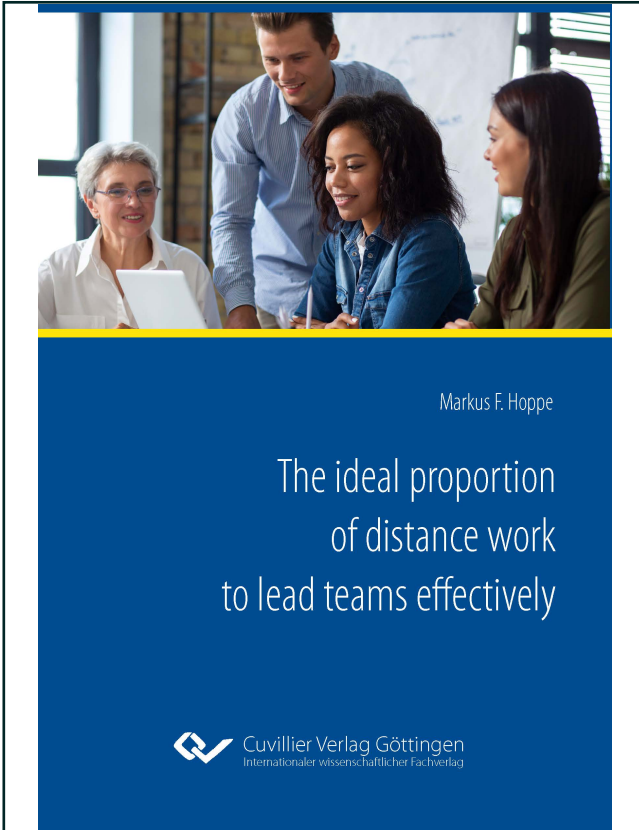




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## **The ideal proportion of distance work to lead teams effectively**



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# Chapter 1 – Introduction

With this work we are in the subject area of New Working. In particular, the topic of the workplace is discussed. The topic of leadership is also considered. In this thesis, the focus is particularly on leadership at a distance. Since this is carried out by the managers, it is especially relevant to look at it from their point of view. The challenge of leading virtual teams is thus evaluated and analysed from the managers' experience. Since the upcoming decisions for further orientation of the individual sub-organizations will also be made by the managers, the primary data will also be collected from this group of people. This work will therefore as well provide managers with recommendations for action.

## 1.1 Relevance of the subject

Even before the Covid 19 pandemic, according to a study by Grunau et al. (2019), there was a positive trend towards more home-based work in the wake of digitalisation. This development was slow and experienced a sharp increase as a result of the pandemic. (Grunau et al. 2020).

According to a survey by Frost (2021) of 6309 employees since the beginning of the Corona crisis, many employees have switched to a home office. The experiences with this are predominantly positive. A large proportion of workers would like to be able to work from home frequently even after the crisis. 71 percent of the respondents said that they expect home office to become more widespread in the future.

It is very likely that home office will play a greater role in the world of work in the future. With the experience of the pandemic period, advantages emerged that can increase the operational benefits of this form of work.

At the end of January 2021, 24 per cent and thus just under a quarter of the employed persons surveyed in Germany worked exclusively or predominantly in a home office. This does not quite correspond to the 27 per cent of the first lockdown in April 2020, but recommendations and the home office regulation on the part of medicine and politics have nevertheless had an effect. The survey shows that in the course of 2020, the use of the possibility to work from home decreased. Thus, in June 16 percent and in November ("Lockdown Light") only 14 percent of the respondents did their job from the home office. In December 2020, this figure rose again to 17 percent. Home office use has increased significantly overall since the beginning of the pandemic (Statista, 2021).

Since the beginning of the Corona crisis, many employees have - voluntarily or by necessity - moved to the home office. The experiences with this are predominantly positive. A large proportion of employees would like to be able to work from home frequently even after the crisis. But there is a great danger that the boundaries between work and leisure will become blurred. And for some, working from home is not an option at all in the long run. These are the results of an online survey of 6309 employed persons.

Nevertheless, home offices are likely to play a greater role in the working world in the future: When asked whether they expect home office to become more widespread in the future, 71 per cent of respondents to our June survey answered in the affirmative. (Böckler Stiftung, 2020).

For the future, almost all employees whose work is suitable for this wish to do a certain part of their work at home. The majority tends towards regular mobile use. There is often a desire for two or three home office days per week. Only a few wishes for a complete return to presence. It can therefore be assumed that the proportion of home office workers will fall somewhat from the current very high level as the pandemic subsides. However, the flexibilization of working time and place of work is likely to play a greater role in future than it did before the pandemic, at least for some of the employees. (Backhaus et al. 2020).

The management and the executive board of the companies concerned are thus faced with completely new challenges. Leading at a distance and dealing with virtual teams that are distributed spatially requires completely new procedures than the classic work in the office.

Since this situation has never occurred before in its current form, the determination of data in this area is supplemented by the primary data collected in addition to the existing literature.

Since a further share of remote working is to be expected in the future, the author would like to use this research to show further insights into the requirements of managers and the weighting of remote and stationary workplaces, which allows the greatest possible productivity to unfold.

## **1.2 Aims and Objectives**

The research problem arises from the new circumstances of the companies, which are now in the situation of having to reorganize the workplace immediately after the Covid 19 pandemic. After the

previous experiences with mobile working of the employees and the thus awakened needs of the employees to be able to continue to work flexibly and at least partially mobile, a new orientation is difficult to plan. The demands on managers face new challenges with the new form of work. The purpose of the research is to be able to give companies a recommendation on the future orientation of the way of working towards mobile and stationary work to achieve the highest efficiency. The recommendation for effective leadership in this new situation is also part of the research. The management and executives of almost all companies are facing almost all companies are facing completely new challenges. Leading at a distance and dealing with virtual teams that are distributed spatially requires completely new approaches than the classic work in the office. Since this situation has never occurred before in its current form, the determination of data in this area is supplemented by the collected primary data in addition to the existing literature.

The research objective relates to the following main question:

***What is the ideal proportion of distance work to lead teams effectively?***

This leads to the following additional questions:

- ***To what extent does hybrid work change work effectiveness?***
- ***To what extent is on-site work still necessary?***
- ***With which management style can the hybrid form of work be implemented?***

For this purpose, the data of the following topics are evaluated:

- The operational benefits are questioned and discussed.
- The effectiveness of virtual teams is examined and critically questioned.
- The new demands on managers are identified and critically evaluated.
- Primary research is carried out in the environment of the delimited companies.
- Managers' perceptions based on previous experience with mobile working are considered.
- The results are critically analysed and evaluated to draw conclusions based on them.
- Based on the conclusions drawn in relation to the research question, recommendations are listed so that companies can adapt to the new challenges.

### **1.3 The research purpose**

In this paper, the factors of productivity in relation to the share of mobile working time are determined. In doing so, various correlations from the themes of leadership, motivation and cooperation are considered. There is already general research on this topic. However, the present study explicitly looks at the area within Germany. The focus is on medium-sized companies in the manufacturing technology sector. A special focus is placed on sales-related sector such as sales itself, but also supporting departments such as business

development management, solution management, program management and customer management. The author chose these parameters because the requirements for sales in technology areas are very consulting-intensive and there is a high density of technology companies in the chosen region. The largest share of technology transfer in this region is carried out by medium-sized companies, which are in the upper range of the market share in their sectors.

## Chapter 2 – Literature Review

In this chapter, relevant academic papers on the research questions are discussed, considered, and critically compared.

### 2.1 Definition of terms

Overall, we are in the scope of new working with this topic. In particular, the topic of the workplace is discussed.

The topic of leadership also receives attention. The focus is on leadership at a distance. There are various terms for the work at a distance in more detail.

Since we are dealing with the contexts of German companies in this dissertation, it is first necessary to discuss the German legal definition of the term.

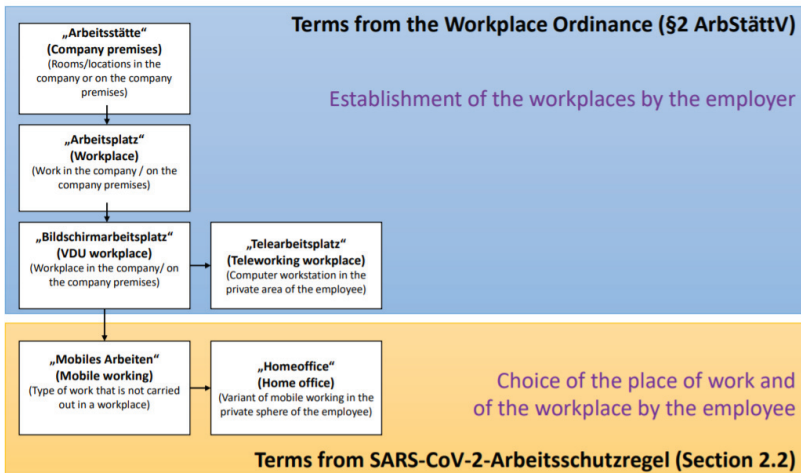


Figure 1: Terms from the Workplace

Adapted from Workplace Ordinance (§2 ArbStättV) and SARS-CoV-2-Arbeitsschutzregel.



During the pandemic, the SARS-COV-2 occupational health and safety regulation was issued in Germany, in which the terms "mobile working" and "home office" were defined for the first time. This was necessary to be able to introduce the home office obligation introduced in Germany. In addition to the newer terms in Germany such as home office and mobile working, there are also international representations of remote working, teleworking, virtual working, and cross-location work. This always involves the cooperation of virtual teams. "A virtual team, like any other team, is a group of people who interacts by means of interdependent tasks linked by a common purpose. They work across space, time and organizational boundaries, using networks of connections made possible by communication technology "(Lipnak & Stamps, 1998).

To describe remote working, the term "mobile working" is chosen by the author in this dissertation. As the term "remote working" is very common in British literature and the term "home office" in more recent German literature, these are used to identify views and insights. To describe the cooperation of individual employees in such a working environment, the author has chosen the term "virtual team". For measurable performance, the terms productivity, efficiency, and effectiveness must also be explained.

- Productivity:

Productivity is the work output of employees in a period.

From this, labour productivity can be determined  $\frac{\text{output}}{\text{working effort}}$

- Efficiency:

Efficiency is the use of measures with as little effort as possible.

Thus, the degree of economic efficiency is determined via  $\frac{\text{output}}{\text{effort}}$

It represents the sum of all efforts such as labour productivity, resources, time, and capital.

- Effectiveness:

Effectiveness describes the work that is necessary to achieve the goal. This term is therefore only about effectiveness.

The degree of goal achievement is determined with  $\frac{\text{output}}{\text{objectives}}$

Since the focus of the investigation is on the best possible work performance, **productivity** is considered in this dissertation. Productivity indicators support the development of efficiency. The mixing of stationary and mobile working is called **hybrid working**.

## 2.2 Economic benefit

What benefits can these changes offer from a business perspective? In addition to potential productivity gains, costs can be saved due to a reduced need for office space and lower employee turnover (Bloom et al. 2015). Of the companies that offer their employees the option of working from home in principle, 67 percent want to return to the same extent as before the pandemic. In contrast, 18 percent plan to expand the scope, this concerns large companies with more than 250 employees (Backhaus et al. 2020). The fact that the topic is more explosive from today's perspective, but not new, is shown by works published early on. In the case of Konradt and Hertel's (2002) standard work "Management virtueller Teams", which was widely read in German-speaking countries, the most urgent problem, from the point of view of the time, was media-based communication. At almost the same time, a publication in the USA by Gibson & Cohen,

(2003) focused more on the advantages and disadvantages of working with virtual teams. Gibson & Cohen, (2003) see these as follows:

#### Advantages:

- Synergy effects can be expected due to the easy integration of several team members. Due to the greater diversity of knowledge, information and expertise, a competitive advantage is possible with a higher degree of innovation.
- As work in virtual teams is not limited to typical office hours, deviating times of local clients and partners can also be covered. The virtual conference also has a democratic effect. Thus, the effect of hierarchy and power imbalance can be reduced through the higher transparency of documentation.
- Due to the distance, relationship conflicts are significantly reduced. More relevant communication becomes more productive.

#### Disadvantages:

- There is a risk of technology failure. However, these conditions have improved significantly since then.
- Media-based communication can lead to misunderstandings. Social exchange, relationship quality and trust decrease. Text-based communication is often less efficient than oral communication. It becomes much more time-consuming to ensure that all statements have been understood.
- Despite the lower propensity for conflict, conflicts can build up for longer or remain hidden due to the low depth of exchange. Dysfunctional conflicts can develop through the formation of sub-groups.
- Coordinating tasks across different locations is also difficult. The inefficient processes contrast with the expectation that the tasks