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New People Rules for the Virtual Workplace

by **Keith Ferrazzi**

A couple years ago, I made a decision that went sharply against the grain of management trends. I forced office hours on my staff. My decision caught a few staffers and colleagues off-guard. After all, I'm the one who has long advocated for workplace flexibility and greater trust as the foundation of our professional relationships. But I felt the size of my firm and its fast growth required face-to-face time to strengthen our culture. And the tipping point came when some staffers complained that a few individuals in our midst were taking advantage of our workplace flexibility. At the time, I thought it was easier to force office hours than to look at the larger issue of managing employee performance in the virtual workplace. And, quite frankly, it was also the reason why I recognized the needed to do this research project.

I knew that my firm wasn't the only organization trying to figure out the virtual workplace. IBM, for instance, eliminated its regional offices years ago and has since noticed how "tacit knowledge" wasn't being transferred as easily among its employees. Such informal learning often makes up the lion's share of what we need to know to do our jobs. But with spontaneous conversations at the water cooler and after-work drinks with the team at the local Bennigan's no longer a frequent occurrence, IBM employees had fewer opportunities to discuss valuable workarounds to common problems and trade "war stories" of how they overcame difficult challenges. There was a time when people joked that IBM stood for "I've been moved." Today, many say the acronym is short for "I'm by myself." But does going virtual necessarily mean being isolated?

To answer that question, I have had deep conversations with Kevin Campbell, the Group Chief Executive, Technology of Accenture about how his very global and increasingly virtual organization was managing for the new world reality. We scoured past studies and

found very little primary research on that topic, so we realized that we needed to roll up our sleeves and do it ourselves. Our goal has been to investigate the virtual workplace -- employees now going months without seeing their bosses or fellow team members, all while working with suppliers, outsourcers, and partners located halfway around the world. Have such changes hurt our work relationships? Have they degraded our businesses? Many people think so, but we believe that that's because most companies are misusing new technologies like videoconferencing and social media, and failing to exploit their inherent advantages. The question at hand is this: What are the new "people rules" in an increasingly virtual world?

Our collaborative study with Accenture had its origins a few years ago with research funded by Cisco on the best practices of collaborative problem solving. In the current phase of the project, which we've just completed, we investigated the various fundamentals of the virtual workplace. The results and insights of our study have been based on our own expertise and experience, as well as a series of interviews that we've conducted with a dozens of scientists and researchers, including Ann Majchrzak (USC Marshall School of Business), Dorothy Leidner (Baylor University); Henrik Bresman (INSEAD), and Martin Hoegl (WHU-Otto Beisheim School of Management); vendors of virtual tools, including Didier Moretti and Rick Moran (Cisco); users of those technologies, including Diane Coles (SCAN Health); venture capitalists, including Bing Gordon (Kleiner Perkins Caufield & Byers); technology analysts, including Rich Costello (IDC) and TJ Keitt (Forrester Research); and thought leaders like Nick Carr (author of *Is Google Making Us Stupid?*) who have studied the impact of technology on businesses and society.

Throughout the project, we have been publishing what we've been learning in a series of blogs for the *Harvard Business Review*, and we report a summary of our results here in this white paper. The following 10 sections discuss important issues of the virtual workplace and provide a number of managerial best practices:

1. **"When Teams Are Close but Far Apart"** describes the concept of "virtual distance," which helps explain why members of some co-located teams can feel very distant

from one other, while other workers scattered across the globe on distributed teams can actually be very closely connected.

2. **"How to Build Real Trust in a Virtual Environment"** provides managers with a number of best practices for building both "swift trust" and interpersonal trust in the virtual workplace.

3. **"Collaboration in a Virtual Environment"** describes the obstacles to virtual collaborations and lists a number of ways to overcome them, such as by providing team members with role clarity but task uncertainty.

4. **"How to Avoid Virtual Miscommunications"** discusses a number of human tendencies (such as the "illusion of transparency" and "signal amplification bias") that can easily sabotage our virtual communications.

5. **"The Virtual Reality of Workplace Conflicts"** describes how online discussion boards and shared virtual workspaces can greatly reduce task-related conflicts.

6. **"How Dispersed Teams Can *Outperform* Co-Located Ones"** discusses the inherent advantages of virtual teams and explains how to take advantage of them.

7. **"The Right Way to Run a Virtual Meeting"** provides simple guidelines that can transform teleconferences from awkward and dull to effective and energizing.

8. **"Evaluating Employees Who Can't Be Seen"** talks about the difficulties of assessing the performance of virtual workers and provides some practical guidelines for evaluating them.

9. **"Why Off-Sites Should Go Virtual"** gives a step-by-step guide for conducting a virtual strategic off-site that will be far superior to traditional, physical off-sites.

10. **"The Future of the Virtual Workplace"** explores two new applications – mobile robots and "virtual wormholes" – that could transform the ways in which people interact and collaborate with one another at work.

1. When Teams Are Close but Far Apart

A number of years ago, I worked on an executive team in which everyone was located in the same building but people seemed frustratingly far apart. Yet at my first job out of business school, I worked on a number of teams in which we were scattered across the globe but I felt closely connected with those individuals. What accounts for such huge, seemingly counterintuitive differences?

One model that explains my earlier experiences comes from some interesting research by Karen Sobel-Lojeski at Stony Brook University. From her research studying more than 600 teams, she has developed a new concept -- called "virtual distance" -- that measures the perceived isolation of members in a team that relies on electronic communications. Three categories of different factors determine virtual distance:

1. *Physical distance*: the geographic separation of the members (including differences in time zones) and whether everyone works for the same company or for multiple organizations.
2. *Operational distance*: the type and quality of communications (whether, for instance, the team is able to meet face-to-face at crucial junctures of a project), the outside demands of members (whether they are also working on other projects), their technological fluency (how comfortable they are with using virtual tools such as online collaborate software, and the availability of technical support), and the member distribution (the degree to which the team has a centralized location versus being scattered across numerous sites).
3. *Affinity distance*: the cultural differences and communication styles of members, their disparity in hierarchical status in the organization (and whether their contributions are acknowledged), their past familiarity with each other, and their interdependence (whether they have a sense of "shared future and fate.")

In her work, all of these factors were measured and then plotted. Through that information, managers could determine whether a team was vulnerable to problems and, more

importantly, where those problems were likely to arise. For example, a team at a large financial services firm in her study displayed medium-high physical distance, low-medium operational distance, but high affinity distance, indicating potential issues there. For the teams that I worked on right after business school, we might have had high physical distance but low operational and affinity distance, which defined our working relationship and ultimately our success. Sobel-Lojeski's plots are like a patient's medical history -- with blood results, cholesterol numbers, x-rays, and so on. Just as doctors use such medical information to assess, for example, a patient's risk of heart disease, managers can use "virtual distance" data to predict whether a team is likely to fall short of its goals.

What's the cost of such failures? Sobel-Lojeski has done a quantitative analysis, and her results are eye-opening. Teams that have high virtual distance suffer a 90% drop in innovation effectiveness, more than 80% plunge in trust, and 60% decline in finishing projects on time and within budget, among other negative effects. To avoid such costly problems, here are a few best practices we have culled from a number of primary and secondary sources, including our own work in this space, coaching high-impact teams at Reuters, General Motors, Lincoln Financial Group, Ebay, and many other companies.

Don't overestimate the effects of physical distance. Co-located teams can have a much higher virtual distance than those that are dispersed. People who have worked on numerous teams of different types will probably not find that result surprising. But here's where it gets really interesting. Sobel-Lojeski found that, by far, affinity distance (and not physical or operational distance) has the greatest effect on innovation, trust, learning, and other team outcomes.

Avoid being penny-wise but pound-foolish. Many companies have slashed their travel budgets, especially given the current economic downturn. But that might be penny-wise and pound-foolish when it comes to teams with a high virtual distance. For such teams, a company needs to consider investing in measures that will help decrease the virtual distance – for example, spending $40,000 for face-to-face meetings during critical junctions

of a project. Otherwise, the total cost to the company could be far greater in terms of missed deadlines, budget overruns, lost market opportunities, and so on.

Go for the low-hanging fruit. Shortening the affinity distance of a team will have the greatest long-term effect, but it is also perceived as the most challenging to accomplish. We have proven that simple storytelling among members has a significant impact on the group's affinity, along with a continual personal and professional check-in process we call "Take 5" at the beginning of meetings. Sobel-Lojeski also suggests that managers consider the quick fix of shortening the operational distance, which might have a more temporary effect but is relatively easy to address. Specifically, a company could, for example, free up team members from competing commitments (at least temporarily) and provide ample training and support for the latest online collaboration tools. We have found that even the use of videoconferencing can show significant results.

Leverage small changes into large effects. When trying to shorten a team's affinity distance, even small actions can resonate into large differences. If a team includes a diverse mix of cultures and backgrounds, for example, the team leader could start off the project by assigning small tasks to pairs of people who are the most dissimilar. In one study, a manager who used that technique later reported, "The virtual bonding that took place within the pairs…seemed to endure and carry over to the full team, contributing to greater collaboration and team cohesiveness."

Albert Einstein once said, "If I had only one hour to save the world, I would spend fifty-five minutes defining the problem, and only five minutes finding the solution." In other words, understanding a problem is the key to solving it. The concept of "virtual distance" helps us to understand the problems of virtual and co-located teams. It provides three useful categories (physical distance, operational distance, and affinity distance) to classify the various factors that can hinder co-workers from connecting and collaborating with one other. And, as a general framework, it helps explain why team members who are co-located can, in effect, be thousands of miles apart. I suspect we can all attest to that.

2. How to Build Real Trust in a Virtual Environment

Teams can't function well when co-workers don't trust one another. But building and maintaining trust in the traditional, physical workplace can be difficult, and the process is even tougher in a virtual environment, where people often have to work with those they might never have met in person. Some biologists believe that we are hardwired to distrust everyone except our own family members. Studies have shown, however, that trust can indeed be actively accelerated and maintained on virtual teams even when they have to be assembled on the fly with employees scattered across the globe. According to our research, the following best practices will help:

Leverage "swift trust." Recognize that when groups first form, people are usually willing to give others the benefit of the doubt. The prevailing feeling is that "we're in the same boat together": success will reflect well on everyone, whereas failure could hurt people's careers. So people initially operate in a positive atmosphere of "swift trust," (what colloquially we might have called the "honeymoon period" of a relationship). This is particularly true if the group is under pressure to perform so that, in effect, people have little choice but to trust each other. This is easily seen on a movie set, where actors, stuntmen, the director, makeup artists, set designers, the camera crew, and others collaborate intensely from day one even though they might have been strangers before. There are two ways to assure you take best advantage of the benefits of swift trust. Managers should 1) tout the competence of the different team members and 2) ensure that the team has clear goals that everyone understands. Over time, swift trust tends to decay, but it can help hold a team together until another type of more lasting and tested bonding has a chance to develop: interpersonal trust. This brings us to the next point.

Pro-actively build interpersonal trust. When assembling a virtual team, managers often assume that people will mainly be interested in what their fellow team members can do, as opposed to who they are as individuals. Wrong! When looking at a resume, CV, or bio of someone, people will often latch onto personal details, such as hobbies and other outside

interests, including charities the person supports. Why? Because they want to get a better sense of that individual and to see if they might have anything in common. One theory is that we tend to trust others who we perceive to be similar to us because we believe that those individuals will react to various situations in ways that we can understand (and even predict). Managers can help encourage such personal connections by starting meetings with a "Take 5" for people to talk about what's been happening in their lives, both professionally and personally. A member of a virtual team [in one research study](#) happened to live in the Washington, D.C. area during the sniper attacks in 2002. During a conference call with her fellow team members, she described what she was then going through. This prompted a co-worker in the Philippines to talk about the violence there from insurgents. Conversations like that help build empathy, which then paves the way for trust. When my colleagues and I work with physical teams, we use the art of storytelling over meals, and the same principles can be applied to virtual teams during teleconferences. Although that might feel awkward at first, it's a powerful way to create empathy. Another recommendation is to invest in an intranet site with social-networking features that enable employees to learn about others. Such measures are especially important in a virtual environment, where people have much fewer opportunities to connect through chance encounters in the hallway or in the company kitchen.

Communicate with *predictability*. The key to good communications is not *quantity* but *quality*. Think about how you might not have seen a good friend for years but then when you reconnect you're able to pick up where you left off with a truly deep conversation about your life. Smart managers recognize that, especially if they've had problems in the past with staffers being overwhelmed by an information overload of countless e-mails and frequent meetings. But what might be surprising is that something other than quality is also crucial: *predictability*. [In one study of global distributed teams](#), the researchers found that those teams that lacked trust tended to have unpredictable communication patterns, often with just one or two members accounting for the bulk of the communications. On one such team, Alice (a pseudonym) submitted her contribution to the project but heard nothing for four days. So she sent other team members a message: "Are you not in the…assignment anymore?" As it turns out, Alice would account for more than 50% of the

total communications for that team. In contrast, on the high-trust teams in the study, communications were regular and predictable. Moreover, team members contributed more equally, and they tended to be conscientious about letting others know when they would be unavailable. That way, fellow team members were less likely to be left wondering why someone was taking a while to respond to a message.

Share and rotate power. In a traditional workplace, teams are usually led by single leaders. In a virtual environment, that type of centralized power structure is less effective. [One study of virtual teams in a Fortune 500 global IT company](#) found that, on teams that had a high degree of trust, power had been shifted among the members depending on the stage of the project. Typically, the person who held the most power at any given time was also the individual with the most knowledge and relevant information about that particular stage of work. So, for example, in a project to develop a marketing campaign, the initial stages might be led by market analysts and customer researchers, and the latter stages by the creative experts. But that sharing of power doesn't mean that a virtual team shouldn't have a general leader. It should, but that leader should have more of a "[monitor and mentor](#)" approach to managing, instead of the traditional "command and control" mindset.

Many managers are skeptical that real trust can be established in a virtual environment. After all, how can employees truly develop trust for people they've never met? The hard truth, though, is that teams can't function without trust, and a lack of face-to-face interactions doesn't necessarily have to lead to an atmosphere of suspicion. But managers can't merely expect to enlist employees in a virtual environment and hope for the best. Instead, they need to be pro-active, implementing the right mechanisms to ensure that trust will flourish (and not wither) within that environment.

3. Collaboration in a Virtual Environment

I have worked on many teams in which we dutifully did our jobs, and the group fulfilled its objectives. And then I have worked on other teams in which everyone energetically

collaborated with one another, and the results were spectacular. Not only did we surpass our goals, we also thoroughly enjoyed and benefited from that process as individuals. In other words, there's a world of difference between merely working together and truly collaborating with one another. Collaborative activity is the "secret sauce" that enables teams to come up with innovative new products or creative, buzz-worthy marketing campaigns. But people can also collaborative, for instance, around the launch of a seemingly mundane project – like the installation of a new accounting package – and use that initiative to transform the way in which an organization does business.

Achieving true collaboration -- in which the whole is definitely more than the mere sum of the individual parts -- is difficult in any environment. People have to set aside their egos, trust one another, and share their expertise willingly. In a virtual workplace, collaboration can be all the more difficult to attain, especially when team members work for different companies, are essentially strangers to one another, and have different cultural and professional backgrounds. We have interviewed a number of researchers on this topic and have also studied dozens of virtual teams, some that possessed that magic of collaboration and numerous others that didn't. Here are some of the lessons we've learned.

Adjust for size. Teams have been getting larger and larger, some even exceeding 100 people for complex projects, according to one study. This trend has made true collaboration increasingly difficult to achieve. One solution is to use a flexible, fluid team structure that consists of three tiers: a core, an operational level, and an outer network. The core consists of individuals responsible for strategy and important decisions. The operational level includes those who are doing the day-to-day ongoing work and might make decisions about their portion of the project but they don't tackle larger issues (which are 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. These three hierarchies will help group together those who need to collaborate with one another for particular purposes (and exclude others who aren't important to that process). Another tool that I recommend is the Relationship Action Plan, which can be used to manage an organization around loosely configured, flexible teams.

Don't be afraid of social media. People are more prone to collaborate with others who are similar to them. So how, then, do you get dissimilar people to collaborate? The trick is to find the common ground between such individuals, and social media -- blogs, wikis, online collaboration tools, etc. -- can play a huge role in doing so. The problem, though, has been that many managers have been fearful of using social media beyond marketing purposes. But companies that have begun to use social media for internal purposes are starting to reap the benefits. The chipmaker Xilinx, for instance, has reported [an increase in engineer productivity by around 25%](#) thanks to social media tools that encourage and enable employee collaborative activities. Employees could, for example, maintain wikis or online forums that help share best practices and workarounds for particular problems. The open source community routinely uses such approaches to spread knowledge of programming tricks and tips.

Play games. One effective way to get team members in the right mindset for working together is to have everyone play virtual games that encourage collaboration. [In one study](#), team members played an online version of "scavenger hunt." Such games can be customized to a particular company so that players have to pool their knowledge and internal connections to find, for instance, examples of the most offbeat uses of the firm's products. [In another provocative study](#), researchers investigated how companies could use online role-playing games like "World of Warcraft" and "EverQuest" to build leadership and teamwork skills. In such multiplayer games, players must collaborate to survive in a fast-changing environment with fierce competitors and incomplete or ambiguous information from which to base important decisions – that is, an environment that is not unlike many hypercompetitive global markets. In these games, members must continually do what's best for the team. Leaders, for instance, will often step down to allow others who are more qualified to take the reins. This helps encourage an atmosphere of collaboration as well as sacrifice for the greater good of the team.

Train for collaboration. Many skills are difficult to train and develop. Some experts, for example, contend that leadership is more nature than nurture. No so with collaboration.

PricewaterhouseCoopers, for instance, has had great success in training employees to collaborate by targeting communication skills, emotional intelligence, teamwork, and networking. At my Greenlight, we have also had great success in teaching various relationship skills and behaviors that enhance team collaboration.

Have role clarity but task uncertainty. Many managers believe that teams collaborate best when the roles of members are flexible but the group has a clear idea of how to get from A to B. But the reverse is actually true, [according to a study of more than 50 teams in different industries](). That research found that collaboration increased when people had clearly defined roles but were uncertain about how to achieve the team's goals. The uncertainty encouraged everyone to collaborate and think more creatively about different ways in which to fulfill the group's mission. Consider, for instance, a project with the goal of making food taste good with less sodium. A manager might instruct his team to find a salt replacer that was healthier. But that would just restrict the group's collaboration. If the team isn't given directions about how to accomplish a goal, people can brainstorm and could come up with more innovative solutions. What if, for instance, the team could find a way to trick the taste receptors in a person's tongue to perceive that food contains more salt than it actually does?

Getting teams to work together is essential for bringing in projects on time and under budget. But going beyond that and getting teams to collaborate is when the real magic occurs. Think of how small, independent films have often surpassed the creativity and quality of big-budget offerings from Hollywood. Such successful collaborations don't have to happen only on a movie set; they can occur in virtual environments too. But the trick is to pro-actively remove the barriers to collaboration, because only then will the team have a chance for true magic to flourish.

4. How to Avoid Virtual Miscommunications

Even under the best of circumstances, communicating with others can be tricky. Think of all the times you've misunderstood what a co-worker meant (or vice versa) in a simple

face-to-face conversation. Now consider the virtual workplace, where people regularly rely on e-mails, IMs, and phone calls instead of face-to-face-interactions, and throw into that mix the fact that people frequently have to work across generational and cultural lines with others who have very different backgrounds. Is it any wonder why miscommunications are so common in the office?

We have interviewed dozens of researchers and practitioners on the topic, and have learned a number of best practices. Before discussing them, though, let's first take a look at why miscommunications occur in the virtual workplace. And the reason for that is simple: lack of context. It's not just that e-mails and phone conversations lack visual cues like a person's reaction to what you've said; it's also that they are devoid of so much other information. Take, for example, a physical meeting in a conference room. In such a setting, people take in all sorts of information just from the seating arrangement – who sits next to whom, who's sitting at the head of the table, who has put a little extra distance to separate herself from her neighbor, and so on. All those cues are missing in a typical teleconference (although some high-end videoconferencing products do an amazing job of conveying such ancillary information like "[microexpressions](#)," which might be an indicator of whether someone is being truthful or not.)

Because of this lack of context, even the simplest of things can be misinterpreted. For instance, does the use of an exclamation mark in a text message (such as, "I didn't know that!") indicate that the writer is excited, surprised, or angry? That's why we need to be especially careful when communicating in a virtual medium like e-mail that lacks many contextual clues. I always recommend that before sending an important e-mail you ask someone else to read it just to make sure that you've written won't be misconstrued. Moreover, I strongly advise that e-mails (and generally any communications) contain respect, positive affirmations, and gratitude in order to set the right tone and proper context for your message. "When you have shared context and you exchange information, you'll have a shared understanding," says Karen Sobel-Lojeski, a professor at Stony Brook University. "But if you don't have a shared context, then you can exchange information but you won't have a shared understanding of it." To achieve that sense of shared

understanding, I recommend the following best practices culled from our studies and experience as well as from the research of Sobel-Lojeski and others:

Fight the "illusion of transparency." The "[illusion of transparency](#)" is a common human tendency that can often sabotage our communications. Specifically, we often think that others are more in synch with what we're thinking than they really are, and that we are more in tune with the thoughts of others than might actually be the case. The obvious fix is greater empathy -- regularly putting yourself in the position of the other person, perhaps by actually visualizing that individual in his office as you send him an e-mail. But what if you know nothing about that other person, as is often the case when virtual teams are assembled on the fly? In such situations, managers should encourage team members to share information about themselves, perhaps on an intranet site. Another effective best practice comes from the research of Yael S. Zofi, who has studied virtual teams. Zofi recommends that virtual team members who have never met should introduce themselves by giving a video tour of their offices or cubicles. That way people will have a mental image of others when communicating with them through e-mail, phone, or texting.

Speak the right "language." In the book "The 5 Love Languages," the author Gary Chapman describes how each of us expresses love (and wants love expressed to us) in one of five different ways -- through affirming words, spending quality time, gifts, acts of service, or physical contact. Similarly, we all tend to prefer a certain "language" for our communications at work. Some of us, for instance, are more quantitative (preferring raw numerical data) while others are more visual (favoring pie charts and bar graphs). And for others, storytelling and anecdotes are the best medium for receiving information. Managers could encourage team members to express such preferences at the start of a virtual project. [Some teams in one study](#) even had their members share their Myers-Briggs Type Indicator so that people would have a better feel for how their co-workers perceived the world and processed information. Knowing someone's communication style will not only help you anticipate how you should transmit information to that individual; it will also help you interpret his messages back to you. For instance, someone's curt e-mail might not indicate annoyance or anger; it might just reflect his typical brusque style of communicating.

Amplify the signal. Another common trap is that we often communicate much less information than we think we are. Psychologists have a term for this syndrome: [signal amplification bias](). Again, this tendency can be particularly dangerous in virtual communications because we don't always have the luxury of receiving contextual cues that the other person hasn't understood what we're trying to say. It's only later when we discover the miscommunication that we are left with the familiar refrain of, "I thought it was obvious that…" or, "I didn't think I needed to spell that out." Well, the one surefire way to avoid signal amplification bias is to spell things out, especially if you're prone to using corporate jargon. For example, when you say, "Circle back with me," does that mean that you want final input to a decision or that you just want to be informed of the decision after it's been made? For important communications, Yael Zofi has advised her executive clients to use more than one medium. So, for example, if you have a phone conversation about possible delays in a project, you might want to follow that up with an e-mail to minimize any potential misunderstandings.

Remember that the medium is (partly) the message. Decades ago, when Marshall McLuhan, the Canadian philosopher and scholar, first coined the phrase, "The medium is the message," few could have imagined the variety of communications media (e-mail, IM, texting, videoconferencing, online discussion boards, etc.) that has now become commonplace. The problem with having so many options, though, is that people often forget McLuhan's famous words. Here's a classic example. An executive attends a conference where he overhears a rumor and texts that information to someone on his staff. Later that day, when he arrives back at the office, he's baffled to learn that his entire team has been scrambling all morning to confirm the rumor, which he had merely passed along as idle industry gossip. The lesson here is that certain media (like texting) often imply urgency, and in the virtual workplace the medium can easily become the message.

Respond promptly (if only to say you'll respond later). Not only is the medium partly the message, so is a person's response time. When people send e-mails or leave voice messages, they will interpret the promptness of your response in the following way: the

faster you respond, the better their relationship with you. So when your reply is tardy, the other party is left wondering whether you value that relationship or not. Of course, oftentimes a slow response simply means you were extraordinarily busy. But remember that, in a virtual environment, contextual clues (like your response time) tend to take on greater significance than you might expect.

Avoid the status symbol of sloppy e-mailing. As many companies have become flatter and more egalitarian, the trappings of status (executive dining rooms, designated parking spots, and the like) have gone by the wayside. But now another status symbol seems to have taken their place: sloppy e-mails. In one provocative study, the researchers found that many executives have the habit of writing terse e-mails with half-sentences, bad grammar, and atrocious spelling. The underlying message is that those individuals are far too busy to be bothered with writing perfectly polished text. The problem, though, is that those sloppy e-mails can often be confusing and ambiguous, requiring staffers to waste time trying to decipher them. At worse, such communications can cause workplace misunderstandings and even result in costly errors. For the offenders, Jaclyn Kostner, who studies virtual communications, practices her brand of "tough love." Whenever executives claim that they simply don't have the time to write better e-mails, Kostner doesn't mince any words: "I tell them you have to find the time; otherwise, you're not fit for the job and somebody else should be doing it. Or maybe you need to offload some responsibilities because there's no excuse for sending people cryptic emails."

Encourage everyone to *expect* problems. At the start of any virtual project, experts recommend that the team have a "meta communication" document that describes basic guidelines, such as how quickly people should respond to e-mails, what media should be used for which purposes (for instance, all team meetings will take place through videoconferencing), and so on. A major component of that document, according to Pam Brewer, a professor at Appalachian State University, should be a guideline for resolving any communication problems. For instance, the team could designate 10 minutes of its weekly staff meetings for people to raise issues such as whether the volume of e-mail has become unmanageable. The key is to set the expectation that there will inevitably be problems.

That way everyone will be much less hesitant to raise an issue. In fact, the team leader could emphasize that point by adopting the attitude of, "If no one has any communication issues, then that's a sure sign that we really do have problems."

Whether we realize it or not, we all infer myriad things about our communications with others, and much of that information might be wildly inaccurate. According to an interesting study by Karen Renaud of the University of Glasgow, overly stressed workers tend to respond more quickly to e-mails -- possibly because they feel a greater pressure to do so even when there's little urgency for an immediate response. So someone who replies quickly to your e-mail might not necessarily be a close colleague; he might just be terribly overworked. Still, we tend to associate fast response times with better relationships because we have so few other contextual clues in e-mail. This is why it's incumbent on us to communicate clearly and explicitly in the virtual workplace. Otherwise, we risk having co-workers relying on faulty contextual clues that could negate – if not contradict – what we were originally trying to say.

5. The Virtual Reality of Workplace Conflicts

Employee conflicts can be poisonous. We have all experienced the damage to productivity, crushed creativity, and squashed morale. As Kevin M Campbell, Accenture's Group Chief Executive, Technology, notes, "All too often, I've seen that personal conflicts are the primary derailer of costly projects and important initiatives." Unresolved employee conflicts are bad enough in a traditional, physical workplace, and they are all the more dangerous in a virtual environment, where people don't have the luxury of proximity to work their differences out face-to-face.

But I'm not saying that companies should completely avoid employee conflicts. Quite the contrary. I see conflict avoidance as one of the most corrosive attributes of many company cultures. I've always felt, and our research has proven it out, that well-managed conflicts can increase trust, respect, and intimacy among employees within and across teams. The trick is in understanding the basic nature of workplace conflicts. Having studied the topic

for years and having conducted hundreds of interventions with corporate teams, I have learned the following key things.

First, some [workplace conflicts are interpersonal, and others are task related](). Relationship conflicts are often difficult to resolve and they can lead to avoidance instead of an honest effort to work things out. Consider that a common reason why people quit their jobs is because they can't get along with their bosses. Task conflicts, on the other hand, tend to be more straightforward to resolve and they can lead to better ways of doing things. In addition, there's an entire set of conflicts that are absolutely healthy for structural and organizational reasons, like competition for limited resources or natural checks and balances of certain jobs that have specific authority over others.

Second, when it comes to workplace conflicts, the virtual environment is a double-edged sword. The good news is that bad relationship conflicts don't occur as often because virtual team members are typically focused more on their work and less on interpersonal issues and office politics. Hence, "bad blood" is less likely to develop between co-workers. But the bad news is that, because of the lack of face-to-face contact, which helps to accelerate empathy, task-related disputes can more quickly devolve into relationship conflicts. Most of us can recount a past experience in which a series of testy e-mails quickly turned a valid work disagreement into a personal grudge. For various reasons, people often behave with far less restraint in a virtual environment than in the physical world – a phenomenon that psychologists call the "[online disinhibition effect]()."

So the question for those who work in a virtual environment is this: How do you keep task-related conflicts from getting personal? I particularly liked the work of Ann Majchrzak, professor at the University of Southern California Marshall School of Business. [Majchrzak has studied virtual projects at numerous companies](), including EDS, IBM, Kraft, Motorola, Shell Chemicals, and Unilever, and has found that successful teams tend to use one important tool: an online discussion board in a shared virtual workspace. There are several advantages in doing so:

1. *Problems don't fester.* In a traditional team that's co-located, people often wait for the next meeting to discuss important issues. But that just slows the process, allowing problems to fester. Virtual teams that use online discussion boards can nip problems in the bud by raising an issue whenever it first arises.

2. *People can properly vet an issue.* Team members can study an issue when they have the time and then offer their input, and they can comment on others' suggestions online so that every proposed solution gets properly vetted. Moreover, team members can be encouraged to contribute and comment on all aspects of a project, not just the parts that might concern their specific area of expertise. [As past research has shown](), the best solution for a problem often comes from an unexpected source.

3. *Teams can avoid false consensus.* People will often agree with others because of peer pressure or because they fear being tagged as a naysayer or someone who's not a team player. Those feelings can prevent frank feedback when a difficult issue is being discussed in a traditional physical meeting. But in an online forum, people will be much more likely to voice any pushback, particularly if such comments can be submitted anonymously.

4. *The cream will rise to the top.* If managed properly, the discussion board will elicit honest feedback from a variety of perspectives, and that filtering process will help discard bad ideas.

5. *Transparency builds trust.* When issues are discussed openly and resolved based on their technical merits (and not on biases, bad information, or politics), that transparency will engender a sense of fair play, leading to an atmosphere of trust within the team.

6. *The online board becomes a natural repository.* If there's any question about exactly what was decided (and the reasons for that decision), team members can easily find that information on the online board or elsewhere in the shared virtual workspace.

Such benefits, though, can only be obtained by pro-actively managing the online discussion board in certain ways. Otherwise, it will likely become just another task that team members always find themselves too busy for. To avoid that, here are some best practices:

Create a virtual site as the team's primary focal point. [Virtual teams need a shared workspace](#) – specifically an intranet Web site – as the center for their activities. The workspace should contain shared files, project updates, and information on the various team members, as well as online discussion threads organized by topics. Managers can encourage active participation in the virtual workspace by regularly posting important information and documents there, even the group's critical-path schedule of activities.

Always use the virtual workspace for important issues. Managers must be firm about establishing the virtual workspace as the forum for important task-related issues. Here, the tone is definitely set from the top. Whenever one manager received e-mails that raised important task issues affecting the entire group, he would post them with his responses in the virtual workspace. Soon enough, everyone got the point: If it's important and concerns everyone's work on the project, it gets discussed in the shared workspace.

Protect the privacy of the team. To encourage candor, teams can use [a variety of measures for privacy protection](#). Some allow only team members (and not their bosses) access to secure areas of the virtual workspace, such as the online discussion board. Others allow sub-groups to create private folders to discuss problems until those issues are ready to be presented to the team as a whole. And still others might allow team members to have private conversations about task-related conflicts through IM, but those individuals are encouraged to later post relevant team information from that discussion.

Assign a "point person" for a particular issue. When a problem arises, someone has to be the point person responsible for seeing that issue through to its resolution. That individual needs to keep track of the discussion thread, solicit everyone's feedback, and, after people have had a sufficient time to contribute, summarize the various arguments. The issue is then submitted as an agenda item for an upcoming meeting. The point person could be the team leader, the individual who raised the issue, a volunteer, or someone else.

Diverge then converge. Electronic boards should be used for tapping into a variety of perspectives and expertise -- what Majchrzak refers to as "idea divergence." Then, after all the pros and cons of an issue have been summarized by the point person, the team can meet via teleconference to select a course of action -- Majchrzak calls this "idea convergence." During this meeting, an electronic whiteboard can be used to take notes so that any misinterpretations and errors can be corrected in real time –- someone saying, "That's not what I meant. The point I was trying to make is that…" Also, tools like electronic polling can be used to determine whether an issue needs further discussion or is ready for a vote. This helps avoid false consensus and encourages issues to be settled based on the merits of the arguments.

Of course, traditional teams that are co-located can also use online discussion boards and shared virtual workspaces to help resolve their task-related conflicts, enabling them to take better advantage of the value time periods between physical meetings. But the sad truth is that, for whatever reason, many don't. Majchrzak recalls a team in her research that had great success using virtual tools like online forums. But then, after the study, the team went back to the old, traditional ways of doing things. As Majchrzak discovered, online discussion boards and shared virtual workspaces can be highly effective but they require an active commitment from the entire team – something that is not always easily obtainable. The potential alternative, though, is far from desirable: mismanaged employee conflicts that disrupt the workplace and result in missed deadlines and failed projects.

6. How Dispersed Teams Can *Outperform* Co-Located Ones

"I'm working on a project with people I've never met," is a complaint heard at many companies. Or, worse, "This virtual team I'm on is a disaster – nobody really knows what each other is doing." Many of us have found ourselves thrown onto project teams in which we must work with others across several time zones and even different countries, and we believe that such dispersion will necessarily lead to big inefficiencies and degraded performance. Not so fast!

Teams can be highly effective even when members have never met in person. In fact, virtual teams can actually *outperform* traditional co-located groups. An [extensive study of 80 software development teams](#) with programmers from the United States, South America, Europe, and Asia proved that virtual teams can lead to increased efficiency and better business results, but only if they are managed to maximize the potential benefits while minimizing the disadvantages. Why can virtual project teams outperform traditional ones? Several reasons, including:

- They can enlist the best expertise from any location. This is particularly important for large corporations like General Electric, IBM, and SAP that have research labs and "centers of excellence" scattered around the world.
- They can reduce the cycle time of projects by shrewd use of a "follow the sun" schedule. At the close of their day, team members in Boston, say, can leave a list of "to do" items for their counterparts in Shanghai, who will then work on resolving those issues while the Bostonians are fast asleep.
- They can tap a diversity of input, especially from those individuals who work closest to customers in overseas markets.

But here's the rub. Dispersed teams can outperform collocated ones only if – and this is a big "if" -- they are managed properly. Here are a few guidelines.

Put processes in place. Of course, all project teams need the right processes to control how work gets done –- coordinating who will do what, how decisions will be made, what will happen when people aren't pulling their weight, and so on. But co-located teams can sometimes get away with sloppy management whereas virtual teams have little margin for error. Often times, for instance, a team leader will be unaware of a problem until it's festered and become a major crisis. To prevent that, the team should use two or three metrics to chart its progress. For a software project, useful metrics might be lines of code that have been written and bugs per line.

Communicate less -- but in the right ways. Many managers of virtual teams mistakenly assume that more communications – weekly project meetings, e-mail updates, etc. – are better to ensure that everyone is on the same page. But this can easily lead to an information overload that people tune out. Instead, the key is the quality and *predictability* of the communications. For example, a common problem in virtual teams is that some members don't respond promptly to e-mails, leaving important issues to slip through the cracks. Team rules and policies can specify how quickly people need to respond to any specific queries or requests for action, and list the steps that should be taken to follow-up when someone has been slow to respond.

Keep conflicts focused on tasks. Team conflict is not necessarily bad because it can eventually lead to better solutions. But conflicts too easily escalate and become personal within virtual teams because of a lack of empathy, trust, and camaraderie among the dispersed members. That's why some experts recommend various social-bonding practices, such as team members taking virtual coffee breaks together, exchanging personal as well as professional information through a social-media platform, and doing a quick "Take 5" before meetings so that team people can share what's going on in their lives.

In summary, working across various time zones (and even across different cultures and languages) does not necessarily result in a drop in performance. Indeed, it can lead to increased efficiency and better business results if the dispersion is managed such that it becomes a valuable advantage rather than a crippling liability.

7. The Right Way to Run a Virtual Meeting

Anyone who has sat in enough teleconferences has experienced a special kind of meeting hell. The discussion drifts and sags until, to try to get things back on track, the facilitator says, "John, what do you think about the proposed initiative?" Then, after an awkwardly long pause, John responds with, "Oh, sorry, what was the question again?"

Teleconferences can be a huge waste of time. But, when conducted properly, they can be both efficient and effective, even more so than face-to-face meetings. That's right: virtual meetings can be superior to traditional physical ones. The obvious advantage of teleconferences is that they are a quick, easy, and relatively cheap means of getting people together, but there are also other unique benefits that aren't so widely known, including the following:

- Teleconferences easily lend themselves to being recorded. Many applications like WebEx have a "record" function that will capture not just the conversation but also documents and other materials being presented. So when people miss an important meeting, they can easily catch up by playing the recording. Moreover, some advanced tools enable people to navigate through the recording so that, if they're interested in just a particular section – for example, a discussion about the annual budgeting process – they can skip the rest of the meeting and replay just that portion.
- People can be patched in instantaneously to answer a question or offer their expertise on a particular topic. They don't have to waste their time sitting through the entire meeting; they can participate exactly when they're needed no matter where they're located. All this can be done electronically at the blink of an eye, which sure beats the old way of running down the hall to find someone while everyone else sits and waits.
- Participants can easily break off into smaller groups for a quick discussion about a particular topic. This can also be done in the blink of an eye, thanks to the magic of digital communications. No more wasting time as people wander off looking for another location to chat and then slowly reconvene in the main meeting room.

But make no mistake: virtual meetings are tricky to conduct. The primary challenge is keeping everyone engaged. Cisco, which sells networking and other equipment that enable virtual communications, has studied that issue extensively and Ferrazzi Greenlight helped them come up with the following guidelines:

Use video. This is perhaps the most important rule. Not only does the use of video enable people to read each other's reactions and moods, it also encourages them to pay attention and resist doing their e-mail or otherwise multitasking. Of course, many people will resist video and say, "We've always done our meetings by phone and it's worked before. Why change?" But now that the cost of videoconferencing is all but negligible thanks to technologies like Skype, there's no excuse. Video will result in better teleconferences, period.

Do a "Take 5." For the first five minutes of a virtual meeting, everyone should take turns and talk a little about what's going on in their lives, either personally or professionally. This will help "break the ice" and set the right mood for people to listen and connect with one another.

Assign different tasks. To help keep people engaged, different individuals could be assigned various tasks, such as white board manager, minutes recorder, Q&A manager, and so on. These functions could be rotated for every meeting.

Forbid the use of the "mute" function. A surefire way to kill the mood of any virtual meeting is with the dead silence that follows a joke because people have their audio on mute. Perhaps more important, mute discourages spontaneous discussion. Of course, if someone is in a noisy environment like an airport terminal, the mute function can help prevent disruptions to the meeting, but those instances should be more the exception than the rule.

Penalize multi-taskers. Many managers tolerate people who multitask during meetings. After all, aren't those individuals making the most effective use of their time? But the simple truth is that nothing drains the energy from a meeting like multitasking. To discourage it, managers should implement a penalty for offenders, but and in doing so they should remember that a touch of humor can go a long way in setting the right mood. At one company, a spinning wheel determines a person's punishment, with the needle ending up

on anything from small monetary fines to a chore like cleaning the office coffee pot for a week.

As companies become increasingly global and workers telecommute more and more, teleconferences have become a daily fact of corporate life. Given that, it's mind-boggling that many organizations do such a poor job of conducting virtual meetings. Just a handful of simple guidelines can change them from awkward and dull to effective and energizing.

8. Evaluating Employees Who Can't Be Seen

We all tend to trust what we can see. If someone is always in the office early and leaves late, he must be a dedicated, hard-working employee. But he might actually be the least productive of his co-workers. And that's why numerous experts have advised that companies should avoid "management by observation" and instead focus on the actual work itself. But many companies have clung to cultures of "face time," in which staffers who log the longest hours are assumed to be the best employees. I, myself, have been guilty of that bias. Everything has been changing rapidly, though, as telecommuting becomes more widespread and as the workplace becomes increasingly virtual. "Management by observation" simply doesn't work anymore, and supervisors can't concern themselves with the "where" and "when" of work. Instead, they now have to concentrate on the "what" and "how."

We have talked with a number of researchers who have observed that the virtual workplace is imposing a healthy rigor on companies. By focusing on what work is being done and how it's being done, businesses are now better able to assess the performance of their employees. The result is that favoritism and office politics are less likely to corrupt the selection of who receives raises, bonuses, and promotions. And laggards can be identified more quickly to receive the additional training and attention they require. But that's the upside. The downside is the difficulty of evaluating the performance of employees who can't be seen. Some companies like IBM and P&G have become adept at doing that, but

many businesses are still struggling with the basics. From our numerous interviews and research investigating this topic, we have derived a list of the following best practices.

Don't focus solely on results. Performance should be based on a combination of two things: results and behavior. Both are necessary, says Dick Grote, a well-respected researcher in the field, because management shouldn't reward employees who achieve results but break company policies to do so. (And neither should it reward people who display all the right behaviors but don't produce.) In a virtual environment, the temptation is for managers to focus solely on results because employee behavior can't be seen and is difficult to evaluate. But that's just asking for trouble. Telecommuters and other virtual employees work in physical isolation so they could easily be tempted to cut corners. Thus managers must figure out ways to evaluate both the performance as well as behavior of their staffers. This brings us to the next point.

Beware unintended consequences. The natural tendency in the virtual workplace is to rely on various metrics to assess employee performance. But those metrics can often lead to counterproductive behaviors. The classic example, says Jim Ware, the founder of The Future of Work, are call-center workers who are being evaluated by how efficient they are in terms of the average length of their customer calls. But that type of metric can easily lead to workers prematurely transferring or terminating calls without really resolving customers' problems. My friend Tony Hsieh, the CEO of Zappos, has taken a very different approach. He encourages long service calls because he feels they are a good sign that Zappos is building strong relationships with its customers. It's hard to argue with that philosophy, given Zappos' spectacular success and the company's strong culture of trust and collaboration.

Engage the disengaged. Performance reviews and evaluations often fail because people tend to avoid conflict so they merely go through the motions without candidly speaking their minds. In a virtual work environment, that danger is greater because many telecommuters and other virtual workers already feel disconnected from the rest of the organization. What they don't need is to feel even more disengaged by a review process

that makes them passive participants. The solution, says Dick Grote, is to involve them from the start. A manager could ask each telecommuter to submit suggestions for different performance metrics that could be used, both to assess results as well as behavior. That process would not only engage employees and help obtain their buy-in, it might also provide creative ideas to assess worker performance in different ways. Moreover, the back-and-forth conversation between supervisor and employee about how to assess performance will also set the right tone that the relationship is a two-way street. This will then set the stage for greater candor in future discussions so that disagreements can be resolved in productive ways.

Forget about employee self-evaluations. Although employee buy-in is crucial, companies shouldn't make the mistake of thinking they can obtain it simply by having employees do self-evaluations. Even in a traditional work environment, the effectiveness of self-appraisals is questionable. In a virtual workplace, self-evaluations are even more prone to failure because of two types of human bias. The first is that people usually think they are better at their jobs than they really are (called the "overconfidence effect"). The second is that people are likely to take too much credit for good results (called the "fundamental attribution error") and too little responsibility for things that go wrong. Those two types of biases are especially dangerous in a virtual environment, because employees are often working in isolation bubbles without "reality checks" and regular feedback.

Level the playing field. As companies accommodate increasingly virtual workplaces, they can easily make the mistake of inadvertently comparing apples with oranges. Here's how that typically happens. When a department begins to allow telecommuting, management develops a new system for evaluating those workers based on specific metrics. But then it continues to assess the traditional office workers using the old system. The result: people doing the same job are compared as apples and oranges. This can be especially problematic if a "forced ranking" type of approach is used, in which managers do side-by-side comparisons of workers. The danger is that telecommuters will be slighted for raises and promotions because they're "out of sight, out of mind." By using a single performance

management system for all employees doing the same job, supervisors can help minimize any natural favoritism toward those who have greater face time in the office.

Performance management systems are one of the toughest things for companies to get right. Even HR folks will admit that the process often leaves much to be desired. [In a recent survey](#), nearly 60% of HR execs rated their own performance management systems with a grade of just "C" or lower. That's appalling, given that salary raises, bonuses, and promotions are typically tied to those systems. Yet it's hardly surprising because managers are increasingly having to evaluate and assess what they can't see -- namely, virtual workers. But, as I have learned over the years, such employees can be evaluated properly even if they can't be observed directly. The trick, though, is to avoid the common traps – like focusing on results at the expense of behavior – that can distort how we evaluate the performance of those we can't see.

9. Why Off-Sites Should Go Virtual

When I was the chief marketing officer at Deloitte & Touche, we would have our annual leadership off-site in Las Vegas or Orlando. I remember people practicing their presentations far into the night, and the next day we'd sit for hours in uncomfortable chairs in a huge room listening to our leadership talk about the future of the business. Looking back at those meetings, I have to wonder, were they truly effective?

Today, I am convinced that videoconferencing and other virtual technologies give us a much better way to conduct strategic off-sites. I realize that numerous companies have held "virtual off-sites," but typically for the wrong reason (saving money) and with the wrong goal (to *replicate* physical off-sites). One idea was to encourage spontaneous conversations by simulating a "virtual cocktail hour."

Wrong! Replicating traditional physical off-sites results in a "poor man's" version of the real thing, like online training courses that consist of nothing more than a video recording of an instructor followed by a test. Instead, companies need to be much smarter about how

they conduct virtual off-sites. They need to leverage virtual capabilities that overcome the shortcomings of a physical setting and vastly improve the process. The result: a new type of off-site that is actually *superior* to traditional off-sites. Why? Because it elicits honest feedback, encourages invaluable pushback and, eventually, obtains true buy-in from the entire organization.

The Ferrazzi Greenlight Research Institute has interviewed dozens of people about this, and we've come up with a formula that works. Let's start by remembering why companies have strategic off-sites in the first place. The overall goal is to figure out the best strategy for a business, a process that can be broken into five major steps, each of which can be performed better in a virtual environment:

1. **communicate** strategy, direction, and issues of importance;
2. **engage** the broader organization for feedback;
3. **finalize** strategy and build consensus;
4. **cascade** strategy into the fabric of the company; and
5. **motivate** employees and build camaraderie.

Communicate: Different people absorb information in different ways. Some are very quantitative and prefer spreadsheets of raw data. Others are more visually oriented. In a virtual environment managers can communicate in multiple forms, everything from plain text to video and multimedia. Another advantage is greater inclusion: managers can invite many more individuals to participate in the off-site because of the low cost of adding people. And unlike a traditional off-site, where a handful of executives must translate and relay important information to the field, everyone will hear the exact same story with the same urgency. We avoid the classic telephone game problem in which a message is repeatedly passed along and can easily lose power or accuracy until it bears little resemblance to the original.

Engage: In many traditional off-sites, executives ask for honest feedback but in a one-to-many format that serves more to push through their agendas and get everyone else to

march in step. Participants suppress any pushback and offer subdued comments that result in a polite consensus when none actually exists. But what would be much more beneficial to the company is true, frank feedback, especially from those employees at the front lines. One of the beauties of a virtual off-site is that it can be conducted in separate sessions spaced out over weeks. This allows each business unit enough time to evaluate a proposal and respond with the unvarnished truth about any potential obstacles. Everyone can participate, and the top leadership will get a better feel for the real challenges from all angles and levels. Also, as good ideas bubble up, management will learn who the truly innovative and insightful employees are, even if they might be buried deep in the organization. When conducted properly, virtual off-sites elicit honest, useful feedback, which will typically include valuable pushback that management must then address.

Finalize: After receiving honest and thoughtful feedback, executives have the rich communication channels they used before to respond with, "We heard you and here's the input that we're incorporating into our strategy; here's what needs further investigation; and here's what we're rejecting and these are the reasons why." Such transparency and candor as the strategy is being modified and finalized can go a long ways in building true consensus for the final strategic initiative so that everyone will eventually be rowing in synch, stroke by stroke.

Cascade: Now comes the work of turning strategy into action, often left for *after* the off-site without sufficient attention given to it. But what if it's instead performed *before* the virtual off-site's conclusion? The goal is to cascade the strategy throughout the organization and encourage employees to brainstorm ways in which they could best contribute to that strategy. A contest could even reward the business unit that comes up with the best plan for implementation, turning the process into a friendly competition that engages employees and helps ensure their ownership of the new initiative.

Motivate: At the end of the contest, the company could host a celebratory banquet to recognize the winners with awards such as "Most Innovative" implementation plan. This could be the first time that participants meet physically instead of virtually and should

receive high visibility to help motivate employees and build camaraderie, which then prepares the organization for the tough work of strategy execution.

Make no mistake, I am indeed calling for a major overhaul of strategic off-sites. The truth is that far too many traditional off-sites simply don't work. They are well-orchestrated gatherings conducted mostly for show after important decisions have already been made by a small cadre of executives in backroom deals. It's no wonder so many companies end up with "let's do more of the same" strategies that lack innovative thinking and fail to muster enthusiastic support. To devise strategies that are based on keen insights and breakthrough ideas, companies need to open up the process, bringing in the entire organization. And the best way to do that is through the use of virtual technologies.

10. The Future of the Virtual Workplace

In our research investigating the virtual workplace, I've come across two new interesting applications of technology. Both are in the early stages of development, but each has the potential to greatly change the ways in which we interact and collaborate with one another at work.

The first is mobile robots. These devices are essentially video cameras and monitors on wheels that can be controlled remotely by a user. Consider the following example. About two years ago, Reimers Electra Steam, a company in Virginia that manufactures boilers, almost lost a valued employee. Erwin Deininger, an electrical engineer, was moving to the Dominican Republic because his wife had been transferred there. But Deininger was able to keep his job and continue to do his work thanks to a [mobile robot](#) from Vgo Communications. The robot allows Deininger to move around the shop floor at Reimers, inspect designs, and answer questions from co-workers even though he's physically in the Caribbean.

Other companies like Suitable Technologies and iRobot have also been working on technologies similar to Vgo's, and the potential use of such robots has spanned a wide range, everything from security to healthcare. When a patient is released from the hospital, for example, a mobile robot could be assigned to his home so that his doctor could do daily check-ins, such as visually inspecting how a wound is healing, without the patient having to return to the hospital or clinic. Children's Hospital Boston has already been testing such a pilot program.

But for me the most intriguing potential use of mobile robots is in the office. An employee who was traveling or was ill could, for instance, use a mobile robot to attend an important staff meeting or social function, such as a party to celebrate a co-worker's birthday. Of course, we've long used traditional teleconferencing to do such things, but the twist here is the user-controlled mobility of the robots. And therein lies a huge difference. Because of that mobility, remote users can maneuver around a lunchroom and travel down hallways to have informal chats with co-workers. Such impromptu "water cooler" discussions make a significant difference, contends Leila Takayama, a scientist at Willow Garage who has conducted [studies of mobile robots in the office](#). According to her data, the use of mobile robots enables people to make faster progress on collaborative projects, in part because they encourage telecommuters to stay in touch and have more spontaneous conversations with co-workers in the office.

The second interesting application is virtual wormholes. They are essentially 24/7, two-way video connections between two locations. A high-profile example of that involves David Kelley, the CEO of IDEO, and Jim Hackett, the CEO of Steelcase. (IDEO is partly owned by Steelcase.) Kelley's office in Silicon Valley is connected through a permanent teleconference link to Hackett's office in Ann Arbor, Michigan. In effect, the two executives are "virtual officemates." They can literally see when the other isn't busy and can then interrupt him for a spontaneous conversation about an important issue. Another virtual wormhole connects Accenture's Chicago R&D facility with its San Jose site. Through that link, employees at both sites can interact and have "watercooler" conversations with each other.

I can certainly see using mobile robots in my firm's offices in Los Angeles and New York City, especially if their cost comes down as the technology matures. (The current price tag for a Vgo robot is around $6,000.) I've also been considering installing a virtual wormhole between those two sites, connecting the reception area in our L.A. office (where everyone has to pass through on their way to the restroom) with our large bullpen office space in Manhattan. And I've been toying with the idea of using virtual wormholes to reduce friction between two individuals who need to work together. IDEO's Kelley and Steelcase's Hackett happen to get along, which is why they connected their offices in the first place, but imagine two executives with an adversarial relationship, such as the head of sales and the chief marketing officer. Would a virtual wormhole between their two offices lead to improved collaboration between the two execs?

But, as with many new advances, these new technologies have moved beyond our social norms for using them. As just one small example, think about a typical teleconference meeting. When a remote user is talking and the volume of the monitor is too loud, people in the conference room think nothing of turning down the monitor's volume. But when that happened with a mobile robot, the remote users in Takayama's study were often annoyed or offended that permission hadn't been asked before adjusting the robot's controls. It was as if the user's personal space had been inadvertently violated. For their part, people in the office often thought it was rude of a robot to linger in the hallway, as if it were trying to eavesdrop on conversations, when the simple explanation was that the user had gone off to do something else and had merely forgotten to maneuver the robot away.

Remember when e-mail first came along? Many of us, myself included, thought that it was just a faster and cheaper way of sending letters. But then, over the years, we realized the true power of e-mail for conveying and storing information, and we were able to develop the proper etiquette for using that new communication medium. Similarly, we are now at the forefront of using mobile robots and virtual wormholes, and we have yet to realize their full power. And we still have much work to do in figuring out the right etiquette and social norms for using these technologies.

Conclusion

The virtual workplace is here to stay. And that's why we initially launched this research project and why we are committed to continuing it for years to come. In the next phase of our research, we plan to investigate deeper, more complex issues. We will study how the virtual workplace has changed the culture of companies, enabled the flattening of organizational structures, and required new types of leadership. We will also investigate new rules for maintaining online relationships with customers and look at ways in which to manage virtual partnerships across different companies. And we will study how employee relationships may be changing in fundamental ways because of the use of virtual technologies to avoid personal intimacy. The bottom line is that the virtual workplace has become an undeniable reality of corporate life and we simply must get better at managing it. At stake is nothing less than our ability to compete in the future.

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