Second Edition

The Power of Virtual Distance

A Guide to Productivity and Happiness in the Age of Remote Work

Karen Sobel Lojeski

Richard R. Reilly

WILEY

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Richard Reilly: For my wife, Laura
Karen Sobel Lojeski: For my husband, Paul

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Preface

Ten years ago, we published our first book about Virtual Distance.

And what we predicted would happen, did happen.

Virtual Distance has continued to spread around the world. It impacts not only business performance but also families, education, healthcare, and any institution or community where people interact and communicate.

The concerns we had about Virtual Distance becoming an intensifying force pushing us toward an increased sense of social isolation and a reduced feeling of well-being are now mainstream. Discussions in popular media and policy-making circles attest to the concern over the declines that Virtual Distance continues to create.

Our early data documented the impact Virtual Distance has on various key outcomes. Since our first book we've collected a much larger data set of more than 1400 studies covering more than three dozen industries spread over 55 different countries over the last fifteen years. As we report in this book, the additional data confirms and expands upon our earlier findings. The statistical relation-ships between Virtual Distance and critical success factors are further validated with a much larger sample. The trend data also tell us that Virtual Distance is deepening

and the effects are getting bigger. We suggest that leaders regard Virtual Distance as being *foundational*, rather than tangential to high-level organizational strategies.

Through our collaborations with organizations that employ more than five million people across the globe we can also report some good news. We've found that predictive solution sets put forth in the original work, along with strategies and tactics developed in our consulting and advisory practice since, can dramatically reduce Virtual Distance and improve business results with predictable accuracy. These strategies also open doors into a renewed and felt sense of human connectedness and relationship vitality that enhance almost every aspect of life lived in the digital age.

INTRODUCTION TO VIRTUAL DISTANCE

Simply put, Virtual Distance is a measurable social and emotional disconnect (conscious or unconscious) that arises when we increasingly rely on digitally mediated communication technology. We detail the Virtual Distance Model in Chapter 3 but provide a brief summary here to highlight key points.

As shown in Figure P.1, Virtual Distance is composed of three major factors:

- **Physical Distance:** Those workplace features that are fixed in space and time like geographic distance, time-zone, and schedule differences as well as distinctions in organizational affiliation.

- **Operational Distance:** The daily noise that gets in the way of fluid, meaningful communications.
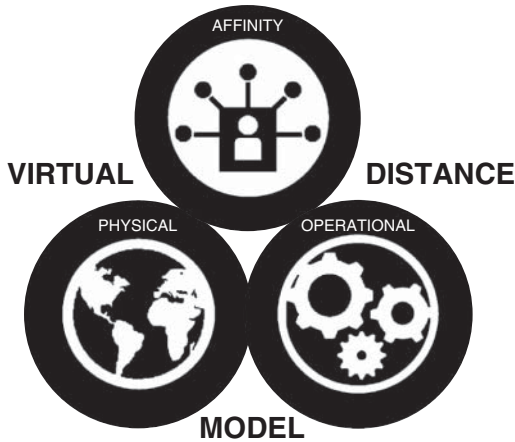
FIGURE P.1   The Virtual Distance Model.

- **Affinity Distance:** The issues that block the development of deeper, long-lasting, and substantial relationships built upon shared values and important human interdependencies.

As we'll discuss in greater detail later on, it surprises many that Physical Distance, what we tend to focus on the most, actually has the lowest impact on organizational outcomes. From a quantitative point of view, the extent to which we're geographically distributed, compared to key performance indicators, rarely rises to the level of statistical significance.

It's Affinity Distance that matters most – those aspects of virtual work that push us away from each other as human beings – no matter if we're thousands of miles apart or sitting at the same table.

As Virtual Distance rises overall, and on Affinity Distance most especially, our decades-plus data show that there are some staggering effects (see Table P.1).

TABLE P.1   The impact of Virtual Distance on organizational outcomes.

When Overall Virtual Distance is relatively high, key outcomes are significantly impacted	When Affinity Distance alone is relatively high, key outcomes are even more significantly impacted
Success falls by 85%	Success falls by 82%
Satisfaction goes down by 80%	Satisfaction goes down by 85%
Organizational Citizenship Behaviors (Helping Behaviors) degrade by 75%	Organizational Citizenship Behaviors (Helping Behaviors) degrade by 86%
Trust is worse by 71%	Trust is worse by 86%
Learning decreases by 70%	Learning decreases by 78%
Leadership Effectiveness is lower by 68%	Leadership Effectiveness is lower by 77%
Innovation is lower by 63%	Innovation is lower by 73%
Employee Engagement falls by 58%	Employee Engagement falls by 66%
Role and Goal Clarity goes down by 53%	Role and Goal Clarity goes down by 54%
Strategic Impact decreases by 41%	Strategic Impact decreases by 50%

The first column in Table I.1 shows the impact of Overall Virtual Distance (all three factors combined). The second column shows a comparison of key outcomes with what we found to be the most important element of Virtual Distance: Affinity Distance.

BACKGROUND

Over the last two decades, digital communications have led to gains for both individuals and organizations alike. "Smart" digital devices (SDDs) that enable flexible work have made it possible for people to build lives in which they can better accommodate a changing set of scenarios faced by many: caring for elderly parents, accommodating different schedules for income-producing family members, and making allowances in order for workers to live anywhere.

At the organizational level, companies have been better able to position themselves competitively by tapping talent from all corners of the world, decreasing expenses related to fixed office locations and broadening brand reach by being able to place people on the ground no matter where customers are situated. There is no doubt that the evolution of work in this way is a win-win.

However, that's only a tiny snippet of a much larger story. Many leaders keep clinging to the mistaken perception that geographic dispersion is the source of most workforce challenges leading to an extensive set of unintended consequences. We see them every day.

The past ten years has seen an explosion of articles, new business start-ups, and organizational change initiatives designed to tackle the troubles that surface in remote work. However, this view of how we work limits our optics in terms of the much larger shift in attention among the whole workforce.

Therefore, we emphasize:

★★★

The Prime Principle of Virtual Distance

Everyone is now virtual therefore Virtual Distance affects everyone, everywhere.

★★★

Anyone who works primarily through an SDD is mediated by machines that

- take the typed, audio, or other sensory input, like the pressure resulting from tapping on its glass front, from one person, then
- turns it into digital signals (1's and 0s) the device can recognize, then
- moves it through wires and other mechanical things, and
- broadcasts the output to other people.

Therefore, everyone working under these conditions is virtual by several degrees in relation to others.

CASE IN POINT

Think for a moment about sitting at dinner in a restaurant, or at home, while people stare at screens – either typing to each other with only a table between them or exchanging tapped-in messages with unseen others.

Even though they're physically sitting next to or across from each other, we all know that this condition changes the nature of our human experience. Even those simply observing this kind of event report they can "feel" the difference, sometimes through the unexpected silence and blinding lack of eye contact.

We can be right next to someone and yet be completely focused on an ethereal "something or someone else" – like a ghost.

So, in this book we define being "virtual" as someone who works under the conditions described in the above scenario and thousands of others like it. In fact, with attention focused elsewhere, geographic separation is simply one possible extension of being "virtual."

The overemphasis on location-based separation has other implications. Rarely do organizations measure the extent to which contradictory or confounding indicators, such as having high employee engagement but low trust, actually impacts the bottom line.

For instance, one of our global insurance clients required 90% of its employees to punch an electronic timeclock at a specified set of worldwide locations. They were quite shocked to learn that Virtual Distance was the cause of a $3 million loss on just one of many strategic IT projects. The C-suite was also surprised when we saved them many millions more over time and improved

their competitive positioning. Using the Virtual Distance Index (VDI) assessment, we were able to home in on their specific problems and precisely direct the right resources to provide fixes which then quickly led to a positive turnaround in financial results, employee satisfaction, and shareholder value.

The phenomenon of Virtual Distance has other, more serious implications at a human level. Recently, the leader of organizational learning at a European institution shared this with us:

> I used to love my job. I'd get to work every day and teach people something new. They'd see how much it helped them put their work into a broader perspective and learned something they wouldn't have seen otherwise. Usually I'd go home feeling really good about my work.
>
> But now I often ask myself why do I come to work? To sit at a desk, tapping at a keyboard for eight hours answering emails, and then go home? This isn't teaching anyone anything. Relationships have been lost. I rarely talk to people – just send notes about going to this software tool or that but nothing that feels like it's making any bit of difference – to me or to them.
>
> This makes no sense and I'm not sure what I'm even doing here other than collecting the paycheck I need to take care of my family.

Unfortunately, these kinds of comments are common in our work with clients at all levels. But it doesn't have to be this way. When we reduce Virtual Distance, these kinds of feelings tend to dissipate and employees often return to a more optimistic mindset because they can better build closer connectedness.

As financial and social costs rise, they reflect what we call the Connectivity Paradox as seen in Figure P.2:

★★★

The Connectivity Paradox

The more connected we become, the more isolated we begin to feel.

★★★

The Connectivity Paradox:

The more connected we become, the more isolated we begin to feel.

More emphasis

"Smart" Digital
Devices
(SDDs)

Less emphasis

Low   High

Feelings of Isolation
no matter physical location
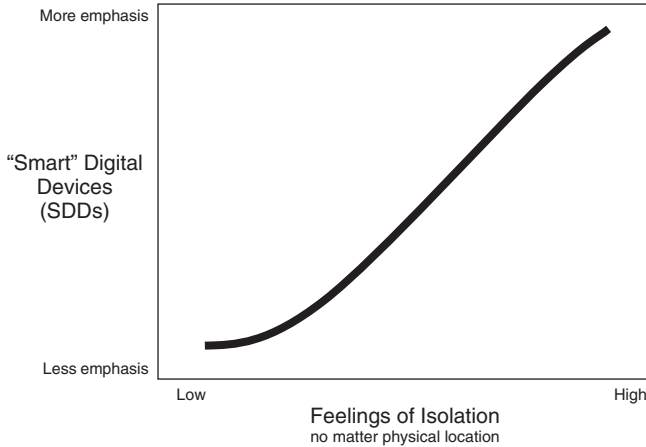
FIGURE P.2   The Connectivity Paradox.

As digital devices advance, people feel more discon‑
nected from work and each other than ever before. This
creates a widening chasm between rising productivity
expectations, on the one hand, and actual productivity
measures and decreasing social well-being on the other.

Let's briefly take a closer look at a productivity paradox
in this context.

One day we received the following web inquiry from
one of the world's largest consumer packaged goods
companies:

> By way of introduction, I am a Director at Global CPG
> Inc. in charge of some leader capability work. One area that
> our managers have told us is a gap is their ability to lead
> global virtual teams. We piloted two vendors to deliver training
> with control groups and each received low marks because they
> were simply unable to hit the relevant sweet spot our managers
> are looking for. Participants told us that there was too much
> theory, too many models – too much "stuff" they could get

themselves on the internet. After reading at least six other books on virtual teams, I came across your book, and believe that the Virtual Distance concept seems to nail the issues our managers face around the globe.

We went on to deliver global Virtual Distance training and solutions. While preparing for that engagement we learned from the CIO that he was frustrated because the top management team was not seeing the returns on investment (ROIs) they were expecting from their billion-dollar-plus technology investments.

At first, he placed much of the "blame" on the users for not using the technology properly (although admittedly he had no specific evidence of this; just a collection of vague anecdotes). But after successfully demonstrating that reducing Virtual Distance actually *increased* technology ROI, mainly because people used more technology capabilities, not less, he came to realize that his initial assumptions were simply the result of outdated ideas informed by past experience and not by the actualities of the present-day, highly transformed workplace.

The lessons from this story are twofold:

1. As human beings, we all tend to default to what we know best to solve difficult problems. This works well in simple cases when cause and effect are known and best practices can be applied. In trying to understand why ROIs fall short in many major tech investments in today's more complex world of work, we need to allow emergent solutions to come forward: those that are not biased toward ill-informed presumptions about how things used to work blindly applied to how they actually work now.

2. Leaders often publicly report anecdotal impressions of higher productivity resulting from big investments

in technology. But privately, we've discovered that
many of those same leaders, like the CIO above, are
aggravated and sometimes even removed from their
jobs, because the ROI just isn't there. Ironically,
reducing Virtual Distance often leads people to
get the most from technology and improves ROI
because colleagues become much more interested
in getting "closer" to one another and explore
more of the features that might support improved
relationships: improvements that have nothing to do
with technology, but with the human-based realities
of Virtual Distance.

The data we've amassed over the ten years since our
first edition prove that uncontrolled Virtual Distance along
with the mistaken gravity given to geographic dispersion
leads to negative effects on both the bottom line and worker
well-being.

We predicted it would happen and it did.

This presents an opportunity to leverage these insights
and improve corporate results by concomitantly improving
people's lives by restoring more meaningfulness and satis-
faction with work by adopting Virtual Distance practices.

Some people say it's impossible, they say "the train has
left the station."

However, the great thing about train stations is that
when one train leaves, another arrives.

Using Virtual Distance gives us a choice; we can get on
a different train and take a different route moving forward.

WHAT'S NEW IN THE SECOND EDITION

Much of the content from the first edition remains in place,
as it is fundamental to understanding and reducing Virtual
Distance. The sense-making scaffolding provided by the

original Virtual Distance Model, with one minor exception, has not changed, and has stood the test of time.

The framework still serves as the most valuable way to quickly gain a strong and steady foothold on what is otherwise an amorphous and senseless set of foggy, disconnected, and seemingly random set of symptoms that underneath, point to a much larger problem. In many of the case studies presented, decision-makers who addressed Virtual Distance directly, using prescribed Virtual Distance solutions, were able to get to the root cause of the issues standing in the way of closer collaboration which lead to better financial and innovative results.

Updates have been made to various graphs and charts to reflect what's happened in the past decade. In addition, based on what we've uncovered since the first edition, we've added new content that reflects deeper insights into how Virtual Distance is changing the landscape of work. They include:

- A new Introduction, "We Are the Data", specifically focuses on the last ten years' worth of additional and cumulative empirical data analyses over time, and follow-on impacts to business results and people's experience of work.

- Many new case studies reflecting a broader set of the worldwide workforce from 55 countries across more than three dozen industries.

- New discoveries based on empirical evidence about the ways in which Virtual Distance impacts different generations and remote versus in-person worker complements. We've also described new insights revealed by our significantly expanded work with people who have varying tenure and different hierarchical positions spread across an expansive panorama of global projects and work scenarios. More specific examples are described in new or

updated case studies. Additional details are provided in the appendices.

- We've also peppered the book with thought experiments: exercises intended to make it easier to more directly experience and understand the influences of Virtual Distance on everyday work and life.

Finally, we've added various "Myth Busters" to showcase numerous examples of counterintuitive findings that shatter strongly ingrained myths about organizational behavior, design, and strategy in our new world of work. Despite the fact that many leadership challenges are new, as a business community we continue to over-rely on management thinking and solutions that were fundamentally designed around what are now, outdated assumptions. Myth Busters also highlight some of the most widely held and largely misleading beliefs about the way work actually functions when the most meaningful human dynamics disappear behind virtual curtains.

HOW THE BOOK IS ORGANIZED

Introduction: We are the Data provides a "big picture" view of the data and findings we've uncovered over the last fifteen years. The chapter is structured in a way that we hope helps the reader relate to the numbers in more personal ways – not just as vague analytics. We introduce the concept of **H**uman **O**riented **M**eaningful **E**xperience (HOME) as a new way to see how we *are* the data, not just outsiders being impacted by trend lines that are beyond us somehow. We discuss major influences shaping workplace transformation and reveal counterintuitive findings that may help the reader take a different approach to reshaping work over the decades to come.

Chapter 1: The Road to Virtual Distance takes the reader through the story of how Virtual Distance was

discovered. The background is helpful as a way to place perspective around how we quantitatively measure Virtual Distance and its effects on business outcomes which have since led us to a never-before-achieved mathematical relationship: **The Virtual Distance Ratio**.

Chapter 2: Redefining Distance gives the reader a historical view of "distance," exposing the so-called "death of distance" as a myth and showing how our understanding of distance in the virtual workplace is ill-informed by focusing on Physical Distance alone. We describe how including the other two main components of Virtual Distance, having more to do with the psychological gulfs between us, developed as we tap on our keyboards instead of experiencing one another in the context of a larger world, is leading business astray.

Chapter 3: Meeting Virtual Distance discusses the Virtual Distance Model and its three major components: Physical Distance, Operational Distance, and Affinity Distance.

Chapter 4: Measuring Virtual Distance details how Virtual Distance is measured using the Virtual Distance Index (VDI), the tool we developed to quantify how Virtual Distance affects the most important aspects of work that has stood the test of time for more than a decade. In this chapter we detail the impacts Virtual Distance has had on key performance indicators over the last fifteen years.

Chapter 5: Mapping Virtual Distance explains how Virtual Distance can be "seen" through Virtual Distance Mapping: a technique that illuminates what we call Critical Relationship Paths (CRPs), along which Virtual Distance should be reduced to avoid project failure.

Chapter 6: Managing Virtual Distance describes specific strategies and tactics to reduce and manage Virtual Distance over time.

Chapter 7: Redefining Teams focuses on how virtual work has changed the way teams work and how Virtual

Distance offers a unique universal language that transcends even the most culturally diverse and individualized team members.

Chapter 8: Virtual Distance and Technology highlights the important point that technology is not the main issue when it comes to the changing world of work. We continue to show evidence that it's the people, not the technology, that are most important to work and the future of the organization. Nevertheless, many people ask how technology relates to this process; therefore, we chose to leave this chapter in this edition of the book to give guidance on how to select technology and software in service of reducing Virtual Distance.

Chapter 9: Reimagining Innovation describes how Virtual Distance and innovation are inherently linked. Left uncontrolled, Virtual Distance can corrode innovation initiatives severely. We provide crucial guidelines on how to avoid this key threat and instead leverage the Virtual Distance Model to understand how to get the most out of innovation at each phase in that process.

Chapter 10: Soul-Based Leadership™ – An Introduction reveals a never-before-seen leadership model, Soul-Based Leadership, and discusses why, when leadership is viewed in this most human context, we can use entirely different mental models and experience-based practices to restore higher levels of meaning and well-being back into work.

Appendices include:

In **Appendix A – Virtual Distance and Neuroscience: A Different Perspective**, we interview Martin Westwell, our colleague, friend, and global expert in cognitive neuroscience, education, and workforce. In this appendix, he shares his views on how Virtual Distance and neuroscience are integrally connected. He also shares his thoughts on

how communication technology is changing the rules of human interactions; has significant negative impacts on our experience of belonging, purpose, and ultimately how we learn; and points out a key caution from the OECD around being careful not to create second-class robots instead of first-class humans as we move ahead with education policy and the future of work.

In **Appendix B – Notes on Survey Research Methodology and Virtual Distance**, we share some additional detail around the touchstones required for rigorous research methodology and survey research in social sciences. We then reveal how the development of the Virtual Distance Index and the discoveries that followed used these important criteria.

In **Appendix C – Expanded List of Project Descriptions**, we list many examples of the kinds of work our Virtual Distance participants were involved over these last fifteen years. As part of the **H**uman **O**riented **M**eaningful **E**xperience (HOME) concept described in the Introduction, we wanted to share as many examples as possible so the reader is able to see themselves in the data, given the likelihood that they share similar experiences with many different combinations of circumstance.

Acknowledgments

We would like to acknowledge many people who have helped us in our ongoing work on this second edition of our first book on Virtual Distance. Our sincere thanks to our Managing Editor at Wiley, Sheck Cho. His enthusiasm and close collaboration to bring this second edition to market is most greatly appreciated. In addition, we'd also like to thank Elisha Benjamin, Karen Weller, Samantha Enders, Jayalakshmi Et and all the other people at Wiley for their diligence in moving the book forward. There were many with whom we worked to get this second edition polished and published. Paul Lojeski was especially instrumental as a reviewer, editor, and source of truthful and direct feedback, encouragement, and steadfast dedication to this work. We would also like to thank our many clients and students over these fifteen years for their continued enthusiasm, evangelism, and implementation of Virtual Distance solutions. They include executives, managers, and individual contributors from many Fortune 500 companies, government organizations, academic institutions, nonprofits, policy-making and other organizations across the globe. We'd also like to thank Professor Martin Westwell for his continued collaborations around Virtual Distance, neuroscience, and the future of education and work. His remarks, which are included in Appendix A,

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