

How Successful Are Virtual Project Teams Anyway?

Date: Mar 28, 2013

Title: How Successful Are Virtual Project Teams Anyway?

Code: AR-VPT

Abstract: Recently, there's been a flurry of culture changes due to Marissa Mayer's new stand of "no more telecommuting" at Yahoo. This proclamation apparently wasn't intended to be an official company announcement, but was a leaked internal e-mail to the press. Probably a jolt to Yahoo's cultural nerve center, this change of policy has caused considerable press and social media dialog with an industry (software development) that has migrated more and more to a virtual, telecommuting industry.

There are definitely two camps on this subject and not much in the middle. This topic is going to be fun to discuss! Perhaps you're dealing with this situation, too.

Version: (2013-03-27) Originated
1.0 (2013-03-28) First published

Signs That Your Company Is in Trouble?

We all know of companies where virtual teams work well and others where they don't. For a point in fact, my wife's company is practically 100% virtual with project managers and customer implementation managers leading complex customer and team interactions from remote, home offices. Yet, I know of many other situations where employees prefer the physical interaction and claim that working virtually would be a disaster – mainly due to lack of focus (too many distractions) and lack of human interaction.

According to Raymond Fisman's article, "Yahoo workers must show up," Yahoo lost its way and its leadership position in a highly competitive Web-based business climate that it helped foster. Before Mayer, Yahoo's laggard culture (his words, NOT mine), had little to no focus or rhythm. It is widely believed that Mayer saw telecommuting as a key culprit that needed immediate attention.

In that same article, Mayer believes that innovation "springs up through chance encounters" and that there's plenty of academic research indicating that physical proximity drives progress. And Fishman restates Mayer's own views that in order to drive change, half-empty halls and a lack of energy needs to be replaced with mandatory attendance in the office (for those, of course, that work in the Silicon Valley area).

I don't know this for a fact, but if Yahoo was performing, perhaps Mayer would have left everything alone. But this mandatory attendance "fix" was justified and not just any fix: major surgery is needed.

Some Productivity Background

Melissa Hinch-Ownby, writing for Mother Nature Network, attacks the notion that time and quality of work are reasons for a no telecommuting policy with these survey statistics from Telework Research Network:

- A poll of 1,500 technology professionals reveal that 37% would take a pay cut of 10% in order to work from home.
- AT&T technical workers spend an average of five more hours a week than their office counterparts.
- American Express workers produce 43% more than their office-based counterparts.
- Employees working remotely increased 73% from 2005 to 2011 in the United States alone.

Ms. Hinch-Ownby goes on to say that retrenching to antiquated policies places Yahoo back “decades behind the times” and could result in Yahoo losing some of their best talent to other companies who have had good luck dealing with virtual teams.

According to U.S. Bureau of Labor Statistics, remote employees work an average of one hour longer each day than traditional office workers.

In [an article on HLNTV.com](#), Sarah Evans, owner of Sevans Strategy, a public relations consultancy, wrote that each year, \$1.4 trillion is lost in productivity regardless of where a worker's desk is physically located. And, according to Dorrine Mendoza, there's definitely a virtual movement going on – especially for knowledge workers.

At the same time that the Yahoo e-mail was made public, at the Mobile World congress in Barcelona Mayer's announcement was greeted with concern due to the fact that many governments worldwide are urging employers to consider telecommuting as ways to alleviate transportation systems and to strike better work/life balances. Just days after Mayer's announcement, Cisco heralded a global initiative to encourage remote working at the third annual Telework Week.

Pros: In Favor of Virtual Teams

Why even entertain virtual teams? Here are some obvious reasons:

1. Employees prefer it and with a wide assortment of conferencing software tools available, why not?
2. It reduces office lease expense. Have you noticed how many office parks have become ghost towns in the past few years?
3. Software developers aren't exactly team players and prefer to work somewhat independently and require quiet time to focus on getting work done.
4. The expertise and domain knowledge is limited to a chosen few and it is impractical to relocate them.
5. In congested areas, like Seattle where I live, the traffic has gotten horrible. Working remotely relieves travel fatigue and actually gives workers a couple more hours a day to do productive work-related activities.

Fred O'Connor's article, “For Tech Staffers, Working Remotely Requires More Than Wi-Fi and a Desk,” shows several technology companies that have figured out how to make a virtual workplace succeed. He states that the company RightScale only allows an individual to work remotely once the employee demonstrates that they are comfortable with it and can be successful at it. Rafael Saavedra, RightScale's VP of Engineering and Founder, gives remote workers constant interaction with co-workers including daily calls and visits to their HQ.

And, Mark Valenti, co-founder at Aydus Consulting, insists that “a distributed environment needs to be more structured.” In fact, Aydus hasn’t found a project where virtual teams don’t work out successfully. “Software is just so virtual,” Valenti said, “Its just about getting the work done and being there for clients when they need us.”

Rich Hein, wrote an enlightening article entitled “Why Remote Offices Mean better IT Teams.” He writes about one of my most favorite software companies: Real Software. Geoff Perlman, President and CEO of Real Software, transitioned his company to become 100% virtual and that wasn’t the way it started out. He researched the reality of a distributed workforce and after reading how 75% of MySQL developers work from home, he decided to test drive the concept by asking his staff to work remote for a month and report their findings. During that time they experimented with better ways to communicate, collaborate, and still maintain their project release schedules. To the overwhelming benefits relayed to him by his staff, he closed his office in Austin and now everybody works remote.

Richard Branson, founder of Virgin Group, posted his opposition to Mayer's policy, saying a big part of successfully working with other people depends on, "trusting people to get their work done wherever they are, without supervision."

John Dvorak, never a shy guy, states in his article “Yahoo CEO’s Future: A Telecommuter Mutiny” that “if Mayer were truly a modern manager in Silicon Valley, she’d shutter all the Yahoo offices and virtualize the whole company. Move everyone out!”

Cons: Face to Face Team Interaction Is the Only Solution

Why could virtual teams be bad for business? Here are some obvious reasons:

1. It is too easy to do other things rather than work without physical interaction.
2. Some staff members simply need to get “out of the house.” In fact, interacting with teams (like pair programming) can be an excellent job enhancer resulting in timely release of quality products.
3. The feeling of isolation by virtual workers is a huge issue.
4. The loss of control of management can make every decision, every interaction more difficult.

Catherine Roseberry has identified some killer issues in her article, “Obstacles to Working Remotely”:

- Some jobs just aren’t suitable for remote, out-of-office locations.
- Security can be an issue especially with virtual users outside of the protection of office firewalls and other precautionary safeguards.
- Inability to monitor employees. Let’s face it – some are going to abuse working remotely, out of sight – out of mind from management.
- There can be tax issues where the company may have to pay taxes for the state the remote employee resides and works in. Just one more complication to deal with.

Combating obstacles is more difficult whereas if an individual gets “stuck trying to solve a problem,” it is effortless to walk down the hall and ask for assistance. It seems like the majority of software developers I know think of asking for help as the last resort (or it doesn’t even enter their mind). You, as the project manager, need to be in constant awareness of mitigating risk and it definitely is tougher with virtual teams.

Donald Trump obviously likes to tweet and stated that Mayer had every right to expect Yahoo employees to come to the workplace. "She is doing a great job!" With Trump’s endorsement it must be so!

A Final Word

The *PMBOK® Guide* barely mentions the concept of virtual teams and Agile guidelines leave team logistics largely to “whatever works.” In fact, some Agile software development organizations assume virtual teams in their Scrum of Scrums way of facilitating remote management of large, complex projects. Nokia’s distributed software development culture comes to mind.

A constant theme that I’ve noticed in my own experience and in my research is that there has to be some tough “rules of the road” for virtual teams to work. In Jacob Orshalick’s article, “Should Agile Teams Ban Telecommuting?” he states that answering a few questions honestly may help you decide if virtual project teams is right for you:

1. Are the right Web-based collaboration tools available to the team members?
2. How experienced (seniority) is the team? I agree with this one wholeheartedly. The less guidance and prompting required of virtual team members, the better!
3. How much input is needed from the product owner or even the project manager? The more ill-defined the project, the less likely that virtual teams are going to be successful.
4. What are the team members personalities and work habits? If the team hungers to work remote, great; if, on the other hand, some of them really don’t like it then that’s not a good omen.

Rich Hein has put together three fundamental characteristics for every remote, virtual workers:

- Great communication skills.
- Passionate about their work.
- Excited about working from home.

Finally, Geoff Perlman (of Real Software) states that you need to have metrics that show whether or not virtual employees are truly getting the work done. Attempting to satisfy both sides allowing office workers and virtual workers to somehow coexist can have its pitfalls especially when “remote employees felt left out of [office] discussions and would hear about decisions made after the fact.”

So what do you all think? Can you and your teams work in the virtual world?

Bibliography

- Fishman, Raymond. "CEO right: Yahoo workers must show up." http://www.cnn.com/2013/02/26/opinion/fisman-yahoo/index.html?hpt=hp_bn7. (March 2, 2013).
- Hein, Rich. "Why Remote Offices Mean Better IT Teams." http://www.cio.com/article/718227/Why_Remote_Offices_Mean_Better_IT_Teams?page=1&taxonomyId=3123. (Oct 8, 2012).
- Hincha-Ownby. "Marissa Mayer: No telecommuting at Yahoo." <http://www.mnn.com/money/green-workplace/blogs/marissa-mayer-no-telecommuting-at-yahoo>. (Feb 25, 2013).
- Mendoza, Dorrine, "Yahoo work-from-home policy riles workers everywhere." http://www.cnn.com/2013/02/26/tech/yahoo-reaction/index.html?hpt=hp_c2 (Feb 27, 2013).
- O'Connor, Fred. "For Tech Staffers, Working Remotely Requires More Than Wi-Fi and a Desk." http://www.cio.com/article/707791/For_Tech_Staffers_Working_Remotely_Requires_More_Than_Wi-Fi_and_a_Desk. (Jun 6, 2012).
- Reynolds, Dylan and Barry Neild. "Tech execs question Yahoo's work-from-the-office edict." <http://us.cnn.com/2013/02/26/tech/remote-working-yahoo-mobile/index.html?iref=obinsite> (Feb 27, 2013).
- Orshalick, Jacob. "Should Agile Teams an Telecommuting?" <http://www.techwell.com/2013/03/should-agile-teams-ban-telecommuting>. (Mar 7, 2013).
- Roseberry, Catherine. "Obstacles to Working Remotely." <http://mobileoffice.about.com/od/getmobilized/a/obstacles.htm>.
- Whitaker, Ken. *Principles of Software Development Leadership: Applying Project Management Principles to Agile Software Development*. Boston: Course Technology PTR, 2009.

Bio



Ken Whitaker of Leading Software Maniacs® (LSM) has more than twenty-five years of software development executive leadership and training experience in a variety of technology roles and industries. He has led commercial software teams at Software Publishing (remember Harvard Graphics?), Data General, embedded systems software companies, and enterprise software suppliers. Ken is an active PMI® member, Project Management Professional (PMP)® certified, and a Certified ScrumMaster (CSM). Sources for LSM's material come from case studies, personal leadership experience, the PMI *Project Management Book of Knowledge (PMBOK® Guide)*, and Ken's leadership books: *Managing Software Maniacs*, *Principles of Software Development Leadership*, and *I'm Not God, I'm Just a Project Manager*.

PM University, <http://www.pmuniversity.com>, is a new addition to Leading Software Maniacs online, eLearning curriculum focused on pragmatic project management and software leadership courses. Ken is also the creator of PM Chalkboard™, <http://www.pmchalkboard.com>—the fastest way to learn basic project management principles with entertaining, no cost tutorial videos. Ken also is a frequent guest writer for <http://www.projectmanagement.com> (formerly, <http://www.gantthead.com>).

To help project managers and anyone working digital projects and software development, Ken has developed the Spresso™ project versioning software, <http://www.VersionItWithSpresso.com>, (available for both Windows or OS X).

Leading Software Maniacs is proudly associated with:



Applying Project Management Principles to Software Development Leadership, Principles of Software Development Leadership, Software Tools for Creative Professionals, 4Ps, Leading Software Maniacs, Spresso, Soft-Audit, Jus' E'Nuf, Nerd Herd Game, the 4Ps logo, the Leading Software Maniacs logo, PM University, PM Chalkboard, and the Nerd Herd Game logo are marks of Leading Software Maniacs, LLC. For PM Chalkboard and PM University: No claim is made to the exclusive right to use "PM" apart from the mark as shown PMI, PMP, PMBOK, the PMI logo, and the PMI Registered Education Provider logo are marks of the Project Management Institute, Inc. All other marks not mentioned are trademarks or registered trademarks of their respective companies.