MANAGING THE VIRTUAL WORKFORCE

MANAGEMENT SUMMARY

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“There will be a long-term adjustment to our location strategy. The notion of putting 7,000 people in the building may be a thing of the past.” Jess Staley, CEO of Barclays plc on the impact of Covid-19

“The secret of change is to focus all of your energy, not on fighting the old, but on building the new,” Socrates

When we all worked in the office everyday life was easy. The rich social soup provided an ‘always on’ flow of subliminal information, a single physical and psychological context and a support network that made life easy and simple. Relationships were easy to develop, networks strong and things got done at pace and with quality. Cross functional working was easy. That was the somewhat inaccurate romantic vision which still persists in the minds of many. Conventional wisdom held that it was impossible to develop relationships and grapple with difficult challenges unless everyone turned up in the same office everyday of their working lives.

But 20 years ago this vision began to dissolve as knowledge workers were equipped with laptops, mobile devices and networks that allowed them to work in a variety of locations with a variety of people at different times. Globalisation meant working with people in different geographies, cultures and time zones – and people realised that it was possible to work productively despite being physically remote from colleagues.

The fact is that even people working in the same physical building who work together electronically do not know each other and sometimes have never met in person. The whole world of work is virtual and getting more so and we’re not going back. Moores Law means we are only going forward with richer collaborative technologies and more ways to work. Covid-19 has accelerated the notion that the workplace is where you work from, not where you go to. Virtual working is here to stay, and this brings serious challenges for managing the modern workforce.

Directed connected communities

Organisations are increasingly becoming connected communities - teams of teams configured and directed to deliver outcomes that will create commercial and or societal value (see Figure 1).

Within such organisations, hierarchical control is giving way to enthusiastic commitment to missions and goals. Organisations increasingly need to harness their knowledge resources as opposed to controlling and ‘managing them’. The role of leadership is about creating the conditions for growth and directing the energy. When people work in a more virtualised model, old models become more difficult and we need new understandings and practices to deliver success in a virtualised world.

Covid 19 prompts the ultimate virtual model

In 2020, as Governments asked citizens to stay at home to protect their health services and save lives, organisations sent their knowledge workers to work from home. Many had worked this way before (although full time home working was rare), but large numbers had not. Home working was not even an endorsed or highly supported way of working in many organisations prior to this event – but everyone was asked to make the best of the situation. Now major organisations – from tech giants such as Google or Twitter – to major banks, law firms and global advertising agencies – are saying that Covid-19 has
changed the way they will work for good, so more people will spend at least part of their week working from home rather than commuting into a big central office.

Early indications suggest a mixed picture, but there is a lot of encouraging anecdotal as well as more systematically collected feedback indicating that traditional concerns about large scale home working have proven unfounded. This is not to say that things are perfect, and there is probably room for improvement, but given that there was no opportunity to prepare teams beforehand or embark upon any supportive change management, things are more encouraging than might have been expected.

It should also be recognised that while things are not perfect now, nor were they before. The two extremes of working – “all in the office” vs “all at home” have never been experienced side by side before – and this time is providing an opportunity to compare the two conditions. This gives everyone an opportunity to experience the benefits and challenges of home working and to refine their practices so that future choices can be more evidence based.

**Figure 1**: An organisation is a community of connected brains. Individuals bring their skills, expertise and knowledge together to achieve a commercial or societal objective. The ultimate goal is to maximise the energy of each brain; to create the maximum flow of knowledge and enable its fusion (avoiding it becoming silo'd or landlocked in individual brains or teams); thereby creating a connected community irrespective of where people are working.
Best available evidence

In 2013 the Advanced Workplace Institute (AWI) formed a rich research partnership with the Centre for Evidence Based Management (CEBMa), a global network of top-flight academics that teach, preach and practice evidence-based management and decision making. The quest was simple, to establish the truth about productivity in the world of knowledge work. CEBMa’s role was to identify and rigorously review all the peer reviewed academic research on the topic, using their ‘Rapid Evidence Assessment’ methodology - designed to establish the best available evidence. The role of the AWI was to contribute real world organisational experience and translate the academic research into business language - creating guidelines and tools for its application within organisations.

In 2014 AWI and CEBMa undertook a research programme on ‘Managing the agile workforce’, to identify the best strategies for working and managing when people are not physically together - in different geographies, time zones, shift patterns or simply when they work asynchronously, despite being based in the same location.

In 2020, given the increasingly virtual nature of work, the Virtual working programme was re-run and combined with the earlier research which had been re-run in 2019. This has resulted in the most up to date, comprehensive review of peer reviewed academic research on the subject anywhere on the planet.

The Research: Six Key Findings

The research found that many of the factors that influence the productivity of virtual knowledge workers are the same as for those working in the office, but that because of the lower levels of ‘face time’ and immersion in a single physical environment, the factors are more difficult to maintain on an ongoing basis and consequently need a greater and more conscious effort to enable effective performance.

THE SIX KEY FINDINGS

1. Working apart impacts team dynamics, the frequency and quality of communications, levels of consensus and conflict, and the amount and quality of social interaction. All of these impact the performance of teams and the outcomes they generate.

2. Successful virtual working requires an understanding of the differences that people experience, compared to being co-located. To avoid damage to team performance, people need to respond to the differences and find alternative ways to operate.

3. Effective virtual teams are determined by the strength of their social and cognitive states – i.e. the degree to which they are socially cohesive, trust each other, operate within a psychologically safe climate and share skills, experience and knowledge freely.

4. While all factors interconnect, trust and communication lie at the foundation of cohesion, supervision, communication, the sharing of skills and knowledge, work relationships and the performance of virtual teams.

5. Trust, social cohesion and information sharing seem to be the most potentially vulnerable to damage when people work virtually and must be consciously understood and actively managed – they can’t be left to chance.

6. In virtual teams there is potential for everyone to be a leader – they respond well to more transformational management styles. This involves creating a strong team structure, empowering and guiding the team, involving them in the development of group goals and supporting them in actively reflecting on decision making and outcomes.
Figure 2: The model shows the six core factors together with additional elements that help build, sustain and grow them – all drawn from the research base. For example, getting to know people, understanding how to work with different personalities and building a strong team based on sound relationships helps to develop a socially cohesive team.
The factors that influence virtual team and community performance

Social Cohesion

Social cohesion is a shared liking or team attraction that includes bonds of friendship, caring about each other, closeness, and enjoyment of each other's company.

In other words - business friendships. The logic is simple - the more people you know, and the better you know them, the more generous they are with their knowledge, enabling you to build a picture of who knows what, within teams and workplace communities.

*Social factors such as relationship building, cohesion, and trust are crucial for the effectiveness of virtual teams, which in turn leads to team satisfaction in terms of its ability, commitment and confidence.* (Lin et al 2008)

Trust

Trust is an expectation that someone else's actions will be to our benefit, or at least not to our detriment (and not just based on their self-interest).

This means you feel colleagues have your back and you can be open, reveal your true feelings and be generous with your ideas and knowledge without fear that you will be disadvantaged.

*Team trust is most critical for team performance when team members work in a highly interdependent manner, with other members who possess unique skills and have different levels of authority within the team.* (De Jong, 2016)

Perceived Supervisory Support

Perceived supervisory support refers to how people feel the supervisor helps them in times of need, praises them for a job well done, or recognises them for extra effort.

This is your perception of how well supported, developed and encouraged you are by your supervisor, be they a line manager, senior leader or team leader.

*Employees who positively viewed support from their supervisor also experienced higher effectiveness, productivity, and lower staff turnover. This in turn led to the development of positive views about support provided by the organisation.* (Eisenberger et al, 2002)

Information Sharing

Information sharing refers to the extent to which a team utilises the expertise and knowledge of its individual members for the team's benefit.

In other words, you feel free to openly share your knowledge and skills with colleagues, without fear that you will suffer any loss and that the team will gain as a consequence.

*Open information sharing facilitates team processes / outcomes that are arguably more challenging to handle in virtual settings but are nonetheless important to team functioning (e.g., cohesion building, cooperation, trust).* (Mesmer Magnus et al, 2011)
Vision and Goal Clarity

Vision refers to the organisation’s objectives and purpose – what it is trying to achieve. For people’s work to have meaning, it is important that they understand how their efforts contribute to that overall mission. This is referred to as goal clarity.

What this means in reality is that if you understand the vision and your goals (and that they align) - then you can be clear about what you’re doing and commit your energy to the organisation's cause.

Long-term goals give direction but also allow teams enough time to try out different approaches and hone them down to those that deliver success. (Simon et al, 2011)

External Communications

External communication is the ability and desire to seek information and resources from people outside the team through fostering positive relationships.

In other words - get out more. Look outside your immediate world for new stimuli, ideas and knowledge to add to your own and keep you challenged.

Knowledge worker performance tends to be enhanced when their external communication network is diverse – as these acquaintances are beneficial for problem solving and locating solutions or requisite knowledge. (Burton et al, 2012)
APPENDIX

Research Methodology

In conducting the Virtual Workforce research, CEMBa used four databases to identify academic studies: ABI/INFORM Global from ProQuest, Business Source Premier from EBSCO, PsycINFO from Ovid, and Google Scholar. The search applied the following general search filters:

- Scholarly journals, peer-reviewed
- Published in the period 1980 to 2020 for meta-analyses and 2010 to 2020 for primary studies
- Articles in published in English

An initial search based on keywords identified over 350 potential studies which were then screened for relevance using the study titles and abstracts. In case of doubt or lack of information, the study was included and duplicate publications were removed. This first phase yielded 16 meta-analyses (a study of studies) and 51 primary studies (a standalone study). Second, studies were reviewed and selected for inclusion in the research findings based on the full text of the article using these inclusion criteria:

- **Type of studies**: Focusing on quantitative, empirical studies
- **Measurement**: Only studies in which relationships among team attributes, contextual factors and outcomes were quantitatively measured
- **Context**: Only studies related to workplace settings were included
- **Level of trustworthiness**: Only studies that were graded level C or above. The research design of the included studies was systematically assessed and categorized according to Campbell’s and Petticrew’s classification system (Petticrew & Roberts, 2006; Shadish, et al., 2002)

**Level A**: randomized controlled studies

**Level B**: non-randomized controlled studies with a pretest

**Level C**: controlled studies without a pretest or uncontrolled studies with a pretest

**Level D**: uncontrolled studies without pretest

**Level X**: expert opinion, non-systematical reviews of the literature

In addition, the following criteria were applied to further refine the included studies:

- Studies on the drivers/determinants for the uptake and implementation of virtual working
- Studies on teams working within a virtual world
- Studies on virtual student teams or virtual training groups
- Studies on the effect of tools aimed at supporting virtual teams

This second phase yielded a total number of 10 meta-analyses and 35 primary studies. These 10 meta analyses covered 715 studies, although there may be overlaps in some areas where original studies have been included in >1 meta-analysis study. The number of studies within the meta-analysis studies range from 19 to 150. The total number of original studies that constitute the research base is therefore c750.
Quality and reliability of findings

The overall quality of the studies included in each REA is evaluated by CEBMa. Typically, the studies included in the Knowledge Worker Productivity and Agile / Virtual working REAs were rated moderate to high. This includes good volumes of meta-analyses, which encompass earlier studies and permit a broader critical appraisal of a larger volume of findings and conclusions. Where the meta-analyses include high quality studies, confidence in the results is naturally higher.

The objective is, within reason, to identify the best available academic evidence on the topic. This is combined with AWA/AWI’s knowledge and expertise to produce practical guidance for organisations. Naturally, caution is always advised if the settings of the studies or the subjects studied do not align closely with knowledge worker populations. That said, we are confident that the results are sufficiently consistent and robust to enable them to form the basis of the guidance contained in this report.

Further reading

AWI Research is available on the Advanced Workplace Associates website. The following links provide access to each broad topic area – where individual blogs on each factor / area of interest can be found.

The original research reports and guidance documents are available to all AWI Members.

The Productivity of Knowledge Workers (2013)
https://www.advanced-workplace.com/category/6-factors-knowledge-worker-productivity/

Managing the Agile Workforce (2014)

Cognitive Fitness (2015)
https://www.advanced-workplace.com/category/cognitive-fitness/

Designing Workplace Experiences (2016)
https://www.advanced-workplace.com/awa/research/whitepapers/
Sources

The following is an extract of the studies included in the original research and recent updates.


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