Back in 2013, a firestorm erupted when Yahoo! CEO Marissa Mayer ended the company’s work-from-home policy. Though her stated purpose was to ensure a more collaborative, communicative workplace, her decision ignited a heated debate over how a modern company could seemingly slip back into a 1950s-era office model.

With today’s technology, many workers can and do work successfully from home or even another state or country away from their employer’s main physical headquarters. (Just walk into any Starbucks and see how many patrons are hunched over laptops!)

So why did a digitally advanced company like Yahoo! revert to what many view as an anachronistic ideal?

Perhaps Yahoo! — and other companies — realized to institute and maintain a full or partially remote/virtual workplace is never easy. Doing so necessitates drawing up formal guidelines and finding the right technological tools, as well as hiring the right people for the job of working remotely. Once in place, the program requires oversight and tweaking to make it sustainable and successful.

**The Insight**

Companies are increasingly utilizing remote, virtual or flexible work-at-home options. While tech tools abound to facilitate remote work, management techniques have yet to catch up to the technology. If you’re considering this option for your employees, learn about:

- If virtual workers are more productive.
- Managing remote workers.
- How to build a better virtual workplace.
- Finding the right tech tools.

With this article, SkilledUp kicks off a series on the challenges and opportunities of employing a remote/virtual workforce. Other articles will explore case studies from two firms that have moved to a remote workforce, practical tips for keeping those remote workers engaged, the rise of the contingent worker class and the legal ramifications of working in a virtual world.

**The remote worker**

The term remote or virtual worker covers a broad spectrum, ranging from a full-time employee allowed to work from home several days a week to team members located in geographically dispersed branches. It could also mean a company that is entirely virtual with no actual office footprint.

Currently a 100 percent remote workforce is not the prevailing trend, reports Kate Lister, president of Global Workplace Analytics, which tracks workplace models. More prevalent is what she calls the hybrid...
model, whereby employees work from home two to three days a week.

“That gives companies the potential for onsite time for collaboration and offsite time for concentration,” she says.

According to statistics compiled by Global Workplace Analytics, 3.3 million — or 2.6 percent of the workforce — telecommuted in 2012. (Lister’s firm only tracks those full- or part-time employees allowed to work remotely.)

That number could rise: A 2014 Society for Human Resource Management study revealed employers are increasingly willing to permit workers flexible work options, including where they work.

Lister says companies now view flexible work options as a viable way to attract and retain the best workers at a time when there is a perceived talent shortage. Two years ago, companies sought to cut costs by having people work outside of pricey office settings and to a lesser degree that remains a motivation.

“It’s been replaced by wanting to give people a better workplace/life balance, more flexibility — all things that lead to greater attraction and retention,” Lister adds.

Indeed, experts advise against shifting to a more remote workforce primarily to slash expenses. Incremental savings can be obtained, but the clearer rationale is to facilitate a more productive workplace by offering workers flexibility so they can balance work and home life.

Currently a 100 percent remote workforce is not the prevailing trend. More prevalent is the hybrid model, whereby employees work from home two to three days a week. — Kate Lister, president of Global Workplace Analytics

The productivity debate

A rather famous 2012 study led by Nicholas Bloom, a professor of economics at Stanford University, revealed work-from-home employees at Chinese travel website CTrip.com were more productive than those in the office.

Call-center workers were given the option of working in the office or at home. Conducted over a 10-month period, the study found the work-from-home workers were more productive, answering 13.5 percent more calls than those in the office.

In an interview with the Harvard Business Review, Bloom attributed the increased productivity to workers being in a quieter environment than in a distracting “there’s cake in the break room!” office setting. Work-at-home workers also took shorter breaks, worked longer hours, used less sick time and were less likely to quit. On average, the at-home worker saved the company nearly $2,000 in furniture and office space.

After the experiment was completed, about half of those who choose to work at home returned to the office. Further interviews disclosed those that went back to the office were younger, at the lower end of the pay scale, the poorer performers among the work-at-home group, and felt lonely. Nevertheless, Bloom stated in a follow up article that “flexibility for workers to work where they prefer to work is critical for retention.”
Why aren’t there more?

Lakshmi Ramarajan, an assistant professor in the organizational behavior unit at Harvard Business School, says the desire by workers for remote or flexible workplace options outstrips the actual implementation of it. “There is room to potentially grow,” she says, “but there are lots of challenges to doing it well.”

First and foremost, employers must address what numerous scholars have termed the “flexibility stigma,” Ramarajan notes. Employers perceive both male and female workers negatively if they request to work remotely or want a more flexible work arrangement.

Within many corporate cultures, a fully committed worker is one bound to a workstation from nine to five. “The further you get from that [image], the less likely remote work is to be looked down upon,” Ramarajan says.

It’s not all about the tech

Technology can facilitate virtual/remote work, as we’ll look at more closely below. Video conferencing and project management software abound. Yet experts say no matter what the tech makes possible, many managers still lack the skills to manage a remote workforce effectively.

While tech tools enable workers to do tasks miles away from the physical headquarters, many managers adhere to an outdated philosophy stipulating only those workers they can see in the office are actually doing the job. A shift in that mindset greatly improves a manager’s ability to oversee a virtual workforce.

They can do that by judging team members on their actual output, not mere presence in the workplace, says Kevin Eikenberry, “chief potential officer” at leadership training consultancy Kevin Eikenberry Group. Last year, he and a partner launched a course on how to be a virtual team leader.

To make that happen, a manager must first scrap the notion that a work-at-home employee is not really doing the job, Eikenberry says.

Managers must adopt what Lister terms a results-based management system, which works for both remote and onsite employees. “Treat people like adults and they will act like adults,” she says. “Give them goals, get out of their way and let them meet their goals. That’s how people work best.”

Most experts advise formulating an onboarding program or curriculum for remote workers. “Do people know how to be a good remote worker and how to communicate and collaborate with the people onsite?” Lister asks.

“Do they have the tools they need? Do they have the management in place that understands how to do this? My pet peeve is that there has never been a Six Sigma for remote work. It just happened.”
Building a better virtual workplace

Companies can make it work with foresight and planning. However, moving to the remote/virtual workplace model involves more than just sending home an employee with a laptop and a fare-thee-well.

To make it successful, every level of the organization must be included in the planning and implementation process, says Elizabeth Anderson, a change management consultant at Stegmeier Consulting Group. Or, as she puts it, “capture the voice of the people on the front lines.”

To assess the readiness of the workforce, she recommends launching a pilot program by allowing a small group of workers to work remotely for a week. Get feedback from those workers to learn if any improvements are needed before rolling out on a larger scale.

The mistake Yahoo! made, as Anderson sees it, was putting its telecommuting program on “autopilot” and not making updates.

Ultimately, Anderson says some employees may not like working remotely, and they should return to the office without any negative repercussions. “It’s not for everybody,” she adds.

Technology can facilitate virtual/remote work. Yet many managers lack the skills to manage a remote workforce effectively. Managing a remote/virtual workforce requires a different set of management skills. At the core are three main principles:

Communication

How often do you communicate with a remote employee? In what manner? Some workers may prefer phone calls instead of email or texts. Does the manager reach out once a day or once a week? A good virtual manager discerns those variations and acts accordingly with each employee.

Rick Lepsinger, president and managing partner of OnPoint Consulting, has built part of the company’s practice on helping leaders become better virtual team managers. His firm has studied which attributes good virtual team leaders possess.

Topping that list are managers who make a conscious and consistent effort to reach out to remote team members. Essentially, they substitute what happens naturally in the office — a chat in the breakroom about non-work related things like last night’s game — in a virtual setting.

“Good virtual leaders replicate that behavior, but use instant messaging, texting, a phone call,” Lepsinger says. “They are deliberate and focused on doing that.”

Though casual, those frequent chats replace the visual clues a manager relies on to read an employee’s emotional status.

Not all those conversations take place in virtual space. Experts advocate face-to-face encounters at regular intervals, either as often as a weekly meet-up or an annual team-wide confab. Those one-on-one meetings bond team members, fostering a sense of trust.

“It also lays the groundwork for more constructive conflict management,” Lepsinger adds.
Trust

Having those regular conversations builds trust between employee and manager. However, some managers unaccustomed to overseeing a remote worker may slip into micromanaging such as calling the employee several times a day, which is something they wouldn’t do if the employee sits in the next cubicle.

“When a manager says I wonder if they are working today, that’s a sign of mistrust,” says Cord Himelstein, vice president of marketing and communication at employee recognition consulting firm Michael C. Fina.

Transparency aids in bridging that trust gap. For example, if a remote worker needs to pick up a child from school at 3:30 p.m., the manager must know that. “The manager understands the work will get done, but from 3:30 to 4:15 p.m. the person may not be available,” Himelstein says.

Accountability

That mutual sense of trust flows from setting clear expectations and then holding remote workers accountable for meeting those objectives. Make sure the remote worker understands the quality of the work expected and when it is due.

“If [the remote worker] delivers, then he or she is doing their job,” Eikenberry says.

Of course, the manager is also accountable to set those expectations, he adds. And the manager is responsible for ensuring the remote workers integrate with the entire team.

The right tech tools

For organizations seeking to integrate more telecommuting, an abundance of technological tools are on the market, and deciding on the right ones can be daunting.

Video conferencing platforms such as Skype, GoToMeeting and Google Hangouts enable face-to-face meetings in a virtual setting. An advantage to video conferencing is it discourages team members from multitasking while on the call — managers can see them, after all!

Skype aims to take video conferencing to the next level with its Skype Translator, which promises to translate the language of one speaker into the language of the other. Now in preview, Skype Translator could greatly amp up the ability of companies to have workers literally everywhere in the world.

On the project management and collaboration software side, Basecamp and Asana are just two options. Programs such as Yammer and Slack foster team communication, while Dropbox provides document storage on the cloud.

And if a company truly wants to know what each remote employee is doing on their computer, employee monitoring software is also available.

So, how is an organization to choose the right one out of so many choices? First, ask the people who will use any type of software what they want from the program.
“Pick your tools based on those criteria,” Eikenberry advises. “Then use it.”

Megan Carriker launched consulting firm Telek two years ago to aid companies moving toward a remote workforce. One of her clients jumped from one tech tool to the next, never settling on an acceptable solution.

“They believed in tools more than doing the work,” she recalls. “The problem was they weren’t holding people accountable or they expected one tool to solve all problems.”

Make sure the manager uses it, too. If a team member sees the manager doesn’t use the system, then he or she probably won’t either. “First and foremost, get leadership to walk the talk and use the product,” Carriker says. “When they do, they lead by example.”

Don’t be swayed by bells and whistles, Anderson says. “An investment must add considerable value to the organization,” she adds.

Simpler can be better. Carriker endorses iDoneThis, which sends out an email at the end of the day to team members asking them to recount their day. “It’s a mini-scrum tool of what you did today, what you are doing tomorrow and what obstacles you faced,” she says.

Security concerns

In today’s hack-crazy society, security ranks as a top concern when selecting a cloud-based software product. Make sure to research products and query the vendor on security safeguards.

A remote worker can follow some simple security measures such as creating strong passwords. Or if they frequently work in a coffee shop with wifi, use their VPN (virtual private network) to log in. And when they take a break, Anderson advises they carry their laptop with them.

Typically, the employees who use the system everyday can spot any potential security breaches. Bring them into the conversation, “so people are encouraged to say, look, this loophole does exist and if we take this offsite it might be more of a problem,” Anderson says.

Tax and legal implications

Employing a partial or full remote/virtual worker entails some significant tax and legal consequences, and companies must be cognizant of those. For instance, telecommuters can be taxed based on the state where their work-at-home time is spent.

“Their taxes could be totally different because now they work 75 percent of the time out of their home,” Anderson says. “That affects their income.”

Other legal issues related employing a remote workforce include overtime pay and wage and hour laws.
Time to move?

Virtual workplaces and telecommuting will increase as the world becomes more digitally interconnected.

“If you are operating in a multi-national world, you are naturally going to move toward a more virtual environment,” Lepsinger says. “Technology has made it feasible to do, or at least not as challenging.”

When Lepsinger started his first company in 1984, his firm needed an office. Nobody would hire him without one. Today, clients judge a company based on the quality of its website and whether it can produce results.

“Honestly, nobody seems to care where you are physically located or if you work out of your home,” he says. “They just care about what you can deliver.” That new perspective, aided by technology, enables smaller companies to “look and feel like a big company,” he says.

Don’t fret that the office building has been rendered obsolete. The office of the Mad Men-era is probably a dinosaur, but new structures are taking its place. Today’s offices are designed with collaborative spaces where virtual workers can meet occasionally and brainstorm creatively — in person.