



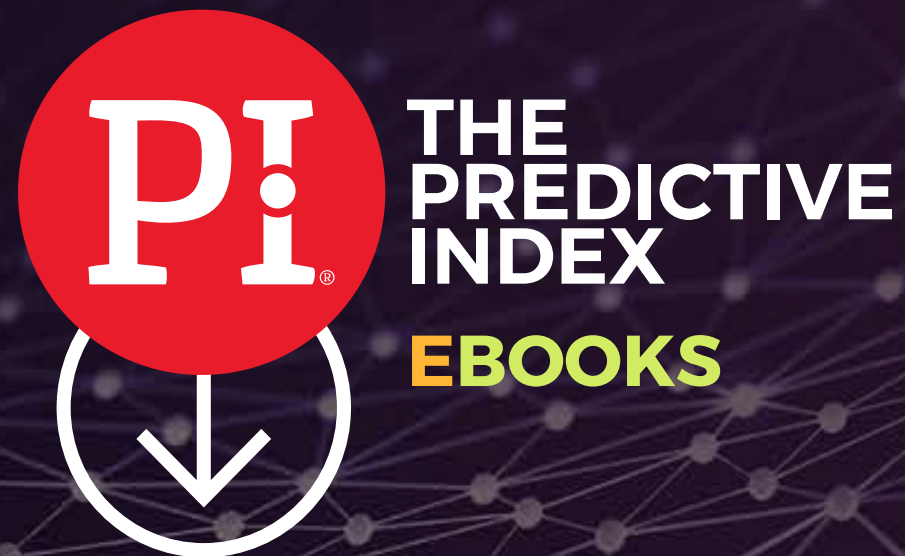
# MANAGING VIRTUAL TEAMS

Learn how to use data to drive success in a distributed workforce.



THE  
PREDICTIVE  
INDEX

# TABLE of CONTENTS



Overview	5
The Rise of the Virtual Workforce	6
Virtual Workforce Drivers	7
Key Concerns for Managers of Virtual Workers	8
The Issue of Trust	9
Cross Cultural Management	10
Uncovering Team Characteristics with Behavioral Assessments	
Behavioral Analytics in Action	11
Building Trust	12
Conclusion	14
References	15



# Overview

A company's workforce is its most valuable asset and typically its biggest expense. Attracting and retaining the right talent continues to be a foremost concern for managers. With many organizations employing remote workers or moving toward a virtual environment, this has gotten more complex. Managers must reconsider traditional management strategies to meet the unique challenges and characteristics of remote teams, whose members live in different time zones, rarely or never see one another in person, and communicate primarily via electronic mediums.

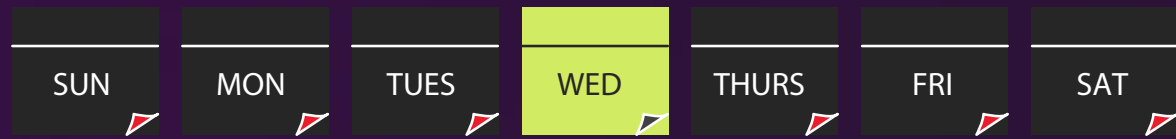
This eBook explores some of the trends that are contributing to the rise of the virtual workforce, examines the major challenges related to remote team management, and outlines the key principles that will help managers achieve success with virtual teams.



# The Rise of the Virtual Workforce

The number of employees who work remotely has been rising rapidly for the past few decades and is projected to continue rising. Research from Global Workplace Analytics reveals that the number of work-from-home employees in America has grown by **79.7%** between 2005 and 2012.<sup>1</sup>

25-35 million people work at home at least one day a week.<sup>2</sup>



Expected to grow to 63 million—or 43%—by 2016.<sup>3</sup>



79% of U.S. workers say they would like to work from home at least part of the time.<sup>4</sup>



29% of college students believe the ability to “work remotely with a flexible schedule” will be a “right” once they enter the workforce.<sup>5</sup>

There is also a growing demand for the option to work virtually, especially among college students and young employees, with telecommuting becoming a competitive differentiator. In a survey conducted by Cisco<sup>5</sup>, 40% of college students and 45% of young employees would accept a lower-paying job if it offered a mobile work style or “more flexibility” than a higher-paying job with less flexibility. A 2013 survey conducted by the Society for Human Resource Management revealed that more companies were planning to offer telecommuting in 2014 than any other new benefit.



# Virtual Workforce Drivers

In addition to demand by employees, many companies offer employees a remote work environment out of necessity. Companies embarking on global initiatives are outsourcing jobs to other countries in order to stay competitive. Global companies in the technology sector, for example, employ highly skilled employees regardless of their geography and are willing to make work flexible to access specialized talent. Companies will also go out of their way to create a hospitable remote-work environment because they want those employees to be engaged, and they want to encourage them to stay.

To keep up with these transformations, organizations across industries are shifting their hierarchical frameworks in favor of cross-functional, collaborative teams. The thinking goes that small teams are better suited to adapt to sudden changes in the marketplace and create innovative solutions in a more streamlined fashion than top-down structures that require approval from multiple levels of management.<sup>5</sup>

## Technology: The Great Enabler

Technology is clearly one of the greatest contributors to employees’ abilities to work remotely. Email for business is a universal institution and remote workers often use such real-time communication tools as instant messaging and Skype to collaborate with colleagues and team members. Cloud-based file-sharing tools (such as Dropbox and Google Drive) are readily available at little to no cost, and require no on-premise infrastructure or technical expertise to support and maintain. All of these tools provide a reliable and consistent way for remote team members to collaborate, regardless of their location.



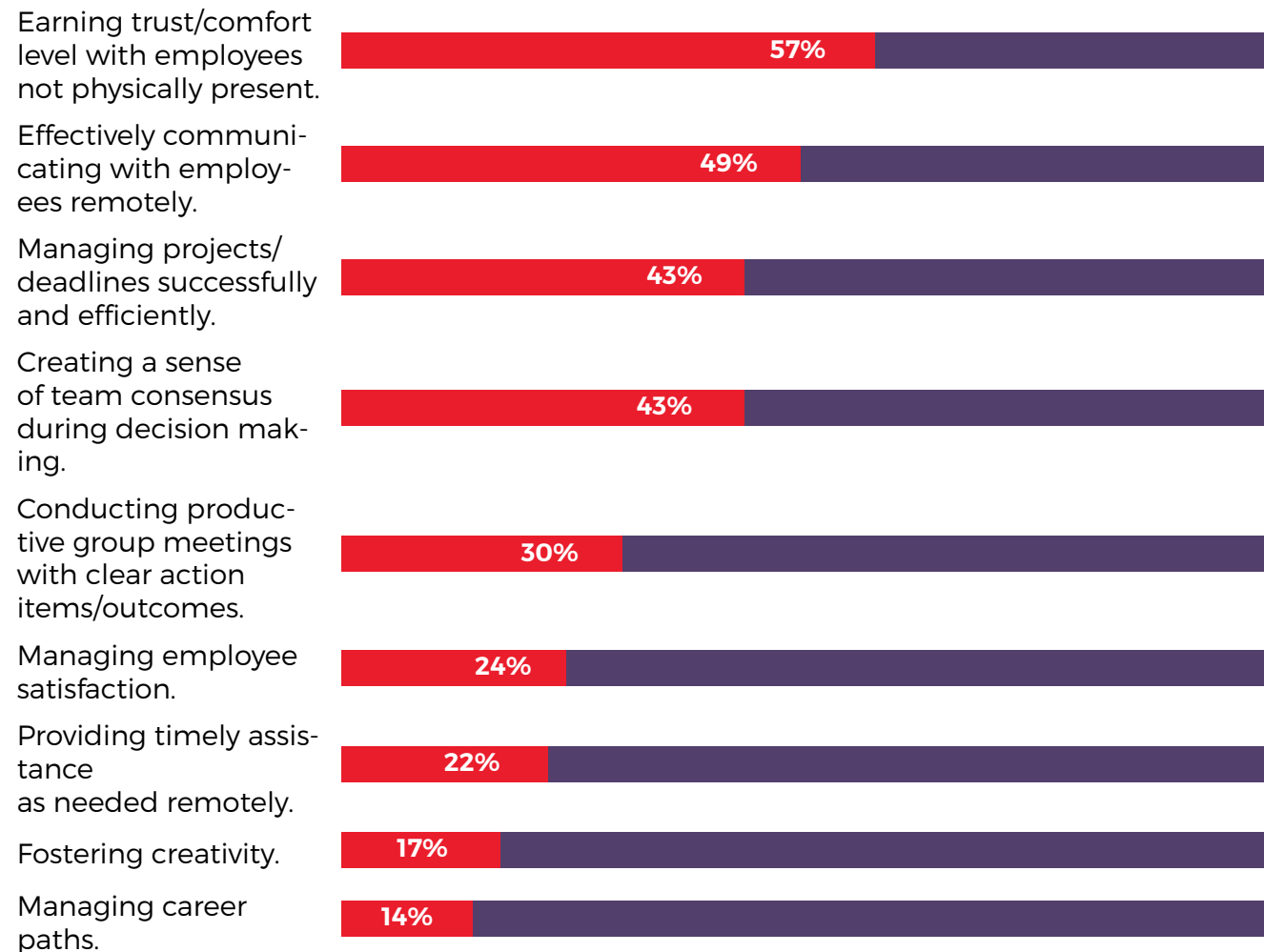
**40%**  
COLLEGE STUDENTS



**45%**  
YOUNG EMPLOYEES

Though technology has solved some of the logistical challenges of working remotely, managing teams that work efficiently, effectively, and collaboratively across times zones and even cultures is proving to be difficult. Recent research indicates low levels of confidence in the ability of managers to navigate these waters. This is problematic not only for the remote employees, but also for the managers, as many are not only evaluated on their own performance, but also on the performance of their team. Though technology has solved some of the logistical challenges of working remotely, managing teams that work efficiently, effectively, and collaboratively across times zones and even cultures is proving to be difficult. Recent research indicates low levels of confidence in the ability of managers to navigate these waters. This is problematic not only for the remote employees, but also for the managers, as many are not only evaluated on their own performance, but also on the performance of their team.

## Key Concerns for Managers of Virtual Workers<sup>6</sup>



When team members do not meet consistently in a face-to-face setting, they often have trouble building rapport, high levels of comradery, comfort, and a sense of shared trust and allegiance. Meanwhile, managers are frequently left to navigate the virtual workspace with few tools or direction about how to:

- Manage conflict
- Make decisions
- Provide feedback
- Facilitate learning
- Motivate the team to succeed

## The Issue of Trust

The relationship between worker and manager can contribute in a positive way to motivation, loyalty, and overall job satisfaction – all basic contributors to strong retention rates. When an employee leaves, weak connections to the manager or colleagues likely contributed to the desire to find a new job.

### Opportunities for connection are a primary consideration for managers who want to build virtual teams that last.

One of the key characteristics of successful remote team management is a strong sense of shared trust between managers and employees. In essence, managers of virtual teams must trust that team members will:

- Prioritize action items effectively
- Follow through on daily activities required to meet long-term goals
- Share information with one another
- Remain motivated to reach the finish line
- Raise concerns as they develop in a remote work environment

### Typically, trust is built through three means:

- **Past experience with that person.** (“Is this person reliable and dependable?”)
- **Shared goals with that person.** (“Are our actions aligned around the same goal?”)
- **Confidence in that person’s skills and abilities.** (“Does this person have the ability to get the job done?”)

It can be both difficult to monitor activities as well **as create the personal experience needed to form a strong connection. To overcome these limitations, many companies have employed alternative methods to forge relationships with their virtual employees.**

## Cross Cultural Management

Research indicates managers of the future will need to be able to navigate the personalities of people from multicultural backgrounds. Nearly 72% of respondents to an American Management Association survey cited “collaborating with peers from multiple cultures” as a highly important skill. The authors of the study extrapolated that global leaders of the next decade will need to be “more highly adaptable to culture differences, geographic distance, and non-hierarchical organizational structures.”

When you look at this trend as it relates to virtual teams, the challenges for managers increase significantly. As cross-cultural management expert Erin Meyer describes it, many remote workers are now living in their own country and are using email and telephone conferencing to work on projects, negotiate with suppliers, and sell products to customers across a span of countries.

“The landscape has changed entirely,” says Meyer. “Just over the last 10 years...a huge percentage of managers in multinational companies are in situations where they have team members from many different countries that are collaborating together.” Accordingly, says Meyer, it becomes “much more complex for them to even begin to understand the impact that culture is having on their communication.”<sup>8</sup>

## Uncovering Team Characteristics with Behavioral Assessments

One way companies are developing more trust-based relationships with their virtual teams is through the use of behavioral assessments.

### Behavioral assessments help managers:



Uncover natural behavioral characteristics of team members



Make strategic decisions about how to assign workflows



Identify preferred modes/styles of communication



Gain insight into how to support, coach, and motivate the team

Remote managers can use the information revealed by the assessments to determine how team members can successfully meet the behavioral requirements of the job and how they will work together. This insight helps them coach their teams, conduct accurate job analyses for new roles and open positions, and manage team dynamics day in and day out.

Remote managers can use the information revealed by the assessments to determine how team members can successfully meet the behavioral requirements of the job and how they will work together. This insight helps them coach their teams, conduct accurate job analyses for new roles and open positions, and manage team dynamics day in and day out.

## Assessment data can help demystify high performance for both individuals and teams.

In addition to understanding the individual, behavioral assessments can also inform group dynamics and help ascertain the personalities of the team. Group analytics enable managers to compare individual behavioral profiles to reveal the behavioral culture of the team. This allows managers to clearly see behavioral trends to help define high performance, facilitate workflow, reduce conflict and improve group synergy.

## PROFILE Behavioral Analytics in Action

Since its founding in 2009, interactive marketing agency Raidious has employed virtual workers to deliver its expert digital marketing services to national brands such as Walmart and Angie’s List. Although the company has a physical office in Indianapolis, its 17 full-time employees work remotely, collaborating in small teams with freelancers based all over the world.

Raidious co-founder and CTO, Brian Wyrick, says learning how to manage virtual teams was a path of discovery. “We have a highly dynamic, fast-paced work environment so our employees tend to be independent self-starters with a high sense of urgency,” he explains. “In a team dynamic, especially one that functions virtually, such strong personalities can clash, and on occasion, we’ll have breakdowns in communication.”

While technology helps employees stay connected, the company relies on behavioral science to help their teams communicate and collaborate effectively.

Raidious uses the Predictive Index® (PI®) survey to measure the behavioral drives of each employee. When building and managing remote project teams, the team manager works with their Predictive Index consultant to utilize PI data collectively through the Group Analytics tool. Managers can immediately see trends and inconsistencies in personalities within the group that may impact productivity.

“In some scenarios, we’ve purposely put [certain types of] behavioral profiles on a project, because... we know they’ll make an effective combination,” says Wyrick. Understanding behavior through these assessments has helped Raidious successfully work through “high tension” moments, says Wyrick, and has helped build a framework for effective communication.



According to Ryan Smith, COO at Raidious, the assessments have also helped them make smarter hiring decisions, ensuring that a potential employee will thrive in this style of work environment over the long term. "We use PI to make sure we are choosing the proper candidates that will be able to handle working in [an] office and remotely...PI gives us a much better shot at getting it right the first time, rather than making costly mistakes in hiring."

As the company looks forward to developing their workforce strategy to manage dynamic growth over the next two years, the Predictive Index assessment will play a key role in supporting their rapid expansion plans. "We're looking forward to expanding our virtual team and using Predictive Index tools to help us scale our growth and set a formidable foundation for the future," says Wyrick.

## Building trust by establishing a shared sense of purpose.

To achieve any goal, team members must align around strategy, communicate effectively, and collaborate openly. Foremost on any manager's mind is how to build successful working relationships among team members, and how to establish and increase productivity as the team works to meet its collective goals.

Many management experts recommend managers work with teams to establish a team charter or manifesto that outlines a mission statement, shared values, and guidelines for interaction. These fundamentals can be used by the manager as a guidepost to resolve common communication pitfalls that erode trust. Fostering agreement around acceptable behaviors also helps define the team as a group with a unified purpose.

Managers of virtual teams need to pay special attention to communicating how decisions will be made, how and when team members should be in contact (either individually or as a group), and how goals will be measured.



## Experts say it is important to define three essential components of team interaction

**Timeliness.** What constitutes a timely reply to an email? Do emails with certain subject lines get priority response times over others? What is the definition of "end of the business day" for teams that work in different time zones? Establishing answers to these questions helps the team benchmark its communication performance. The end goal is to get teams to trust that each individual teammate will reply/respond in a timely fashion to emails, voicemails and deadlines.

**Completeness.** Are responses and replies fully answering the questions at hand? Team members must understand the components of a complete request or question. This could include any of the following elements: deadlines, next steps, specific instructions for follow up, etc. Managers can craft sample statements or responses team members can use in cases where they feel replies or responses are inadequate.

**Consistency.** Consistency in the quality, timing and style of interaction builds a bridge to trust with virtual teams. Teams work best when they know they can count on other members to deliver similar levels of performance from project to project.

These three elements are all components of building trust among a team working in a virtual environment. Managers must also strive to clearly define roles for each team member.<sup>8</sup> When teams work onsite in the same office, managers can sometimes get by with loosely defined job descriptions and even encouraging team members to share roles. This is much more difficult to accomplish virtually. A "highly defined process where team members deliver specific results in a repeated sequence" is a major contributing factor to team success in a virtual environment, says Meyer. "Reliability builds trust and is firmly established after two or three cycles."<sup>8</sup>

Behavioral assessments help managers of virtual teams understand how the personalities of each team member align with their roles and responsibilities. They can use the insight about each team member's motivational needs and behavioral drives to assign roles and responsibilities, manage job expectations and drive the team's performance over time. Ultimately the assessment can help managers readily see if an individual is a good fit for the job, the team and the organization.

**Virtual teams need a manager who provides clearly defined direction and removes all ambiguity from the process. Research demonstrates that highly centralized coordination usually works best in globally distributed teams.<sup>8</sup>**

Erin Meyer,  
INSEAD Affiliate Professor

## Conclusion

In our knowledge-based economy, a company's biggest asset is its people. With that comes the need to empower managers with the skills to coach, mentor and develop the talent critical to the productivity and longevity of the business. To gain a better foothold in the market for talent, companies must be prepared to embrace and sustain remote teams and engage workers who understand how to work together successfully in a virtual environment. Many companies today are optimizing their virtual teams through data driven decisions. With workforce analytics like behavioral assessments, managers have science based insights to improve communication and build trust. Accordingly, managers who are skilled at navigating the unique challenges of the remote team will be in high demand as virtual workforces continue to expand. These skills will help guide their teams and their companies to greater success.

## References

- 1 [http://www.census.gov/newsroom/releases/archives/employment\\_occupations/cb12-188.html](http://www.census.gov/newsroom/releases/archives/employment_occupations/cb12-188.html) (2012)
- 2 <http://www.globalworkplaceanalytics.com/telecommuting-statistics> (2013)
- 3 Forrester Research's US Telecommuting Forecast, <http://www.wired.com/2013/06/the-new-workplace-reality-out-of-the-office/> (2013)
- 4 WorldatWork Telework Trendlines. (2009)
- 5 "Cisco Gen-Y Study: Mobile Devices Valued More Than Higher Salaries." (2011)
- 6 Forrester, "Virtual Work Environments in a Post-Recession Era." (2010)
- 7 Interaction Associates, "Leading Virtually: Three Keys to Success." (2012)
- 8 Forbes.com, "The Four Keys to Success with Virtual Teams." (2010)