

about the company and the job. “After that, I ask the person to sit down with me and tell me what he or she learned,” says Idnani. Not only does the new hire gain valuable insights, but Idnani does too. “You end up learning a lot from someone coming from the outside with a fresh pair of eyes.”

The Right Technology

In our experience, even top-notch virtual teams—those with the most-talented workers, the finest leadership, and frequent touchpoints—can be felled by poor technology. We recommend using platforms that integrate all types of communication and include these key components:

Conference calling. Look for systems that don’t require access codes (helpful for team members who are driving) but do record automatically or with a single click and facilitate or automate transcription. The best systems even help monitor the time that each individual spends talking versus listening. Also consider one-on-one and group videoconferencing, since visual cues help establish empathy and trust.

Direct calling and text messaging. By supporting real-time conversation between two remote participants, direct calls are one of the simplest and most powerful tools in the arsenal. And as teenagers know, texting is a surprisingly effective way to maintain personal relationships.

Discussion forums or virtual team rooms. Software ranging from Microsoft SharePoint to Moot allows team members to present issues to the entire group, for colleagues to study or comment on when they have time. Scholars refer to this sort of collaboration as “messy talk” and say it’s critical for completing complex projects. People can even weigh in on topics outside their domain and

still offer useful input; research has shown that the best solutions to problems often come from unexpected sources. All interaction is documented and therefore becomes a searchable database.

When collaboration platforms combine all the elements above, they become the center of team activities, and using them brings greater efficiency, not extra, unnecessary work.

John Stepper, a managing director at Deutsche Bank, created the bank’s Communities of Practice electronic discussion forums, in which 100,000 employees now converse with colleagues in similar roles around the world. Stepper calls this collaboration “working out loud.” All the activity is open and searchable, making it easy for existing teams to find subject-matter experts or review their own work and for ad hoc teams to form around business-related passions. For example, when Stepper made data on employee resource use available, a few interested parties self-organized into a virtual project team to create a system that documents individuals’ cost savings over time. As people began to compete for the biggest savings, the company benefited. “What’s important is that you’re identifying common niches and connecting people toward some purpose,” he explains.

THE EARLIEST VIRTUAL teams were formed to facilitate innovation among top experts around the world who didn’t have time to travel. Today teams of physically dispersed employees are more often just a necessity of doing business. Companies can boost such groups’ productivity, though—even beyond that of teams who share office space—by following the practices we describe here. ♥

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ADDITIONAL READING

“Teamwork on the Fly”

by Amy C. Edmondson
HBR, April 2012

Leading Teams: Setting the Stage for Great Performances

by J. Richard Hackman
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“Building an Effective Global Business Team”

by Vijay Govindarajan and Anil K. Gupta
MIT Sloan Management Review, Summer 2001

“X-Teams: Teams Get Extroverted”

by Deborah Ancona
MIT Sloan School of Management News Briefs, July 2005