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Remote management at Global Manufacturing, Volvo Trucks Corporation

Master Thesis

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Camilla and Noomi
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Abstract

Remote management is a concept increasing in importance as a result of the globalisation process. During 2006, Global Manufacturing at Volvo Trucks implemented a global matrix organization. With this, the challenges of remote management surfaced and because of that, they commissioned this thesis.

This thesis aims at investigating how remote management is practiced today and how it might improve. The principal also wants to find out if there are any synergies not used to their full extent. Furthermore they wish to find ways to increase the employees' sense of affiliation with the Volvo Trucks organization, as they have consolidated their organization through purchase of others. In these new units, there is also the question of how to implement the corporate culture, the Volvo Way, in an effective way. As requested by the principal the study is a combination of a theoretical study of the recent research findings and an investigative interview survey. The equally distributed 15 interviews were conducted internally as well as in internal and external benchmarked companies.

With theories regarding areas such as remote management, motivation, sensemaking, corporate culture and speed leading, we were able to draw some conclusions from our interviews. Finally, we ended up with a list of five proposals to Global Manufacturing.

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Interview guide to remote managers

1 How this thesis came about

In this initial chapter, we will describe what our assignment aims to accomplish, present the principal of the thesis and why there is an interest for an investigation of the phenomena of remote management in global teams.

Remote management is a concept increasing in importance as a result of the globalisation process. When companies expand into worldwide organizations, the IT technology has created new ways to meet, discuss, make decisions and solve problems. Managers in these organizations have several options to choose from when they need to contact their subordinates, whether they are close by or far away. There are many ways to make a distance feel a lot shorter than it really is. However, the modern technology might create the experience of a greater distance than before. Today people rather send an e-mail to their co-worker in the next room, than get up and go talk to them in person.

The modern technology and organization forms create a new set of demands on managers. Today several of them need new incitements on how to handle the arising obstacles that the remote aspect of the leadership brings. They need to find ways to compensate the lack of daily personal interaction and random hallway meetings.

This master thesis is commissioned by the Volvo Tucks Cooperation, Global Manufacturing function, and will investigate remote management and global teams in a matrix organization. The aim is to find areas where the existing management ways might be improved and propose a new and somewhat different working method.

Our principal is Aleksandra Holm, HR Business Partner, and she requested this investigation of the existing remote management methods. Accordingly, she also wanted us to survey how concerned managers practice remote leadership, and then leave possible improvement proposals.

1.1 Background

Everyone believes they know what Volvo is and what they do. They make cars. In contrast to this common belief, they do not. Ford Motor Company now owns the Volvo Cars Cooperation. So what does the Volvo Group do? In this section we will briefly account for what the Volvo Group is, and how the Volvo Trucks business area and the Global Manufacturing function fit in to the organization. We will also explain why they felt the need of this study being done.

1.1.1   A brief presentation of Volvo Group

Volvo Group

The Volvo Group produces products such as trucks, buses, construction equipment, drive systems for marine and industrial applications as well as aircraft engine components. They are one of the worlds leading suppliers of transport solutions for commercial use. They also offer their customers, who are active in more than 180 countries worldwide, complete solutions for financing and service. Their main markets are Europe and North America, as well as the growing Asian market.

The group's production and sales of products and services are conducted through both wholly and partly owned as well as independent dealers. The after market for spare parts and other services is handled by the global service network. The Volvo Group also invests a great deal of money in product development, production, spare parts supply and logistics, as well as in the supporting functions.

During 2006, the Volvo Group's sales increased to nearly SEK 250 billion and they employed more than 83 000 employees in 58 countries. The employees are mainly based in Sweden, France and the US. The Volvo Group considers diversity a success factor.

Volvo Group's values and vision

The Volvo Group's vision is to be valued as the world's leading supplier of commercial transport solutions. The corporate values of Quality, Safety and Environmental Care summarize what they stand for and focus on. The values each reflect on the development of products and on the way they want to be perceived in society and on the approach of customers as well as employees.

"The Volvo Way"

The Volvo Group corporate culture is practised in both internal and external activities, and key components are active participation in society as well as an open exchange of information. The company philosophy and values are accounted for in "The Volvo Way". It describes i.e. the Volvo culture and values, including the history of the Volvo brand and their vision, as well as sets the guidelines for how to practice the managerial role.[1]

1.1.2   Who commissioned the thesis, and why?

Global Manufacturing

Global Manufacturing is one of four commercial functions within the Volvo Trucks Cooperation. Global Manufacturing is the manufacturer of the products sold by the International, European and North American divisions. Since June of 2006 it is a matrix organization with approximately 10 000 co-workers spread all over the world. It consists of four market organizations divided geographically. These organizations are supported by six global support functions that work in cross-functional teams.

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[1] http://www.volvo.com/group/volvodiversity/en-gb/the+volvo+way/

As the organization is a multinational matrix organization, this brings challenges to create a sense of affiliation. The co-workers of one team are often spread out on different locations, with their manager on a geographical distance. The employees often face difficulties prioritising the demands from the local site with those from their manager. Being a manager of a remote team is therefore very different from the traditional leadership way of practicing leadership, when the subordinates are all in their immediate surroundings. There is still the same task of creating a team where everyone cooperates and synergies are created, however the challenges increase when adding geographical distance.

Global Manufacturing wants to investigate which methods the managers' use when practicing their leadership. They also want to find out if there are any synergies that is not used to their full extent. Consequently, they want to find out if there is any room for improvement in this area. Furthermore they whish to find ways to increase the employees sense of affiliation with the Volvo Trucks organization, as they have consolidated their organization through purchase of others. In these new units, there is also the question of how to implement the Volvo Way in an effective way.

With these complications in mind the principal is also interested in what the recent research findings are, that can be used in order to improve the remote management. Adding to this there is a wish to find out how other similar organizations handle this kind of issues, in order to ultimately find a best practice.
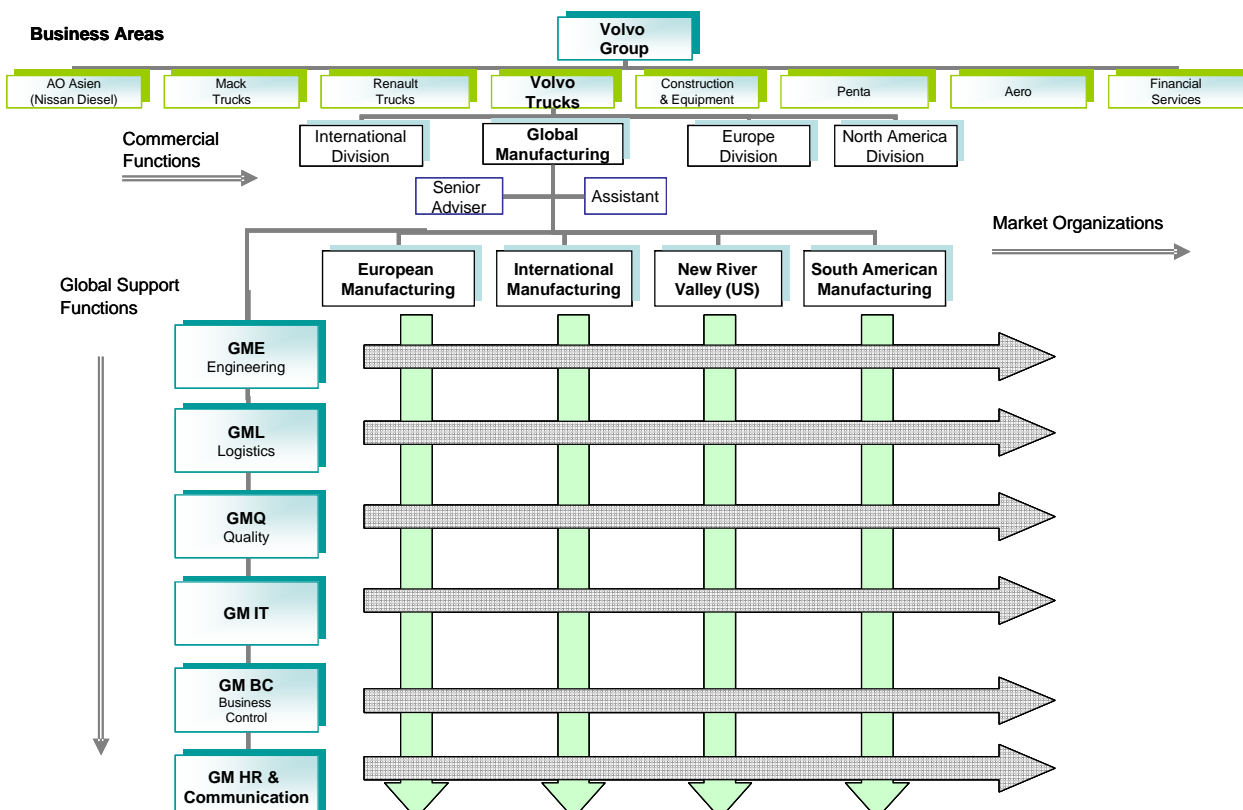
1.2 Discussion of assignment

The assignment regards remote management in a global matrix organization. The aim is to investigate the implications of remote management in the Global Manufacturing organization. As a manager may be located in one city and the team spread out in one or more other cities or even countries in this matrix organization, it implies a new and different approach than the traditional management methods. With the global matrix structure, comes the difficulty to the employee to balance the local agenda with the directives from the manager, which might be in another country and or of another nationality. Furthermore, the managers themselves are also in a new situation, when the team they are a part of has been spread out over the world as well.

The Focus

The focus of this thesis lies partly on the relation between the manager and the remote individual employee, and partly on the relation between the manager and the team, that also might be on different locations from each other. Furthermore, the study investigates the possibility of synergies among the different locations of factories, according to the Volvo Way. This requires a deeper understanding of remote management, and the cooperation within the teams and between the managers of different sites.
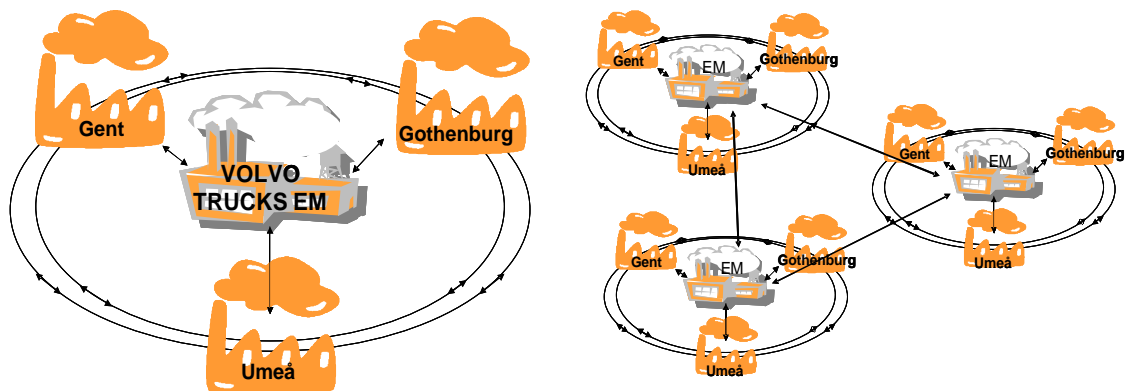
This thesis will mainly be a theoretical study of the recent theories regarding remote management and other relevant theories, while also drawing conclusions from conducted internal interviews and as well internal as external benchmarking of other companies. Our conclusions will result in recommendations on how to improve the remote management in the distance organization of Global Manufacturing, Volvo Trucks AB.

To clarify, our question to investigate is:

Our Question

Are there, in the light of theories, internal interviews and benchmarking, any room for improvement of the remote management at Global Manufacturing today, and if so, how?

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1.2.1   Purpose

The purpose of the thesis is dual. Partly the purpose is to deepen the understanding of remote management, through a theoretical as well as investigative study, both for the reader and us as authors. The other part of the purpose is to find ways to improve the remote management methods and form concrete proposals to the concerned managers.

1.2.2   Scope and Limitations

Global Manufacturing is a global organization with factories all over the world. Even so the thesis will, for practical reasons, focus on the European manufacturing unit of the organization, i.e. the locations in Sweden and Belgium. We are aware that these distances may be considered as relatively short and that the western culture are quite similar in these locations, and that the challenges of long distances and different national cultures are more difficult to handle. Still we believe that the fundamentals of our findings in the European unit may be applied in the global organization as well.

1.2.3   Who will benefit from this thesis?

Hopefully, this thesis will be of use for anyone who reads it, who has an interest in remote management. By conducting the theoretical study and the interviews we, as authors, have certainly already learned a great deal and consider our selves fortunate to have been given this assignment. We also hope that the interviewed managers and our principal at Global Manufacturing will benefit from our work, and that the results can be spread throughout the Volvo Trucks and Volvo Group organizations. Adding to this we also hope to bring something of use to the benchmarked companies, so they get something out from helping us.

1.3 Outline

To facilitate the reading of the thesis, we have altered the margins to create a space to point out key words in, that we believe to be important. We will also end the theoretical and empirical chapters with conclusions.

To visualise our thesis we have illustrated it in a puzzle. The puzzle has five headpieces, representing the different chapters. Just like one would lay out the pieces of a puzzle on the table to examine them before starting to put them together into a whole picture, we will account for the different pieces separately.

The first piece of the puzzle is the theoretical chapter, containing our research study providing us with a clear view of the different aspects, or pieces, of remote management and what they bring to the discussion. After a presentation of our method, the puzzle continues with the empirical findings from our internal interviews. Following this is the chapter containing the result of both the internal and external interviews.

In the fourth piece of the puzzle, we will compare and analyse our theoretical study with the empirical findings from our interviews. This will lead up to the fifth and final headpiece depicting the whole picture leading to our conclusions and proposals. This piece will provide the answer to the question we have been focusing upon, as well as the answer to the additional questions asked by the principal.

Each headpiece is constructed by four subpieces, illustrating an outline of the subheadings in each chapter. The subpieces will be divided and ranged, starting with an organizational perspective followed by an individual perspective. In the beginning of each chapter, we will illustrate the current headpiece assembled with the four subpieces. Throughout the report, we will guide the reader, through our puzzle, by visualizing the current subpiece in the margin, showing where we are in our puzzle. Thereby we can put the pieces together into a whole picture to examine in order to draw conclusions from that.

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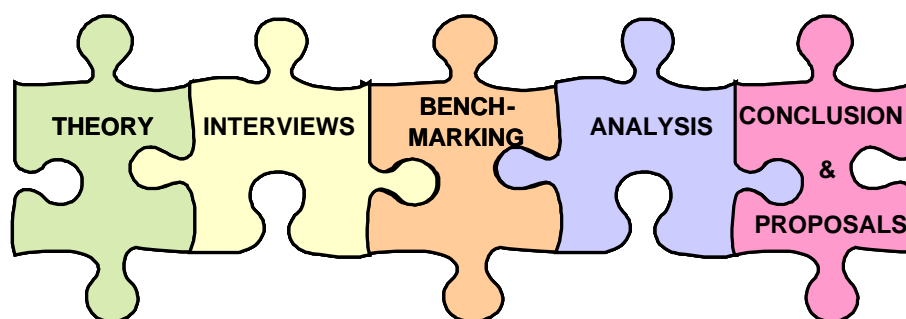
2   Theories

In this chapter we will describe the theories and research we have studied, when gathering information in order to, later on, conduct our interviews and conclusions. Starting with an over all view of the research regarding remote management in general, we will also account for the recent findings concerning motivation, sensemaking and culture in global organizations. As a supporting theory we will point out some highlights from a recently published book about "speed leading". In the end of this chapter, we will briefly describe the concept of global teams followed by a list of theoretical aspects to keep in mind. These areas were chosen to function as a theoretical outline since we believe them to be of special importance to a manager in a matrix organization who operates on a distance.

2.1 Theoretical outline

When a manager in a matrix organization has his team on a physical distance from the team members, this implies an even greater challenge when practicing the role of a good leader. We will open this chapter by describing the first subpiece regarding what challenges lie in the **remote management**. On top of these obstacles lies the difficulty of the second subpiece of **motivating** the team from a distance as well as creating a good relationship with every individual team member. We will follow this, with the third subpiece explaining the concept of **sensemaking**, which is essential in order to understand why people react in a certain way. Another factor affecting behaviour is the **corporate culture**. Therefore, we will account for which role the culture plays in a remote organization. These are all important factors, which may facilitate the leaders' role when the time comes to implement change. In our subpiece containing the **supporting theories,** we will explain a new perspective on management in distance organizations, called speed leading. The section will end with a model of how to create a global team, of use when building remote teams in a distance organization. Finally, we will end this chapter by highlighting **aspects to keep in mind** throughout the thesis.

2.2 Remote Management

As the first of the four subpieces, we will explain the challenges of the distance. In a geographically spread out team obstacles follows with the distance. The common agreement among the researchers are that the remote aspect of the remote leadership increases the need to be able to create and sustain personal relationships (Nilsson 2003; Nordengren and Olsen 2006; Ylander and Leijon 2006; Johnsson et al 2005). Adding to this the researchers emphasize different areas of remote management they believe to be the most important aspects to consider when being a remote manager.
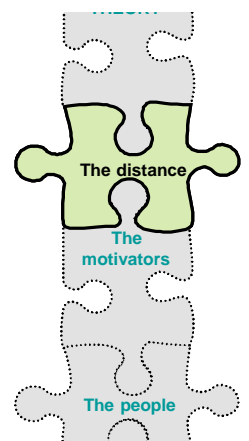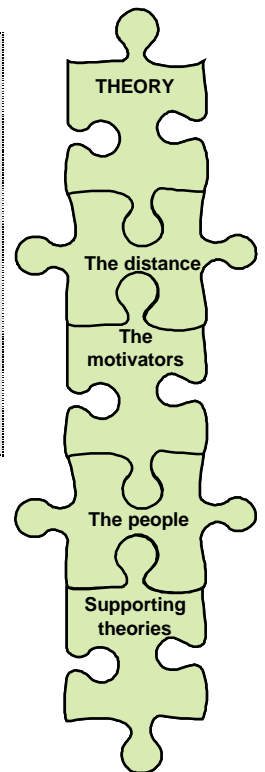
We will account for the five challenges of remote management Nilsson (2003) consider the most important determinants of success, because we believe them to be a foundation to build a general understanding of remote management on. Then we will briefly account for seven improvement areas in a distance organization.

2.2.1   Challenges of remote management

Nilsson (2003) accounts for five challenges he believes to be the most important determinants of success when he states a remote manager always has to keep in mind 1) the whole picture, 2) the importance of visions, 3) the power of being a role model, 4) the aspect of time and 5) the motives. How well a manager controls these five challenges ultimately determines his success as a remote leader.

Nilsson's five challenges of remote management
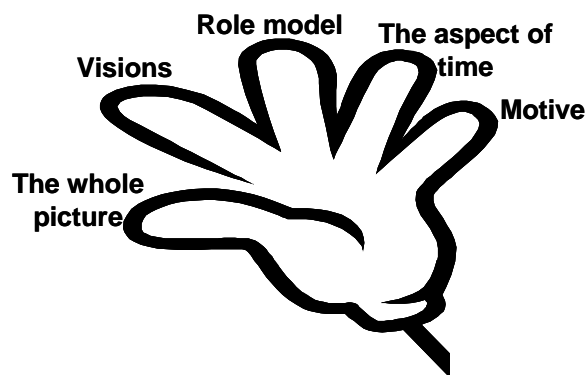
First Nilsson claims being able to obtain and sustain a good overall picture of where the company is headed to be the true nature of leadership. This will also facilitate the decision-making and help the manager rank the priorities. Further Nilsson believes a good vision generates energy. In order to create energy and inspire accomplishments the vision is required to be realistic and obtainable. Through personal relationships and conversations in confidence, a manager is then able to bring the vision alive, starting a chain reaction that can spread to the rest of the team.

A manager must never forget the importance of being a good role model. What ever is acceptable behaviour to a leader will also be perceived as acceptable for the team. Nilsson points out that in Swedish companies the power of the leader is often underestimated. Even in Swedish companies with the illusion of a non-hierarchy the employees looks up to their leader and remembers his importance in their future. Nilsson issues a warning to leaders that if they do not se this they will consequently be used by and never obtain trust from their subordinates.

To be credible as a remote leader a manager has to be aware of the connection between words and action to motivate his subordinates to move in the desired direction. With self-examination and a humble attitude success is possible, Nilsson claims. Adding to these three aspects is the aspect of time. A manager

need to be in control over his own time both in order to avoid the negative side effects of stress as well as being able to do a good work. When being a role model who is obtaining a balance between work and private life this is perceived as acceptable by the subordinates and consequently will bring a positive effect on them as well.

Finally, as the fifth challenge to succeed as a remote leader, is the ability to motivate. Nilsson acknowledges that there are a number of different things motivating different people. Hence, a leader needs to ask himself what motivates someone in order to bring a feeling of meaning and purpose to the task at hand. Nilsson concludes that the motives always have to be clear and inspiring and that a great leader gives the work purpose in it self.

2.2.2   Improvement areas

In a combined master and bachelor thesis, also conducted at Volvo Trucks, the authors have listed seven proposals on how they think remote managers should improve their way of leading and motivating their employees (Johansson et al 2005):

1. Build personal relationships.
2. Create a plan for communication.
3. Everybody needs goals.
4. Delegate.
5. Give feedback and follow-up.
6. Accept the terms of a distant organization.
7. Work less, lead more.

2.3 Motivation theories

In this second subpiece, factors regarding motivation are explained. When creating a successful team it is important for the manager to know which factors drives people to do their best. It is what makes someone willing to go that extra mile, just because it makes him or her feel better. As Nilsson (2003) claimed, it is even more important for a remote manager to be able to identify motivators since his interaction with his subordinates is limited. There are fewer occasions to act in a correct way. To find out what motivates people, we have looked into different motivation theories. We will start with a definition of motivation and then account for the traditional Motivation- Hygiene theory by Herzberg (Jacobsen and Thorsvik 2002) and follow with a more recent study performed by Insight Lab (Insight Lab 2003). Moreover, we will attract the attention to a study showing that managers have a rather vague idea of what motivates their subordinates (Leijon et al 2007). Finally, we will show what researchers have found to be implications when motivating from a distance (Nordengren and Olsen 2006).

THEORY

The distance

The motivators

The people

Supporting theories
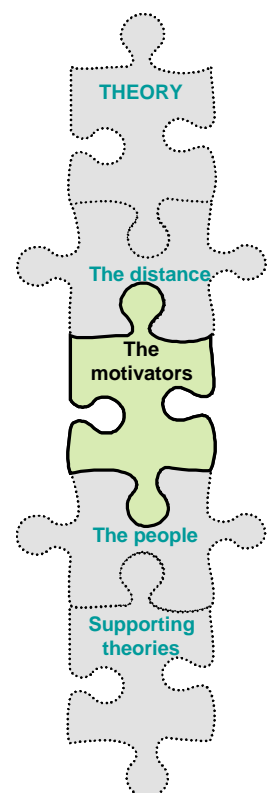
According to National Encyclopaedic[2] motivation is:

"*A concluding psychological term for the processes that starts, maintain and direct behaviours. Theories about motivation explain why we at all act and why we do some actions rather than other. The theories are needed for us to understand the fact that organism constantly aim to precise targets, with help from flexible behaviours.*"

This is a quite wide definition; usually motivation is used for something more concrete, when to stop using drugs, to seek help from a therapist. Revstedt (2002) believes that those examples mean that you are taking responsibility over your own life, which agrees with the definition.

2.3.1   Herzberg's Motivation- Hygiene Theory

Herzberg's studies determined which factors in an employee's work environment cause satisfaction or dissatisfaction.[3] By investigation and study of somewhat 2000 books and articles about employees attitude towards work, Herzberg and his co-workers reached the conclusion that satisfactions and dissatisfaction could be connected to different complex of circumstances, and that higher performance only partially was connected with the extent of satisfaction (Jacobsen & Thorsvik 2002:311ff).

Herzberg found that the factors causing job satisfaction, and presumably motivation, were different from those factors causing job dissatisfaction. Employee satisfaction is connected to what they do and dissatisfaction to the working environment and how they are treated. Herzberg came to this conclusion, because whenever the recipients said they were content, they described the working assignments. The satisfiers were called *motivators,* since they seem to motivate the employees to higher performances.

Whenever the employees described dissatisfaction, it was clear to Herzberg that they were unhappy about the conditions around the working task. These dissatisfiers Herzberg named *hygiene factors*. Using the term "hygiene" in the sense that they are considered maintenance factors necessary to avoid dissatisfaction, but by themselves does not provide satisfaction[4].

The following presents the top six factors causing dissatisfaction and satisfaction, listed in the order of higher to lower importance.

Herzberg's
Motivation-
Hygiene theory

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[2] http://www.ne.se.ezproxy.ub.gu.se/jsp/search/article.jsp?i_art_id=259479
[3] http://www.netmba.com/mgmt/ob/motivation/herzberg/
[4] http://www.netmba.com/mgmt/ob/motivation/herzberg/

Factors Affecting Job Attitudes according to Herzberg

Leading to Dissatisfaction	Leading to Satisfaction
Hygiene factors	*Motivation factors*

1. Company Policy	1. Achievement
2. Supervision	2. Recognition
3. Relationship with manager/employees	3. Work itself
4. Working conditions	4. Own responsibility and control
5. Salary	5. Advancement
6. Relationship with peers	6. Growth

Herzberg meant that because the factors causing satisfaction are different from those causing dissatisfaction, the two could not simply be treated as opposites of one another. The opposite of satisfaction is not dissatisfaction, but rather no satisfaction. In addition, the opposite of dissatisfaction is no satisfaction. This means that motivators can lead to satisfaction and increased performance and hygiene factors can lead to satisfaction or dissatisfaction. This is described in the following figure (Jacobsen & Thorsvik 2002:313):
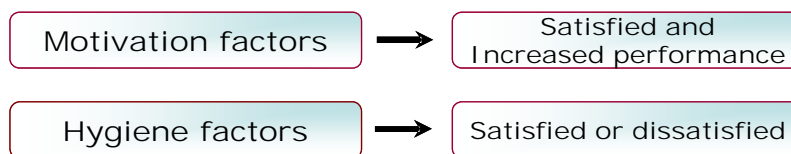
The Motivation-Hygiene Theory means that management not only must provide hygiene factors to avoid employee dissatisfaction but also must provide factors essential for the work itself in order for employees to be satisfied with their jobs.

2.3.2   Insight Guide – Managers guide to motivation.

Insight Guide – Managers guide to motivation is an example of a more recent study regarding motivation. It is a study performed by Insight Guide, a Swedish analysis company within leadership and human resource management. They specialise at supervising the challenges that managers and key position holders encounter. Insight Lab search and survey different theories, success stories and trends from hundreds of primary and secondary sources (Insight Lab 2003:6f). Insight Lab discovered the following driving forces they have concluded to be the most important motivators (Insight Lab 2003: 10ff):

1. **Daily work** - my assignments and ability to influence my own work situation.

   - Variation

   - Entirety of the assignments

   - Meaningfulness of the assignments

   - Autonomous ness

   - Feedback

2. **Leadership** – what the manager do to motivate the employees.

3. **Personal development** – both what I do right now and in a greater context as a human being.

4. **Fellowship** – the cooperation in the relations with manager and co-workers.

5. **Image** – Sense of pride for the organization.

6. **Respect, acknowledgement and attention**–experienced acknowledgment from my manager and co-workers and that they pay attention to my performances.

7. **Support for own ideas and initiatives** – to be met by interest and respect for both small and big ideas.

8. **A good working pace** – that neither makes me stress nor make me bored.

9. **Salary and benefits** – on a level that is reasonable for my level of work effort.

10. **New things happening at the workplace** – so that the working environment feels stimulating, interesting and developing.

Insight Lab believes that you need a basic understanding for the points above to be able to do effective motivational work. Then you need to focus on the areas that will give the organization the best effect. Since every workplace is unique, every manager must find out which motivators are the most important for their employees at their own workplace.

2.3.3   Managers work motivation

"*Managers work motivation and their concepts of what motivates their subordinates*" is a study in an IT consultancy firm. Leijon et al (2007) has described several motivators in their study of the managers' conceptions of what motivates themselves as well as what do motivate their subordinates. By studying three narratives (one male CEO, one fictive male team leader and one fictive female team leader) they bring out the complexity that managers face, when their result show that managers have rather vague ideas of what serves as motivators for their subordinates. Their study showed that managers chose different motivators for themselves than for their subordinates without any reflection.

2.3.4   Motivating from a distance

Another way of creating motivation, according to Nordengren and Olsen (2006), is to regularly gather the whole group, either by electronic or physical meetings. Initially, when the team members do not know each other, there is a need to meet face to face to create a bond of trust and build ways of communication. When the team members know each other, electronic tools facilitate the main part of the communication.

Meetings and feedback

Nordengren and Olsen further states that a manager leading from a distance has to be extremely flexible and adaptive. Some individuals require a lot of attention and feedback while some finds that to be intrusive. Still feedback is always important for two reasons; it helps to avoid misunderstandings and to check if everything is going as planned.

Asking, the employees what they think and how they would solve a problem makes them feel involved and hence motivated. Ultimately, the team members need to be motivated not just for the task but also for the idea and way of working in a distant organization. (Nordengren and Olsen 2006)

2.4 Sensemaking in organizations

The third subpiece show how the process of sensemaking has an affect on the outcome of proposed change as well as what motivates an individual or a whole team. When a manager is about to implement change he needs to consider how the team members perceives and interprets the proposed action. Hence, he needs to consider the people and their process of sensemaking.

Since Weick (1995) is considered an authority on sensemaking, we will start by accounting for his definition of sensemaking. We will follow with Ifvarsson's (2003) elaboration of Weick's concept, as he has created a modern dynamic model of sensemaking on the fundament of Weick's definition. In the end of this section, we will explain how communication is affected by sensemaking (Lewis 2000).

The distance

The motivators

The people

Supporting theories
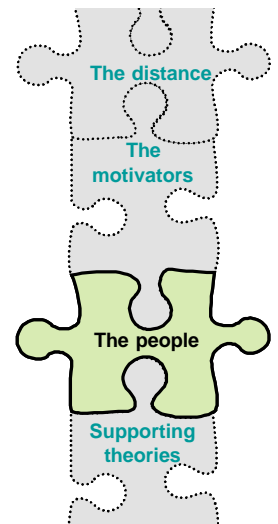
2.4.1   The definition of sensemaking

"How will I know what I think until I hear what I say?" is according to Weick (1995) what sensemaking is all about. According to Weick, sensemaking is a retrospective process, in order to create a sensible explanation, triggered by cognitive dissonance[*]. Sensemaking is therefore an action. It is when someone makes or generates sense of something. According to Weick, engaging in

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[*] Cognitive dissonance is roughly when the outcome of an event is not the expected one. This causes anxiety and agitation for the individual who then needs to make a reconstruction of the event and choices to make them make sense.

sensemaking is to *"construct, filter, frame and render the subjective into something more tangible"* (Weick 1995:14). Weick argues that sensemaking, in contrast to interpretation, is an activity or process when interpretation just as well can be about only describing a product. Sensemaking is perceived as more valuable by the actor because it requires a higher level of engagement. Interpretations can be added or dropped with less effect on the actor's self-perceptions than the replacement of one sense of the world to another.

Sensemaking is also an intersubjective event that occurs when individuals share their thoughts, feelings and sense and turn the "I" into "we" when making sense. This interaction between members in an organization creates a social structure that turns the intersubjectivity into a generic subjectivity. With this process Weick explains the creation of an organizational culture and hence the organizational sensemaking. In this process, sense is generated by words that are combined into sentences in conversations. To make sense the words are interpreted by the actors. The actors interpret them differently because they have different vocabularies and prior experiences. The vocabularies make up a frame to interpret cues within. By creating a relation between the cue and the frame, sense is made. In line with this assumption, a change of language or vocabulary is needed in order to achieve behavioural change.

Weick summarizes sensemaking by concluding that it starts with either the action or the outcome, but in both cases, beliefs are altered in order to create a sensible explanation for an event. A sensible event is one that resembles something that has happened before.

The Weick managerial perspective

When it comes to change the present moment needs to be connected to a past moment in order to make sense. This is consistent with the statement that a sensible event is one that resembles something that has already happened. Weick mentions seven areas managers need to consider when attempting to control the outcome of the sensemaking process of their employees. What links them together is the assumption that managers are able to practice control by controlling the words they use.

1. Talk the walk

Managers are perceived as role models and are therefore usually urged to practise what they preach, walking the talk. People act in order to think and subsequently make sense. Weick wants to invert the concept encouraging the managers to use the words to explain and make sense of the actions, i.e. talking the walk.

2. Every manager an author

Managers who talk the walk needs to be aware that the words they use matter. By carefully choosing their words Wieck maintain managers have the opportunity to construct the meaning of action.

Sensemaking -the creation of a logical explanation

Weick's 7 areas to consider

3. Every manager a historian

Weick claim that those perceived to be decisive managers are those who take an outcome and construct a history that appears to lead directly to it. In retrospect, an edited story will seem to be more focused, efficient and insightful than they did when the events actually occurred. By interpreting these stories, they can guide future decision-making.

4. Meetings make sense

As meetings are considered sensemakers, they need to be made more productive and effective by only dealing with problems they are able to solve. Effective meetings reduce or remove ambiguity and they function as sensemakers.

5. Stamp in verbs

Verbs keep things moving and focus the action. Those who think with verbs are, according to Weick, more likely to accept life as ongoing events that keep evolving.

6. Encourage shared experience

Weick objects to organizational culture being perceived as shared meaning. He claims what people share is not meaning but experiences. People can only create a shared meaning for a shared event no one has a prior experience of. By these shared experiences people are bound together making it possible to understand and share the sense the other has made.

7. Expectations are real

Managers can never expect realities to be real or assume that they are as obvious to someone else as they are to them. Weick urges managers to author, examine and criticize those realities thought to be in place. The only thing that Weick believes to be real is the expectation. That is because the expectations filter and modify actions in the expected direction.

2.4.2   A model of sensemaking

To elaborate Weick's theory of sensemaking Ifvarsson (2003) developed a conceptual model of sensemaking. The model is an attempt to combine the mind, language and interaction scopes of sensemaking. It also has two poles of tacit and explicit sensing and making.

A dynamic model

Ifvarsson created a dynamic model of sensemaking, which point out four phases or principles important for managers to consider when implementing change. The cognitive phase of the model is where an actor rationalizes and connects an element or experience to his or her frame of reference. Following the cognitive

phase is the opening phase. In this phase, people open up to each other talking about the problem sharing metaphors and narratives. Ifvarsson also state that the developing of subgroups is likely in this phase. As the common frame of mind is constructed, the process continues into the socio-technical phase. This implies that the actors are acting according to a common set of rules and routines, and when positive feedback is received, the actions are most likely to be repeated. In this phase, there is also the element of the experimental act, where people try new solutions to old problems. As actions are repeated successfully they will become practices taken for granted, and the process of sensemaking moves into the closing phase. When actions become routine actors no longer need to talk to each other about it and they appear to close themselves to each other.

According to Ifvarsson, managers also have to be aware that sensemaking is divided by the sensing and the making as well as the explicit and tacit sensing and making. Moreover, Ifvarsson found that the phases were overlapping each other and the process could move back and forth between the phases. He also found that the process of sensemaking could begin in either of the phases.

The concluding conceptual model of sensemaking
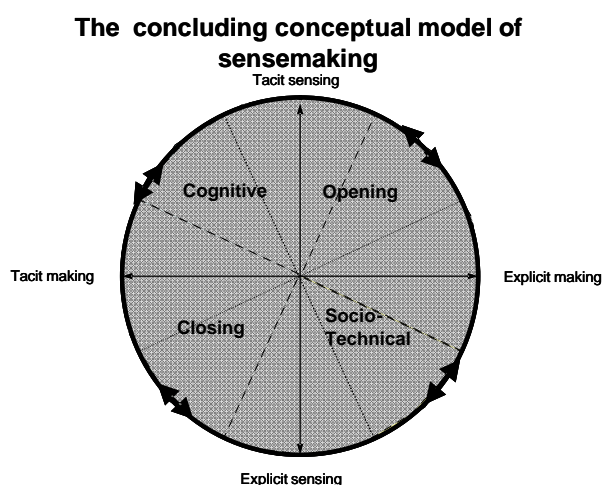
When working towards implementing change the manager need to have a clear understanding of the phases and how to manage and use them. In order to be able to use the possibilities of the phases or principles the managers also need to know in which phase the employees are. All of this implies that the manager should have a personal relationship with each member of his team.

Ifvarsson's Principles of change

Principles of change

Ifvarsson describe the phases of the model as a set of principles for managers to consider when implementing change. He believes that the cognitive principle is important in the beginning of a project because that is when dissonance is likely to occur. This implies that cognitive sensemaking is allegedly enhanced if managers identify the dissonance and provide time and opportunity for reflection. Moving along to the opening principle Ifvarsson warns that dissonance might increase in the interaction of the actors, if they are not treated correctly. Managers therefore

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need to identify metaphors, analogies and misunderstandings and provide time and incentives for open-minded discussions and teamwork.

The socio-technical principle implies that the manager needs to provide situations where the actors can share experiences and experiment in order to come up with new solutions. To facilitate the sensemaking in this phase the manager need to provide the time for these experiments and show an attitude that rewards tolerance. Finally, by rewarding actors who trust in their senses the closing phase of the sensemaking process will be enhanced. When being aware of the existing frames in the beginning of a project, seeing the project in a holistic and dynamic manner, managers may limit the risk of heavy dissonance in the end of it.

2.4.3 Sensemaking, communication and change

Since communication traditionally is seen as the magic ingredient of leadership and sensemaking, Lewis (2000) made a study on whether this is true. The study examined the implementation of quality programs in four US-companies and aimed at providing evidence of common communication problems when implementing change. In short, the companies all implemented different programs and used similar press publications in designing their quality programs. The companies also had similar cross-functional teams. These teams aimed to improve staff morale through empowerment, increase participation in decision-making and increase access to management. And the companies all failed. In the end of the study, the members of the organizations had either lost faith in the program, energy to devote to it, or a sense of purpose for it, or all three. So what happened?

In the end, Lewis concluded that by communicating visions and goals the managers tried to affect how the employees perceived the changes, hence which sense they made. Nevertheless, when the companies created a vision not to radical this affected the employees' sense of cognitive dissonance or consonance, consequently affecting how they made sense of the program. Furthermore, the lack of experienced goal achievements and feedback contributed to an increased cognitive dissonance, triggering yet another sensemaking process. Moreover, when the managers did not attend to this or reinvigorate the program the employees eventually created their own sense of what was happening. In addition, without feedback the managers never noticed this.

2.5 Corporate culture

When an organization is spread out on different locations, not only the process of sensemaking has an affect on how employees react and interpret information. As the other part of the third subpiece corporate culture is considered a way to lead the organization in the right direction across national and cultural differences.

Even though a company has its unique corporate culture, national culture differences influences people in many different ways. Hofstede (1991) means that

The motivators

The people

Supporting theories
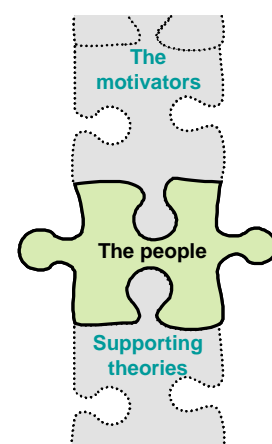
we all are mentally programmed, the patterns of the way we think, feel and act. This mental program has been acquired in childhood and continues along throughout life. Inhabitants from one country or region usually carry common mental programming, which gives them a national identity. Hofstede means that we need to have knowledge about the different national identities in an international company in order to understand the impacts the identity will have on the corporate culture.

Corporate culture is believed to work as *social control*. Alvesson and Berg (1992) means that corporate culture works as a stabilizing element and this stabilizing affect takes place not only over geographical areas but also hierarchically, through status symbols and patterns of classifications etc.

Corporate culture is also believed to function as a *driving force behind social* development, Alvesson and Berg, believes there is an evolutionary potential in culture. That is the cultures role over time.

The authors believe in what it is argued among researchers in the organizational field, that the organizational culture has to do with assumptions, priorities, meanings and values shared by the organizational members. It is important that patterns of beliefs are shared by the organizational collective.

Is it important to have a strong corporate culture?
Jacobsen & Thorsvik (2002) have found studies (Collins & Porras) showing that organizations which uses methods such as, socialisation, legends, rituals, catchphrases, are managing to create a strong collective corporate identity, also are often very successful companies.

What can the leaders do to strengthen the corporate culture?
Two different conditions are especially important when it comes to develop a uniform corporate culture.

1. The top managerial group and the leaders' behaviours.
According to Jacobsen & Thorsvik (2002), leadership behaviour is an artefact just as important as what people says, or physical objects. Artefacts are working as symbols by mediating information about culture. Artefacts must be interpreted. They have several more meanings than the obvious at first glance. Emotional and sentiment actions are important cultural artefacts. The degree of allowing that kind of actions to take place within an organization can be interpreted as an expression of fundamental assumptions, values or norms.

To indoctrinate employees in the core values, there are some concrete methods to use. For a successful transformation, companies should use employees and leaders that are positive to the core values and work with them. *Rites and ceremonies* are planned and organised ways to underline special events and situations. It is a common method to gather employees' attention towards achievements that are highly valued internally and a way to strengthen the

social interactions within the staff, by letting all employees take part in those ceremonies. *Legends* can be used to illustrate and graphic the organizations values. The legends are often about key characters that you want to emphasize to others, and are often with heroic characteristics. *Language and communications strategies* are another way of creating or supporting a corporate culture. By developing an internal language or catchphrases, the company can highlight values and norms.

2. Socialisation within the group.
With socialisation means the method of how to behave in order to be accepted and recognized as a member of a group or an organization. This is learnt by observing the other group members, what they do, what they say is important and what they accentuate. Many of the discussions around organizational culture are regarding whether social identities can be consciously created and lead, or if social identity is something that creates itself and thereby cannot be used as means of control. Recent studies shows that social identity can in some extent be created and controlled. The authors have also found studies (Collins &Porras) showing that organizations which uses methods such as, socialisation, legends, rituals, catchphrases etc. are managing to create a strong collective corporate identity, are often very successful companies.

2.6 Supporting theories

In addition to the above theories, the fourth subpiece accounts for two supporting theories, starting with the new concept of speed leading (Hall 2007). We will also account for a model of how to create a successful global team (Guttman 2007). These theories will be of relevance when analysing the empirical results and making our conclusions and recommendations.

2.6.1   Speed Leading of remote and virtual teams

We will here briefly account for some of the aspects that according to "Speed Leading" lead up to a simpler way of working together in a complex company. Unfortunately, we have only had access to the first chapter of this book, why this can only be seen as a sample. (Hall 2007:1-7) Hall claims that by using his methods a company will increase speed, become easier and less expensive to run and be a more satisfying place to work i.e. the company will increase in speed, ease and satisfaction.

In order to achieve this Hall states it comes down to the unlearning of traditional management skills and the 4Cs of cooperation, communication, control and community.
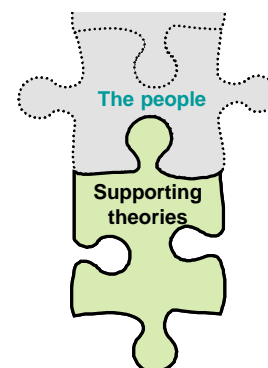
Hall starts by unlearning the traditional management skills. When doing this, he teaches when teams should decide not to be a team, communicate less and when managers should give up their control as well as when not to invest in the creation of communities in a team spirit.

4Cs
Cooperation
Communication
Control
Community

The book is organized around the 4Cs, in which Hall believes the traditional ways of working has become to complex to cope. Regarding the c of cooperation Hall believes team working has become too slow and expensive, and offers new ways of cooperating. He also wants to reduce the frustration of unnecessary meetings and replace the "death by PowerPoint-meetings" with a much more engaging, fast and participative approach.

Further Hall urges managers to take control over the communication in order not to drown in e-mails. He claims people need to focus on what they actually need to know and disconnect from the communication they do not need to be involved in, and avoiding the "reply to all-button". Hall also argues that even if managers can control everything that does not mean they should. Over controlling will lead to a lack of empowerment and will slow the whole organization down. Increased control will be on the expense of flexibility, speed and responsiveness. In the past, the sense of community, trust and team spirit came as a free by-product. Today, in the complex companies, the building of communities is expensive and time consuming. Therefore, Hall reminds managers not all communities are worth having.

Remote vs Virtual teams

With the foundation of the theories in this Hall has created a training program on how to work in remote and virtual teams. The program affects how to work across distance, culture, time and technology. It starts by describing what separates a remote team from a virtual team. The members of a remote team are geographically spread, when the members of a virtual team do not work full time on the team and often do not work for the team leader. Then the training program continues by teaching techniques for how to build a successful remote and virtual team by 1) Building community 2) Managing Activity and 3) Integrating the Team.

How to work in remote and virtual teams

When building community in a remote team it is important to recognize that the remote aspect have significant implications for trust and the building of relationships, and that this has to be part of the plan and not left to chance. This part of the program highlights the importance of frequent communication and trust and encourages the participants to make extra efforts in these areas. It is also important to clarify whether you really are a team or a group. In a group, the members for example have unique skills and their roles do not overlap. In a team everybody is dependant on each other, they have complementary skills and their roles overlap.

The second phase about managing the activity is to build on the assumption that remote management forces the manager to delegate more, and gives explicit examples of activities directly affected by the distance and how to handle the

situation. Implied in the managing of activity is the creation of a communication plan. Communication creates communities and goes both ways. One of the tips is to not always call for a reason and instead occasionally call just to see how their week was.

When it comes to the integrating of the team one of the practical ways of achieving this is to actively train the team members on how to work remotely. It is also important that managers remember that culture is "caught not taught".

By participating in the training program, "A guide to remote and virtual teams" Hall promises well functioning and effective remote and virtual teams, improved communication, reduced and more effective business travel and much more.[*]

2.6.2   Team building of a global team

Three key areas enhance the cooperation and performance when helping global teams achieve their full potential. All teams needs to find a common agreement, alignment, in these areas in order to overcome the limits imposed by culture and geography. The tree areas are: 1) strategic and operational goals, 2) roles and responsibilities and 3) decision-making and protocols. (Guttman, 2007)

Global teams

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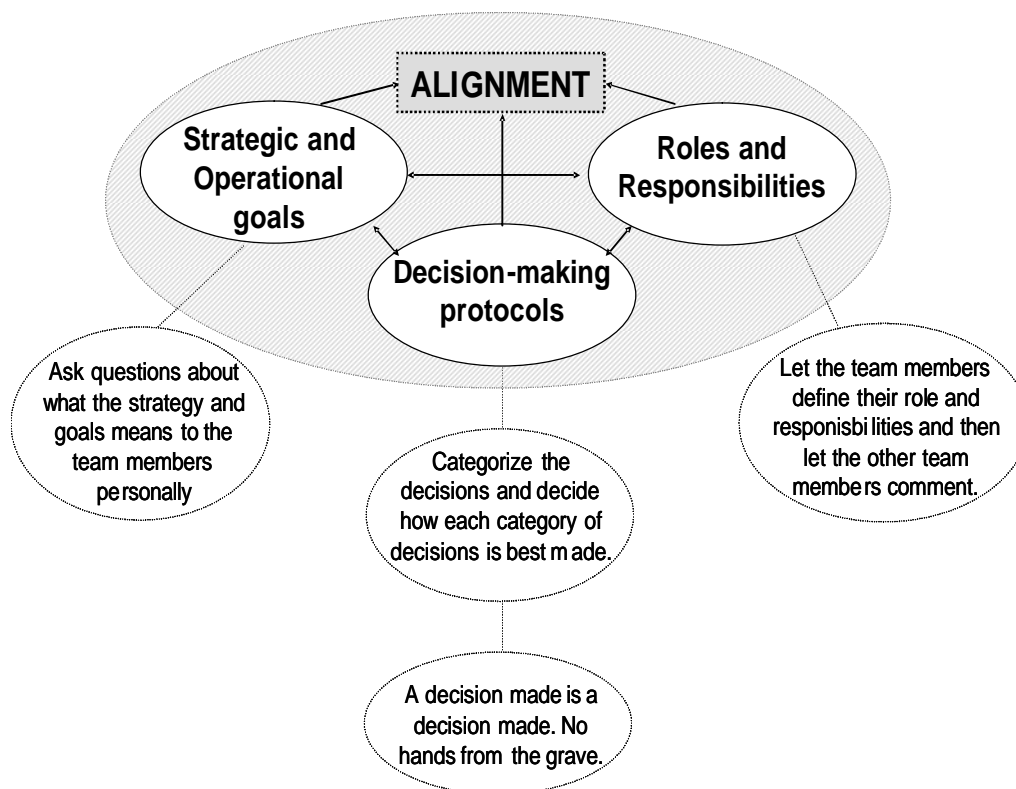
[*] All the information regarding the program was found on the website www.global-integration.com

In order to reach alignment Guttman has created a model to help managers check if true alignment is achieved. Regarding the alignment around the strategic and operational goals, the managers are to ask the team members to explain what the strategy tells them about:

- Ø The products and services offered or not offered and their importance?
- Ø The markets, customer groups, segments served or not served, and their importance?
- Ø Future requirements for human and capital resources?
- Ø Future financial and growth expectations?

Then they also need to explain how the annual long-range plans and budgets are connected to the strategic and operational goals. This exercise helps raising misunderstanding and misalignments to the surface, giving the opportunity to discuss them further to reach true alignment.

Secondly, in order to help sort out the members' responsibilities Guttman has created an exercise where they first get to write down a definition of their job and what they are responsible for. Then the rest of the team members comment and give their perception of the member's role and responsibilities.

Finally, teams must set up rules and agree on how decisions are made to be able to increase the speed and efficiency of the decision-making. To make it easier to set the rules Guttman suggest that the team divides the decisions into categories such as: staffing decisions, budget decisions, market decisions and so forth. Then they can agree on how each category of decisions is best made. Guttman also makes a point of the "no hands from the grave" rule. That means that when a decision is made, it is made. There is no turning back or second-guessing a decision. Consequently, this rule makes all conflicts about made decisions unnecessary.

2.7 Theoretical aspects to keep in mind

In order to facilitate the reading of our analysis and discussion, which will follow these points, we want to highlight some aspects to remember.

Based from our theories we have found that the following aspects are the most important to consider while practicing remote management.

Ø The personal relationship is important in order to build trust and affiliation.

Ø The manager needs to create a comprehensible work environment for each individual in his team. This to decrease the psychosocial stress factors and increasing the work satisfaction.

Ø The manager needs to be a good role model, because what is acceptable behaviour to the manager is perceived to be acceptable to the subordinates.

Ø Every aspect of what a manager says, acts, and implies, impact the team.

Ø A strong corporate culture can lead the organization across national and cultural differences.

Ø In order to motivate, the manager must find the right motivator for each individual.

Ø When implementing change the manager needs to consider how the employees make sense of the information they receive or do not receive.

Ø The leader needs to realize how communication and miscommunication occurs, and understand the significance of the choice of media when interpreting the message.

Ø A global team needs to reach a common agreement on how to work in order to reach their full potential.

From this, we can discern a pattern that the obstacles of remote management are at different levels. Some difficulties lay at the organizational level, while others concern the individual level, which affects the relationship between the manager and subordinate. On the organizational level, the obstacles are of a structural form concerning how the organization supports its form of organization, in this case the global matrix organization. Therefore, we will continue with this division in an organizational and individual perspective throughout the thesis.

3 Method

Below we will account for how we have conducted our study and why we have made the choices that we have made, starting with an explanation of how the theories were chosen and assembled. Further, we will describe why and how our interviews were conducted and analysed. The chapter will end with an explanation of what benchmarking is and its advantages and reservations, in order to understand its affect on the outcome of this thesis.

3.1 Assembling our theory

When we first accepted this assignment, we decided to each dig deeper into different theories, relevant to the thesis. We discussed our different sets of pre-understandings and chose our research areas according to those. The reason for this was to challenge and shine a light on our pre-understandings. Simultaneously the aim was to build the requested theoretical foundation regarding management of remote teams. Moreover we wanted to achieve a higher level of understanding of the different areas of remote management before creating the interview guide we planned to use both in our internal and external interviews. As time went by, we discovered other areas in need of further investigation, and consequently researched those as well.

Together we have discussed the literature and research studies we have read and by doing so, we have developed the level of understanding we believe are necessary in order to make well grounded conclusions and proposals in the end. When interpreting the result of the interviews we had a hermeneutic frame of reference, trying to understand the answers to draw our conclusions (Thurén 1991:45ff).

Hermeneutics is the science of interpreting. It explains how to analyse and interpret a text. It is sprung from an empirical epistemology.[*] The hermeneutic analysing method implies that the researcher is interpreting the underlying meaning of the respondents answer in an interview. The method is conditioned of humans understanding other humans. (Thurén 1991:45ff)

3.2 Assembling our empery

As the other part of the assignment, our principal requested both internal and external qualitative interviews, in addition to the theoretical study. For the internal interviews and benchmarking, she supplied us with a list of 13 managers fulfilling our criteria of being a manager over a distant team. The criteria we agreed on contained conditions of managing a geographically spread out team on more than one location. We contacted them by e-mail and set up a MS Excel sheet to keep

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[*] www.ne.se

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track of whom we had contacted, who had answered, which appointments were made and which interviews and transcripts were completed. We ended up with interviewing five internal managers and five internal benchmarking managers in three other business areas and units within the Volvo Group. We consider this a satisfying number for both us as well as our principal.

The managers we interviewed, represented managers from all different levels in the organization. They had different time length of experience as managers, some were quite new, and others had several years of training. They were also of different nationalities, representing different cultures. Their workplace was also located in different cities and countries in Europe. By this, we believe them to be representative for the organizations that they are in, as well as our study.

To obtain as truthful answers as possible Trost recommends the interviewer to make the respondent feel as comfortable as possible, the easiest way to achieve this is by visiting them where they feel secure, for instance in their own office or workplace (Trost 1997:42). To make the respondents feel more comfortable answering our questions, we therefore visited them in their workplace when possible, and on some occasions, we conducted telephone interviews. When confirming the interviews we also sent them the interview guide, so they could prepare, which we found the majority of them had done. This made the interviews somewhat structured, when we asked the same basic questions to everyone but had the option of altering the follow up questions depending on the respondent. This method is recommended by Trost, who claims this to me the most efficient way to obtain reliable responses (Trost 1997: 48).

Furthermore, we decided to perform the interviews together in order to diminish the risk of overlooking anything in the interviews. We used a voice recorder in order to keep our notes to a minimum and concentrate fully on the contents of the interview. In order to facilitate our memory, we made sure one of us made a transcript of the interview, as soon as possible after the interview and send it to the other to read. To keep the respondents as anonymous as possible, we have disidentified them as much as possible without loosing the intended meaning. During the transcription of the interviews we removed all information regarding the organization in which they work, as well as removing all personal names or names of locations. While transcribing we also translated all interviews into English even though the most part originally were made in Swedish. Neither did we reveal the names of the respondents to our principal. (Bjurwill 2001:35)

To find external companies to benchmark we used our own private contacts. Through friends and friends of friends we were able to perform benchmarking interviews with a total of five managers in Astra Zeneca and Alfa Laval. These were performed in the same semi structured way as the internal interviews, with an almost identical interview guide. The transcripts were disidentified for anonymity reasons, and we did not reveal the names of the respondents. In total, we have interviewed 15 managers in six companies.

During the three-week interview period, we continuously discussed what the interviews told us, which could be of relevance to the purpose of our thesis. When the time came to interpret and analyse the assembled empirical results we sat down and methodically compared the theoretical study with the empirical findings. From this analysis, we could make our conclusions and recommendations.

3.3 Credibility discussion

Supported by our theories and empirical result we believe our study to be valid. As we have explained above our method has followed the academic practice and we thereby consider it reliable. This means, if anyone else would do the same survey under the same conditions, they would reach the same conclusions. (Bjurwill 201:41) However, if anyone would do the same study in these organizations again, they might not reach the same result, because organizations are dynamic and constantly changes.

The theoretical researches we have used are highly regarded among other researchers, and we believe them to be credible. In order to make our interview study as reliable as possible, we tried to be as clear as possible, avoiding biased questions. The questions of the interview guide were only open questions, not leading the respondent to an opinion. By being clear, and gradually evolving our thoughts throughout the thesis and openly describing our choices; we give the readers the possibility to develop their own conclusions. This course of action provides, not only the possibility to produce the same result again, but also to place judgement about it. The consistency of the data collection and findings was secured, as the solving of any disputes on the interpretations by the authors, by referring back to the transcripts and digital recordings from the interviews. This is a way to increase the reliability of the study.

As critique to our study, we are aware that of the difficulties the hermeneutic interpreting method brings. When interpreting other people's experiences, we are subjective due to our own pre-understandings, and might me coloured by them. However, we believe that we have reduced this risk as much as possible by using a semi-structured interview, where we have been able to ask follow-up questions in order to reach a higher understanding of the respondents' experiences.

Difficulties we have encountered are the fact that most literature assume that organizations are static in their structure, i. e. if something changes in one part of the organization, the rest of the organization will follow. They do not consider that every organization constantly changes from within, due to the sensemaking process. When organizations grow from merges, consolidations or acquisitions, they acquire a corporate culture as well. Through the process of sensemaking, a new sense is then developed as a result of the merger.

3.4 Benchmarking

As requested by our principal we have conducted benchmarking interviews in both internal and external companies. When we chose our external benchmarking companies, we concentrated on other Swedish international production companies, with long experience of remote management. When performing the benchmarking interviews we used the same method as in the internal interviews, in order to make the answers comparable. In order to provide the reader with a more diverse understanding of the benchmarking interviews, we will describe the concept of benchmarking. We will also account for some of its advantages and reservations.

Benchmarking is the process when organizations or departments are relating their activity to others by looking at a few determined objectives (Ax et al 2003:709). Usually it focuses on business processes. By performing benchmarking, organizations are able to identify strategies on how to improve their processes (Charney 2005:92ff). Questions that can be answered by benchmarking are (Ax et al 2003:709):

 Ø Which are the characteristics of a successful organization?
 Ø How well is our organization doing compared to others?
 Ø How can our organization improve in certain areas?
 Ø What and how should the company not do or act?

By using successful organization's praxis as a measurement or reference, other organizations can announce to their surroundings, that they also are successful. By doing that, the organization secures the social legitimacy that is necessary to attract resources. The imitation of other organizations "best practice" may be interpreted as a strategy to increase the probability to be selected and thereby survive by adapting to the surroundings (Hatch 1997:129f).

When looking internal to the organization's own units, the company is doing internal benchmarking. It can be performed at subsidiaries, other divisions, functions or departments (Ax et al 2003:712). An advantage with performing internal benchmarking is that you have access to the information and that the information you get has high reliability. Moreover, there are seldom any problems with confidentiality. However, conflicts and friction may arise and there might not always be any good comparison objects within the own company (Ax et al 2003:713).

Internal benchmarking

When you are looking at external organizations that might be in different branches it is called function concentrated benchmarking. It is not necessarily the company's competitors that are in the viewpoint. The interesting companies are those presumed to have the "best practice". Researchers argue that function concentrated benchmarking actually is the most effective way of performing benchmarking because it is the easiest way to access other companies' best practise, when the companies are not competitors (Ax et al 2003:714).

Function concentrated benchmarking

The greatest advantage is the vast number of companies to choose from when performing function based benchmarking. Moreover, it might be easier to perform benchmarking if the companies are not in the same branch and therefore competitors. Therefore, there are good conditions for companies to collaborate amongst each other, because they all can benefit from the cooperation. However, a disadvantage is that it can be hard to transfer different achievements into different organizations. It can also be hard to accept others recipes and solutions. It can also be hard to get enough insight and information into other companies in order to get the whole picture (Ax et al 2003:715).

As a critique to our benchmarking study, we can never be certain that we have interviewed those with the actual best practice, or that we have reached the ultimate respondents with the most useful experiences. However, all the respondents have shared experiences with us, which have been very useful and instructive for our study. They have also had longer experience of remote management than Global Manufacturing has.

4 The internal interviews

In this chapter, we will account for some of the answers from the five internal interviews performed at GM. To facilitate for the reader we have divided the responses in tree subpieces. First, we will go trough the answers of the first subpiece, concerning the role of the manager and how managers experience their remote leadership. Then we will describe the second piece regarding how the interviewed managers handle the relationship with the team and each subordinate. Following this, is the piece describing the experiences of the challenges that come with the remote aspect of the leadership. In the final subpiece of the chapter, we will also account for some of the recommendations of improvement made by the respondents. For anonymity reasons we will not disclose the identity of the individuals and only refer to them as managers.
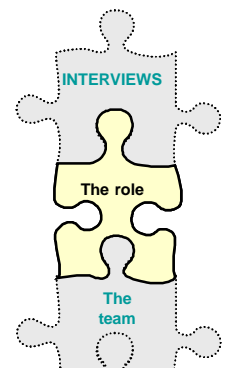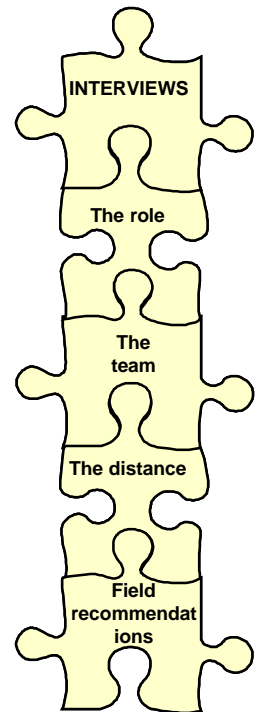
4.1 The role of the manager

In the first subpiece, managers explain how they perceive their role as remote managers. The managers we talked to were from all levels in the organization. They all had employees in different location in one or more countries. While they had attended several of the internal leadership training programs provided by Volvo, none of them had any training in the remote aspect of their leadership. For some the role as a manager was new and others were more experienced.
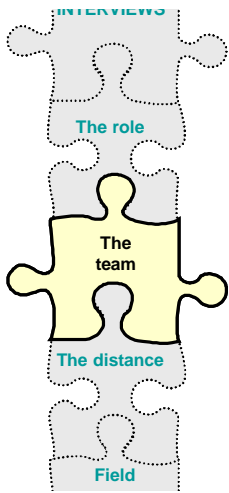
"When I attended the training program Take Off, I expected to learn more about the remote leadership but when I asked them about it they said it was not a part of the program. That disappointed me."

In order to keep in touch with their subordinates the managers spend a lot of time in meetings and travelling to the different locations. In some cases, the subordinates also travel to their managers when they have meetings or projects that require them to travel. Usually they meet their subordinates every other week and have net meetings every week. During the workweek, there are also phone calls and e-mails depending on the necessity. One of the managers calls his distant subordinates every day as he drives in to work to keep the contact as frequent as possible. Another manager only has contact with the subordinates when necessary or on scheduled appointments.

"We have live meetings about ten times a year. I can also meet them individually when I come over. We do that on a regular basis. I try to make an appointment with them once a month. But we also have net meetings on the phone because we have pretty good facilities. Both the whole team and individually. I also store information on our Teamplace and we also use the Messenger."

INTERVIEWS

The role

The team

The distance

Field recommendations

INTERVIEWS

The role

The team

Personal interaction and communication

4.2 The manager and the team

INTERVIEWS

The role

The team

The distance

Field

When the daily interaction is limited due to the distance, the managers have to find new ways to compensate the lack of random meetings and everyday small talk. In this second subpiece, the managers elaborate on how they interact with the members of their team. For many managers this is a difficult task to handle and some of them felt they have yet to develop a completely satisfying method. Some managers try to keep in touch by frequent phone calls and e-mails, while someone also use the Messenger. However many of them feel they still miss out on personal touch, when they do not get to see their subordinates in person. It is hard to read the non-verbal communication, such as the body language, in an e-mail or over the phone. Thereby, some managers experience an increased risk to miss important signals such as psychosocial health issues before it is too late.

"It is really hard, I feel that I haven't really accomplished that yet. "

The personal interaction

"It is no way just to pass someone to chat a bit. It takes more of an effort to communicate. You try to call but when you get a busy tone you forget to call back and then one day has passed without any contact."

"When I am there I try to support and talk to them individually as much as possible."

When the subordinates are on a distance this implies a different way of motivating the team. In addition to this, there is the challenge of finding what motivates every individual in the team. Many of the managers motivate their team members by clear goals and by delegating responsibilities. Other ways to motivate is the face-to-face meetings and to increase the communication between the team members on different locations. This is done, for example, by the manager organizing the team members in pairs on different assignments since it is always good to have someone to discuss with. Another way is to encourage the team members to call and cooperate with each other. This is additionally believed to be a good way to build personal relationships, which is motivating. Furthermore, follow up and social activities, not only work related, have been found to be motivating by some.

Motivation

"Having good follow up. People want to be followed up. It is the first attention that you give to people. If you don't follow up people think you are not interested in them. And if you follow up it is also demanding on them and is a good motivator, if you don't it is bad."

The Volvo Way

The managers all find the Volvo Way to be important and a guide on how to work. Someone implements it to his or her subordinates by being a good role model in his day-to-day work. He meant that it is incredibly important when dealing with different nationalities to secure that everybody is allowed their space and that they all participate and understand the Volvo Way. Another manager finds the Volvo Way to be a very Swedish way of acting, because the Swedish people are more used to team work and have been working in the Volvo

organization a lot longer than other team members that come from recently purchased companies.

While one manager works very actively with the Volvo Way another only bring it up occasionally.

"The Volvo Way is a very strong document, which I think can be implemented in any country. If you score well in the VGAS[5] you also score well in the Volvo way. But it is not more or less hard in different countries. What differs between the countries is mostly how you make decisions due to the person's background."

None of the managers experienced any problems with roles and responsibilities among their subordinates. This was not a problem because they had all clear job description and clear goals. By use of the Personal Business Plan (PBP) everybody knows what is expected of him or her individually and how he or she needs to develop. The PBP is the tool Volvo uses when breaking down the organizational goals into team goals that in turn can be broken down to individual goals. The PBP is a highly valued tool among the interviewed managers.

Roles and Responsibilities

4.3 The challenges of the remote aspect

The implementation of the matrix organization happened during 2006 so this organization with remote management is quite new for many managers and employees. Thereby a new complex of problems has risen in the new organization. Not only the physical distance matter, but aspects such as different nationalities, cultures, language issues and local policies brings new challenges to the table. The third subpiece shows how the managers experience the issues caused by the distance. In general, the new organization requires employees that are more self-sufficient. The managers all agreed that this organization form do not fit all types of individuals. You have to accept the conditions that follow with a distant matrix organization, and be able to govern yourselves in some extent.
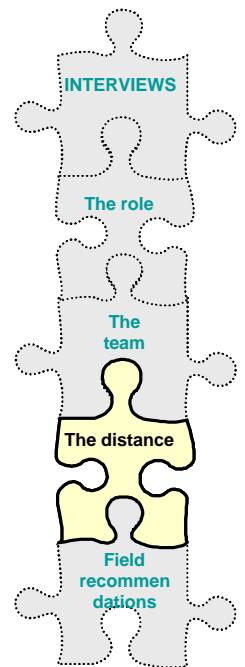
"The difference is that you have to work more with goals and delegate a greater deal of responsibilities. It is not as easy to govern in the daily issues. And I have also experience of being on the other end with a remote manager, and in my experience it is easier the higher you get in an organization."

As the new teams now contain individuals of different nationalities, this increases the demand to use the corporate language in all communication. Further, issues when dealing with different national cultures arises. Many mentioned there are different leadership styles in different countries and it takes time to adjust, for both the subordinates as well as the managers.

Language and culture

"The most common language in Volvo is Bad English..."

INTERVIEWS

The role

The team

The distance

Field recommendations

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[5] VGAS = Volvo Group Attitude Survey.

"We have the distance; we need to travel to see each other. We have the language barrier; we do not either of us speak our own native tongue. We have different cultures. /.../ I have to adapt more and more to se how Swedish people react. Sometimes people are not as straight forward in Sweden, they do not want to say yes or no. But if you ask me a question in my culture, I will give you a yes or a no. If I ask Swedish people, they are very polite to me and they give me a nice answer but I don't know if it is a yes or a no. It is not good or bad it is just cultural differences."

Local agendas

Moreover, in some cases the subordinate has one site manager, while the function manager that they are reporting to is on a distance. This implies challenges balancing the local agenda from the agenda of the distant team they belong to. Many managers finds this issue to be really challenging and of importance to solve. One manager explicitly asked for help in this matter. Someone believes that it is starting to get better; their subordinates are getting better at saying no to the site manager

"...it is not because they are bad or good, I think that the site managers are very good. They are very focused on their own job as I am focused on my job; unfortunately, it is not the same job. So my people are a little bit steered from two angles. It is like that, I mean we should not cry but at the same time, we should try to manage that. It is a challenge. That is what we call a local agenda".

"There is always a balance between the heart and brain. The heart is where you are born and raised and you always try to defend your local history. But you have to be aware of this and not let it affect your decisions so that the local agenda interrupts the organizational agenda. The local agenda used to be heavier but with the new organization, we try to get away from that. "

Affiliation

Following the issues of the local agendas, comes the difficulty of creating a sense of affiliation within a team that is on a geographical distance from each other and the manager. Therefore, many of the managers try to take advantage of the opportunity to engage in social activities when the whole team gathers. Besides, the weekly or monthly NetMeeting serves as an opportunity to get to know each other and to create relationships.

"It is important that they socialize and have an informal contact and have fun with each other and me. Also during our normal conversations. There need to be jokes and laughter. "

"[The daily interaction] is not easy at all, how do you create a coffee corner on a distance? Because it is there the most daily interactions happens in an office today. We cannot just run into people. So a virtual coffee corner would be great, I do not know if that exists. And even if I have daily interaction I miss the nonverbal communications and I can never compensate that fully. Please help me with this. Because it is a really difficult issue."

When it comes to policies and routines, they all agree they do not miss any policy or routine. Rather there are too many local routines and policies to handle. Many of the managers believed that it creates unnecessary conflicts when there are different salary and bonus systems as well as travel policies to consider within the same team.

Policies

"We don't have the same policies and routines. For example, there are differences in how the salary is set and the recruiting process. Also, who makes the budget for my team. It is a problem, that the site manager makes the budget for my team on his location. So I approve overtime work and he signs off on their time cards. That is a problem. I loose perspective of the whole picture. So I would like it to be a shift from being so connected to each site."

"All the factories have different histories and policies and routines. We try to harmonize it but it takes time. There is also differences in salaries and appraisal talks and so on. And sometimes there is a difference in travel policies. And you have to follow the policy of the site you are located on."

4.4 Field recommendations

During the interviews proposals of improvement has come up as the fourth and final subpiece. Some of these are:

- Ø Harmonize the different policies and routines in order to facilitate the managerial role and diminish conflicts.
- Ø The phone lines are considered a problem, when it is sometimes hard to get a good line and in other cases hard to get a hold of a conference phone. The managers feel this is something they should not have to waste their time and energy on.
- Ø Although they have all attended several managerial training programs none of them have had any training in the remote aspect of their management. This was a request from several of the managers.
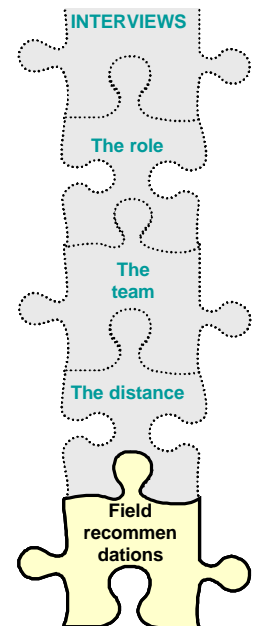
4.5 Our conclusions from the internal interviews.

We have in these interviews found that although the managers enjoy their work they find it to be challenging and are sometimes frustrated when there is, according to them, unnecessary obstacles to handle.

Some are still in the process of finding a best practice on how to adjust to the new circumstances. It is clear to us that it is a difference in their governing methods depending on their hierarchy level and their type of employees. We have concluded that the subordinates in a higher level are more self-sufficient and not as dependant on their manager to help them with their daily issues.

All the managers spend a lot of time just to keep contact with their subordinates. Their main task is to create and maintain a team that is cooperating and working towards a common set of goals. It is natural in a matrix organization when the teams are organized on distance. Many of the managers seem to lack in confidence that they are not supporting every one of their team members the best way possible. They fumble in the dark, doing the best they can, without anyone to consult.

5 The result of the benchmarking

In this chapter, we will first describe the results of the internal and then the external benchmarking interviews. The five internal interviews were made in three business areas and units within the Volvo Group. The five external interviews conducted at Astra Zeneca and Alfa Laval, two international corporations with headquarters in Sweden and with similar structures. In order to secure the anonymity of the interviewed individuals we will disclose neither their identity nor position or placement. To facilitate for the reader we will follow the same subpieces as in the previous chapter.

5.1 The internal benchmarking

Below we will account for the results from the interviews made with managers in the external Volvo Group business areas and units. All of the internal benchmarking managers had personell responsibilities for groups and teams of 7-16 individuals spread all over the world. They were in different levels in ther organizations and had different education and experience in the role as a manager.

5.1.1   The role of the manager

Regarding the experience of the role as a manager, as illustrated by the first subpiece, some of the managers points out the importance of having the right type of employee in this kind of organization. Not everyone is cut out for working in a remote team with little or practically nonexistent personal face-to-face interaction. They emphasize that the demands on the individual to be self-sustaining are higher on a distance.

"Not everyone likes to work in these kinds of matrix organizations, and they actually disappear very quickly. Others see the possibilities that this kind of organization convey. In this organization, it is up to you to take actions."

"It is important that those who are remote are very self sustaining. /.../ I expect more from those that are remote than those who are in this house. Here I can hire someone inexperienced and let them grow. I could never do that on a distance. On a distance, there is also always a possibility to loose the sense of a project. Some of the managers only tell me about the things that run smoothly and others might only tell me about their problems. So I need to trust in other ways of getting the information."

Even though only one of the managers had participated in an education regarding remote management, many of them were appreciative of the educations they had attended. Especially those with an international character were they had learned to
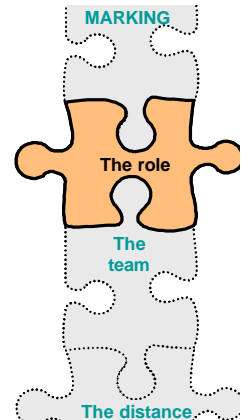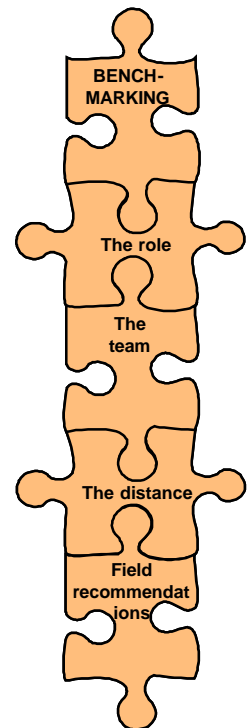
understand cultural differences. The one manager that had training in remote management expressed:

"...I also attended a seminar in England about remote management during a project. /.../ it was about management of the remote and virtual team, how to communicate and about loyalty issues as well as how to create a sense of one team. The name of the company holding the seminar was Global Integration."

The manager in question found this seminar to be very instructive and useful. He thinks that every manager with a remote team would benefit from it.

The frequency of personal meetings depends on how geographically spread out the teams is, and the need of the individual. Mainly the communication is managed by the frequent use of e-mails, phone meetings and calls, NetMeetings and the occasional personal meeting. The managers felt that they had the opportunity to be able to adjust their leadership according to the individual in a good way, which they believed was very important to do.

"We try to meet when we would have met anyway. Those in Australia I never meet and we seldom have NetMeetings due to the time difference. It is impossible to arrange meetings with a team that has its members in both the US, Australia and Sweden. Then we have to split the meetings so that two parts have a meeting and someone informs the third part."

"Some people need daily phone contacts, while others only need two or three phone calls a week. Before we sometimes had video conferences but I think the net meetings work better."

5.1.2   The manager and the team

As in the previous chapter, the second subpiece concerns the managers interaction with their team. Several of the managers associate their team or group with a sports team where everybody is self-sustaining but still in need of each other in order to achieve a better result. One of the managers states that the most important things that have to be in a team are respect for and communication with each other. They also attracted our attention to the importance of recognizing which kind of team one is dealing with. Being a manager over other managers or over buyers requires very different approaches. It affects both the importance and ways of creating a team spirit as well as when and how to work together.

"It is not one team. It is a work group. And in most ways, we work well together but we are not loyal so that we would die for each other. And we don't follow the traditional team cycle. I haven't tried to build a team in that way either. Maybe if it was a question about building a global team around a common project, where the team members may even be affiliated to different organizations. Then it is
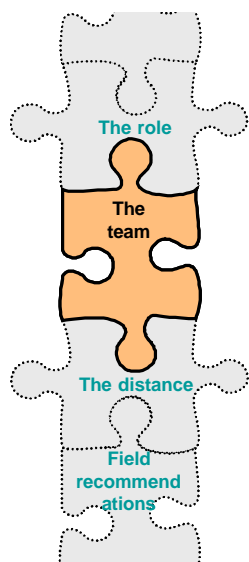
extremely important to build a strong team so that they feel a strong bond to each other to be able to work together. "

"Both systematically and ad-hoc. Sometimes we need to work together to find a best practice and then we sit down and work it out and try to adjust to what we think is the best way."

On the subject of how remote management differs from regular management it is the creation of the personal relationship between the manager and the employee as well as creating personal relationships within the group. Some pointed out; they feel like they always have to be available and reachable. They experience an increased workload of just by keeping in touch with everyone by writing e-mails, the frequent phone calls and so on. What seems to be troublesome for many of them is the fear of what they might miss when they are not present, such as their state of mind.

<div align="right">Personal interaction</div>

"There is no way of picking up on the 'noise', like I can do with those sitting right next to me. The challenge I think is the communication. To be able to sense how they are and feel. We have the VGAS and so on, but it becomes clearer that it really is remote. I try to place some of the performance reviews on their locations, and join in on their meetings when I can."

Motivational issues are also something a remote manager needs to adjust by, when different individual have different motivators. For some it is a question of feeling informed and as a part of a team, and for some it is the work it self that is motivating or the feedback they receive.

<div align="right">Motivation</div>

"The thing is; everybody needs to meet sometimes. And when everybody is here, I make sure we work cross functional so we don't forget about each other. And when we have our project meeting every week, I invite the whole team to join us by phone. This is to try to diminish the feeling of 'them' and us' Letting them know that everybody in the team is involved and not only a few."

"I treat everyone as I should have treated a team member located on my site. And that concerns all information and access to all materials and team sites; frequent meeting and so on."

When it comes to implementing the Volvo Way to the team the majority of the managers do not work actively with this. Instead, they try to lead by their own good example and only bring it up for discussion occasionally. Many of them recognizes the national and corporate cultural differences when implementing the leadership values of the Volvo Way, but they all believe in it and feels it is possible to work by in any country.

<div align="right">The Volvo Way</div>

"By following it myself. It is the same way as when you act around children. You have to walk the talk."

"It is not impossible to implement it to the French but it is nothing like the culture they had on Renault. We can se very clearly how much they have changed. Really much. Especially in their managing styles. There is a completely new way to practice leadership in our business unit than at Renault, due to the Volvo Way. I try to use the Volvo Way quite often actually, without being to nagging."

5.1.3   The challenges of the remote aspect

Concerning the third subpiece of the distance it implies, as the distance get further the challenges of the management increases. In addition to this, some of the managers also wanted to attract the attention to the circumstance that sometimes the distance to another floor within the same building or another area of the site might be considered even further than the distance to another continent.

"I also want to point out that the phenomena of remote management arises even within the same gates if you are in different buildings. People choose to send an e-mail instead of walking 500m and go to see the other person face to face. The company needs to make it easier to travel within the main area as well. Otherwise you loose out on the corridor talks and what is happening on the floor."

When working in a global organization the managers makes sure the employees have good language skills even during the hiring process. They also experience that local cultures and previous corporate policies are challenging to work with.

"But there are some national differences as well, such as the management style and that perhaps Swedes are more able to make their own decisions than for example a French employee. And in the US, there is a greater importance that everybody have a clear frame of responsibilities that they are not particularly interested in stepping outside of. Both for salary purposes as well as if something happens."

The local cultures and corporate policies has also an effect on the sense of affiliation to the remote manager and team. It rises further demands on the manager when trying to create a team spirit, motivate the team and assign work tasks.

"It is important that I make them feel affiliated to me. /.../ The dual loyalties make it harder to motivate them. Also when it is people that used to work in another organization that we now are in control over, it is hard to make them feel connected to ours."

"Making everybody work as one team. And also, when someone is located on another site, it comes down to the team and loyalty. Because they are very influenced by the site manager to do other things than the project manager wants. It is easier to listen to the site manager than the project manager. I deal with this by engaging them as much as possible in project meetings and activities. So that

The role

The team

The distance

Field recommendations
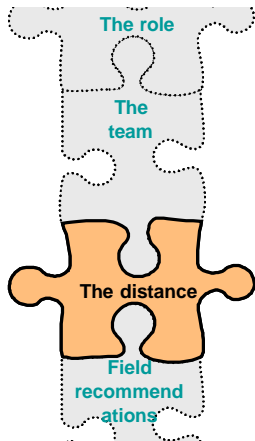
Language and culture

Local agendas and affiliation

they know and have a sense of loyalty to their team and project. And so they know that it is there the results are requested."

All of the managers tell us they have all the policies they need to do their work. Some even claims there are too many when there are different policies and routines in place for different sites, even when the sites are in the same country.

"I don't even think anyone has read all the policies and instructions they are actually effected by."


Policies

5.1.4   Field recommendations

Many of the internal benchmarking managers had ideas, fitting into the forth subpiece, on how to improve the remote management in the Volvo organization. Some of their proposals are:

- Ø They strongly emphasized the importance of harmonizing processes and systems in order to make the work run smoother.
- Ø Make sure that already in the hiring process assure that the employees are aware of and accepts the terms or working in a global matrix organization.
- Ø The managers need to be patient and realize that change takes time.
- Ø Provide a course in remote and virtual teams, for example the one at Global Integration

"My suggestion to Global Manufacturing is that they need to start to from scratch. With processes and systems. They also need to shift out people that are not willing to work accordingly to the new organization and the Volvo Way. We had some extreme problems with some factories because they would not stop firm management styles. It takes a long time. We are six years into the process so it doesn't happen over night."

5.2 The external benchmarking

The managers in the benchmarking organizations, Alfa Laval and Astra Zeneca, all had remote subordinates from one location up to seven sites, located in Sweden and for some spread out in up to five countries. The groups that they managed are in the sizes from 10 to 28. They were from different levels in the hierarchies, which mean that for some the levels underneath their team there could be hundred employees. The managers all had attended several training programs internal and externally. None of them has had any specific training regarding remote management. However, one manager contacted a management consultancy firm when he first took on the role as a remote manager. It resulted in a one-day workshop for all the team members, supported by the management firm. He found the workshop to be very instructive.
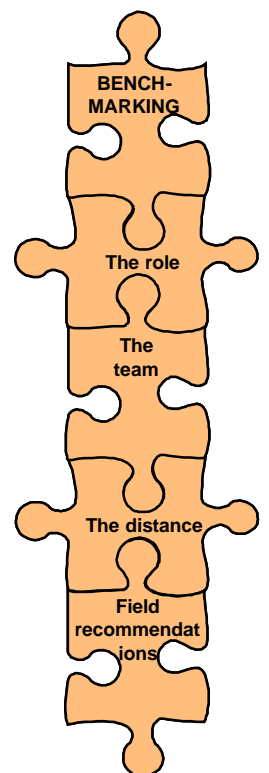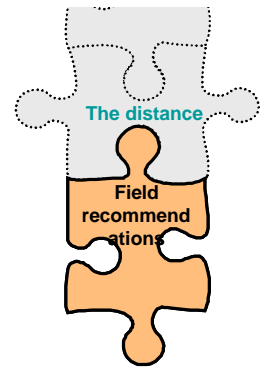
"On the workshop we discussed our cooperation with each other. It was an incredibly positive experience for all of us. For instance, we made communications contracts. How should we communicate? It contains rules for what we write in our emails, where we place our notes, how we communicate our decisions and so on. It was an extremely good process for us. Because the group came together and decided when which tool is the best. When we should use messenger, when we need to meet in person or when a phone call or net meeting is adequate."

5.2.1   The role of the manager
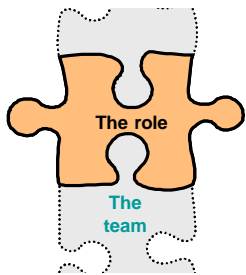
Contained in the first subpiece about the role as a remote manager, most of them told us they have NetMeetings with their team every week or at least every other week. Some of them travel to their remote sites on a regular basis. One manager interpreted his role as the "linking pin". Therefore, he has to travel most of all, in order to link the team together. However, he believes that travel is essentially important in the beginning in order to get everyone to know each other and meet "live". He used to, and sometimes still, bring one of his team members with him whenever visiting another site as a way to increase the cooperation between sites. Other managers try to decrease the travelling as much as possible due to their family situation. It is hard to combine family life with a lot of travelling.

Personal interaction and communication

"We started to use 'Skype' which might sound kind of silly, working for a great company as this, but we use regular phone lines, and phone calls are expensive.. Working at head quarters is no problem but in some countries, this is a economical issue, and I understood that some felt kind of restrained to call me over small things, so this has really helped us. Because for instance in India, there might be four managers controlling your phone bill, and this might put a great deal of stress on my subordinate."

"I try to have a sensible almost daily contact with some. You have to be smart. You don't always have to call and talk about work. Sometimes you can just call to get a sense of what is going on. Even if you actually have something work related to say, that can wait until the end of the call. Perhaps this can give the opportunity to see if something is not quite right. That is easy to forget. This always nags on you. I don't think anyone finds it optimal to be on a distance from his or her manager. If they got to chose I thing everyone would want to be on the same site as their manager."

5.2.2   The manager and the team

Related to the second subpiece the managers described their interaction with their team as challenging. Some managers mentioned that they have a different relationship with their subordinates in their surroundings and with the ones on distance. This causes for some managers stress and a sense of guilt. One manager believes it is very important that everyone have the same conditions during phone

Camilla Johnsson, Noomi Rabb
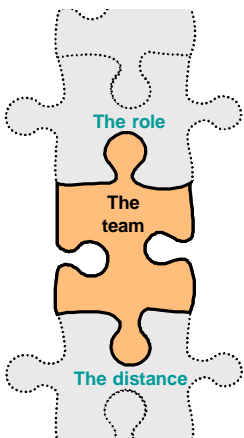
or NetMeetings, because he does not want to create an 'us' versus 'them' situation. He believes that the subordinates in Sweden, about 4-5 people, cannot sit in the same room while on a phone meeting. They need to sit spread out as the rest of the team members during meetings. He finds it to be very important, and believes that this situation causes a good situation for those that are generally quieter during meetings. This because now they cannot rely on someone else to speak for them. Some managers emphasized the importance of meeting face to face on a regularly basis in order to create a good relationship. As someone put it, they need to know each other in order to use and help each other, because the manager wanted to create overlapping competences, making them visit each other and not work alone.

"You sometimes have a guilty conscience because you have a better dialogue with those who are located near you. And you always have to remember to spread the information you learned at the coffee machine to those who were not there."

Motivation is caused by being very clear on targets and goals. All managers agreed on that. "By keeping them informed" is another way to motivate. By sometimes sending e-mails that not always is key information but information that makes them feel part of the team. Motivation by giving feedback is also a common way to motivate. One manager want the subordinates to feel that they are being coached, and not that they are being criticized.

"I need to make sure they meet from time to time so they get to know each other and create something social of it, and a climate of cooperation. And I also have to keep active and ask them if they want me to do something. I need to be like an open book. Deal with open cards. And I work at the Headquarters and there is generally a fear that those on HQ always have more information. That is something I always have to work with."
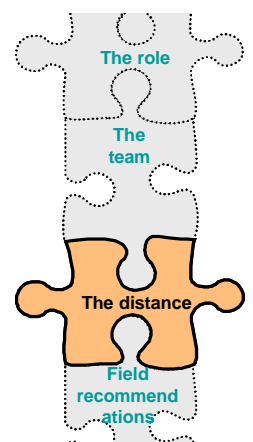
Roles and responsibilities are clear to the subordinates, because they have made the decisions together within the group. The managers believe that this is clear because their group has been involved in the process.

"Then the one who is appointed project manager really needs to take it seriously and really be a manager. Otherwise, it doesn't work and someone has to do all of the work by himself or someone gets burned out or something. They have to focus on the role they have at that time."

5.2.3   The challenges of the remote aspect

Many of the external managers finds the remote leadership challenging because of the distance issues described in this forth subpiece. They cannot as easily discover when something is not working out for the subordinate. Physical ill health takes longer time to discover, and some of the managers could give several examples whereas they would have acted sooner if they only had known. To compensate

Personal interaction and communication

Motivation

Roles and responsibilities

The role

The team

The distance

Field recommendations

this, many managers calls their subordinates from time to time to talk about general things. Not only business conversations.

"You might miss that something is happening or going wrong, that might have been easy so solve if you had caught it in time, but as time goes by it can get really hard to fix."

"To keep a sensible personal relationship with everybody. Leadership is much about being available. Just being there to juggle an issue or discuss a problem with someone. That is not always easy when you are on a distance. Then they have to send an e-mail and then I need to reach them, and that sometimes takes a while. Keeping a sensible time line of answering is sometimes tricky but I think it is important."

Language and culture

The language and culture differences demand the managers to be very attentive, to make sure that the communication is working. One manager explained that it can be hard to communicate even when you sit face to face, so when you communicate over the phone or in a NetMeeting, it is even more important to be clear. Not only because you might work across different languages, but the fact that you might be working across different cultures as well. Some cultures demand a very straightforward leadership style where you have to lead the subordinates in detail, to give them clear goals. Many of the managers try to adapt to the different cultures that they encounter.

"Of course!! Everybody in the teams have to adapt to different cultures. We actually are all very different in the ways we work and so on. Both if you are on different sites or just of different nationalities. Being able to understand how an Italian communicates or a Danish cooperates is incredibly important. I usually try to adapt to them to avoid misunderstandings. Still the company has a corporate idea that is Scandinavian. That we are open and try to keep each other informed. There is a difference in leadership and so on. We try to create a mentality that supports the Scandinavian way of thinking."

Local agendas and affiliation

When working in a remote team, some of the managers have much experience from when the local sites take over or lay over work tasks on the remote subordinate. In some cases, it is an issue, and the concerned managers feel responsible to support their subordinates to solve the matter. The ones that did not find it to be an issue, had tasks not interfering with the local agenda or believed that their clear agenda have a very stabilizing effect on the team helping their subordinates to prioritise.

"Sometimes... but not always. But of course, they sometimes get abused by the sites. We try to inform them that they are best served by sticking to the right channels and processes. Otherwise, they will end up at the bottom of our priority list. I always keep telling them to come to me if they feel they need my support."

"That is really difficult. You need to balance that. You want them to interact with the local agenda, but sometimes we had almost a too strong group identity in our group, which created conflicts on their local workplace. However, what we did was that we had meetings with our team as well as maybe about 40 people from the local workplace. During these meetings, we discussed our team goal, to create an understanding, and we had teambuilding activities just to let everyone get to know each other a bit better! We did this in the beginning on a location, not every year. I think it was a good start especially on those locations were we hade felt that the cooperation was a bit 'rocky'."

Many of the managers believe that there are different policies at different sites, even within the same country. One said that we have the same rules but every site interpret them differently, and that sometimes creates problems. However, most managers felt that this is a working progress, and hope it will get better over time.

Policies

"No. We don't. Not even the HR-department in the same country has the same routines. That irritates me and I have criticized them about this before. I can't get different answers depending on where I call."

5.2.4   Field recommendations

The final subpiece, with the field recommendations, contains the suggestions made by several of the external benchmarked managers.

- Ø Harmonize the different policies and routines in order to facilitate the managerial role and diminish conflicts.
- Ø Make sure that you forward discussions that have taken place in the hallways, so that people that are not there are missing the information.
- Ø You do not always have to talk business. You need to talk about personal things as well.
- Ø Some people have unjustified respect for Headquarters. Try do diminish that.
- Ø Everyone needs to adjust to different cultures
- Ø In order to diminish problems with local agendas. Do a presentation of your team on the different sites.
- Ø Try to avoid specialisation so that everyone in the team can help each other, and to avoid isolation of some subordinates.

BENCH-MARKING

The role

The team

The distance

Field recommendations
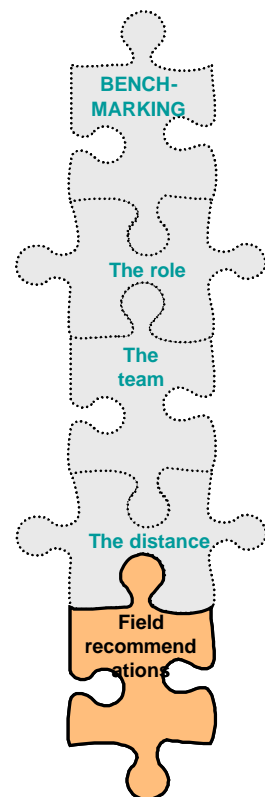
5.3 Our conclusions from the benchmarking

From the benchmarking interviews, we have made some conclusions. We have found that the managers generally find their work to be exiting and challenging in a good way. They are self-sustaining in the meaning that they are used to taking their own initiatives in order to evolve and grow in their role as a remote manager.

Only in one case, the company offered a training program in remote management, even though this was sometimes requested. However, all the managers have attended several leadership programs.

Many of them have also felt the need of attracting the attention to the fact that they believe not only national cultures matter. Every site has a culture of their own irrespective of in which country they are located in. This implies that even when the processes are the same, they might be interpreted differently. Moreover, when the processes are different, it causes unnecessary issues and therefore should be harmonized.

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6 Analysis

In this piece of the puzzle, we will compare and analyse the theories with our empirical findings. We will follow the same structure as the points that we finished the theoretical chapter in. At the same time, we will use the key words we have marked from our empirical findings. We have elaborated those into four subheadings, and converted them into subpieces as illustrated in the puzzle. However, we will not discuss every aspect and detail from our interviews. This structure will emphasize what we have recognized as important and challenging areas during our study.
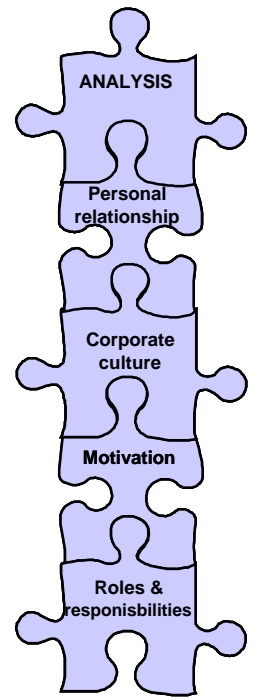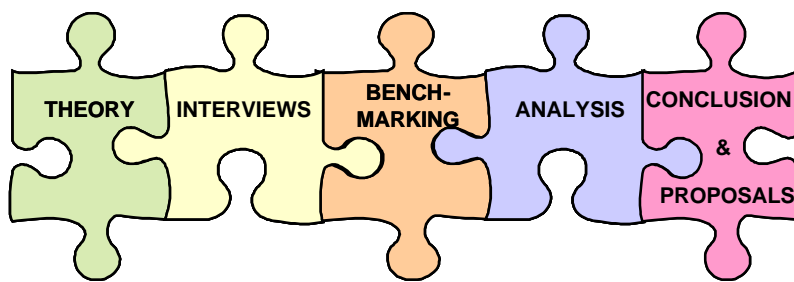

Now we have reached the fourth of our five headpieces. Connected to the analysis piece of the puzzle, accounted for in this chapter, are the subpieces of the **personal relationship** between the manager and the employees, what affects **motivation** in a remote organization, what the **corporate culture** brings to the organization, and how **roles and responsibilities** are made clear. The chapter will end with comments of what have noticed during the analysis.

6.1 The personal relationship

In the theoretical material, the personal relationship between the manager and the team member is emphasized. In line with this statement, this has been shown during the interviews. As well the internal as the external managers has stressed the importance of a well functioning relationship with the individual. This because without trust a remote team will not function.

For example Nilsson (2003) as well as Nordengren and Olsen (2006) brings up the importance of a personal relationship in their theories. Nordengren and Olsen means there is a need to meet face to face in order to create a bond of trust and build ways of communication. Nilsson mentions the personal relationship as a factor when sharing the company vision. Further, the team members first need to know each other, and then they can start using electronic tools for communication.

As well the internal as the external managers had examples of situations when they felt the lack of a trusting personal relationship due to the distance. They felt as they were out of the loop of what was going on in the personal lives of their employees, since their communication during the visits and phone meetings is
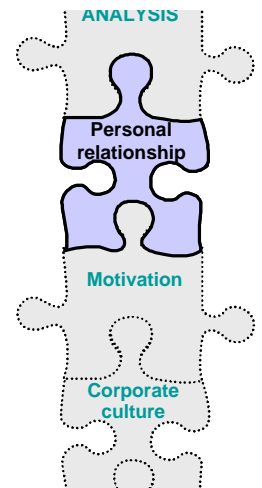
Trust

very structured. One of the external benchmarking managers tries to overcome this obstacle by regular phone calls, which do not always have to be about work. One of the external benchmarked managers admitted the relationship with those team members on the same site is a lot closer than with the remote ones. This brings him a sense of guilt. According to the concept of speed leading (Hall 2007) the different, not so close relationship, should not be a problem and that remote managers need to unlearn the traditional management skills in order to adjust to the new complex organizations. This is consistent with the findings of Johansson et al (2005) that led them to the conclusion that both managers and employees need to accept the terms of a distant organization.

Both some of the internal and external managers spend a lot of time trying to meet their subordinates on a regular basis, keeping the personal relationship alive. One manager believed himself to be the linking pin between his subordinates. If possible, he tried to bring a subordinate with him when travelling to visit another.

The relationship with peers and managers/employees is important due to Herzberg's motivation- hygiene theory (Jacobsen and Thorsvik 2002). This means that a bad relationship brings dissatisfaction to the team.

6.2 Motivation

Other ways to motivate their subordinates were mentioned by the managers. Many of the internal managers as well as the external motivate by clear targets and goals and delegate responsibility. Clear goals and empowerment as motivators is in line with the conclusions of Johansson et al (2005). One external manager tried to make the subordinates feel coached instead of criticized. Other things mentioned are the importance of feedback and keeping them informed. One of the external managers handled the prejudice about the presumption that those seated at headquarters has more information with occasional e-mails with information, not only about their specific task.

Feedback is important for several reasons. According to Herzberg (Jacobsen and Thorsvik 2002), feedback creates motivation by bringing a sense of recognition. Insight Lab (2003) accounts for feedback as one of the highest ranked motivators. However, they emphasize on the importance of finding the right motivators for their organization as well as the individuals they manage, since every organization and individual is unique. This is important to remember in order to practice effective motivational work. This is not an easy task, as concluded by Leijon et al (2007), when their results show that managers have rather vague ideas of what motivates their subordinates.

Feedback

On the other hand, if feedback is given in the wrong way or not at all, Lewis (2000) concluded that it could have a devastating effect. It affects both the working pace of the subordinates and their understanding of what was expected of them, leading to a waste of company resources not challenging the subordinates to reach their full potential.
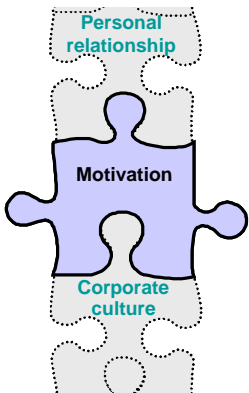
Stated as hygiene factors by Herzberg (Jacobsen and Thorsvik 2002), the company policy and salary and bonus systems can create dissatisfaction. In the interviews several examples of dissatisfaction with different bonus systems, travelling policies and recruiting processes, has risen when the internal and external managers feel frustrated over the different policies on different sites that affects their team. This dissonance creates, according to them, unnecessary frustration and hostility within the team. Cognitive dissonance sets of a sensemaking process, leading to a common sense being made with those in the immediate surroundings (Weick 1995). If harmonizing the policies a new common sense is created, as a result of the sensemaking process.

Policies

Local agenda and affiliation
The lack of feedback may also increase the sense of cognitive dissonance and alienation from the team setting of a sensemaking process. (Weick 1995, Ifvarsson 2003) When sense is made with those in the immediate surrounding, rather than with the remote team members, this brings a sense of affiliation with the wrong team or site. In order to create a sense of affiliation, reducing the power of the local agenda, the manager must build trust within the team and use the sensemaking process in their advantage.

A vast majority of both the internal and external managers faces problems with competition from the local agendas. Many of them try to support their subordinates by talking to the local site managers. One of the external benchmarked managers invited the whole team to the site in question to present their own agenda explaining why the organization is organized in a certain way and their part in it. This creates a frame of common sensemaking in the whole organization, as Weick (1995) recommended. When it comes to the individual subordinate, the manager thereby increased the trust and affiliation within his team.

In an international corporation, the communication can be an obstacle that needs to be given the right attention. When people are forced to communicate in another language than their native tongue, misunderstandings easily occur. As one of the external benchmarked managers explained, the language barrier is an additional challenge when communicating in a multinational company. Communication is hard even face to face, so over a media, like the phone or in a NetMeeting, it is extra important to be clear and make sure that the receiver has understood the message.

Communication

Some of the internal managers find the language to be challenging for several reasons. One internal manager states that the poor language quality from some employees causes misunderstandings, while another experiences a resistance to write all e-mails in the corporate language even when it does not seem important to the sender.

Another aspect of communication is the frequency and when to use which Media. Several of the internal managers has expressed difficulties with keeping a regular contact apart from the scheduled meetings that have highly structured agendas, leaving no room for the ad-hoc discussion. The longer the distance, the harder to keep the communication alive, according to one of the internal managers. With the long distances, there is also the obstacle that follows with the time zones.

Many of the managers try to solve these issues by trying to be available at all times. This ambition is disencouraged by as well Nilsson (2003), who says a leader needs to be in control over his own time in order to avoid negative stress, as Hall (2007) who urges the managers to take control over the communication. One external manager handled this by formulating communication contracts in cooperation with the team members.

6.3 Corporate culture

When an organization is spread out on different locations, corporate culture might be a way to lead the organization to the right direction across national and cultural differences. Corporate culture is a way to practice social control since it has a stabilizing affect across both geographical areas and the hierarchy. Emphasizing this one of the internal managers believed that it is incredibly important to assure that everyone participates and understand the Volvo Way, especially while working with different nationalities.

To implement values and culture, such as the Volvo Way, to the subordinates Nilsson (2003) emphasizes the importance of being a good role model. The managers' behaviour is considered an artefact that impact organizational culture and behaviour just as much as what people say or physical objects has on subordinates. (Jacobsen & Thorsvik 2002)

Role model

Hofstede (1991) mean that we need to have knowledge about the different national identities in an international company in order to understand the impact the national identity will have on the corporate culture. This is something several of both the internal and external managers have mentioned. Moreover, they believe that adding to this the sites' culture differs as well as the culture within a country. With the values of the Volvo Way and their own good examples as role models, they try to work across this. The external benchmarking companies showed several examples of different cultures among the different sites. Some managers brought up examples on how they refer to the Volvo Way when they want to emphasize to their subordinates the right way to act in different situations.

The Volvo Way

Some of the external benchmarked managers pointed out the importance of adapting not only to the Swedish ways, but also to each other within the group. One stated it was easer for him to adapt to the culture of one subordinate, in order to avoid misunderstandings, than the whole group adapting to him. This is consistent with the Nordengren and Olsson (2006) statement, that a remote leader
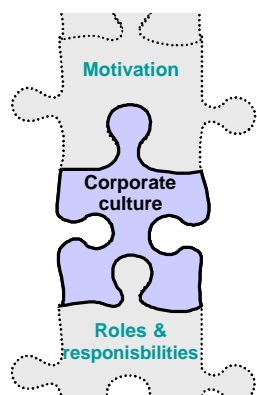
must be extremely flexible and adaptive. This, in order to avoid misunderstandings.

6.4 Roles and responsibilities

By use of the corporate standard of the performance reviews, as well the internal as the external managers clarifies the roles and responsibilities as well as the organization's strategic and operational goals. The reaching of a common agreement within the team is according to Guttman (2007) essential in order to bring the team to reach their full potential. The importance of the performance reviews is illustrated by the internal manager that does not experience the competition of the local agendas. They believe this is because their subordinates' responsibilities are so clearly stated and prioritised in the Personal Business Plan. When everyone is aware of their role in the team this facilitates the corporation, as Guttman claimed.
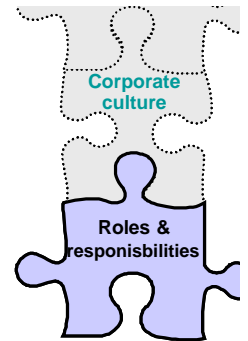
6.5 Comments to the analysis

During the analysis, we have found the following to be of interest. When a manager lays too much importance and effort into the building of personal relationships this creates a sense of guilt when the result of the efforts does not respond to the expectations. In order to survive remote managers must retrain and find ways to cope with the new conditions. We have also found that the distance creates trust issues, which need to be addressed, by creating relationships and supporting networks. Further, in order to prevent the local agenda from interfering with the team goals, the affiliation with the local site ought to be controlled. In order to reduce the site influence on the team member and to increase the affiliation with the remote team, all team members need to be affected by the same policies and routines. Therefore, the policies have to be harmonized throughout the organization.

This brought us to the pieces of the puzzle presented in the next chapter. We will discuss the following subpieces regarding the importance of **harmonizing** the organization, **relationships and networks** and the **retraining** of managers. The concluding discussion will lead up to the **answer** to our question as well as our recommendations to Global Manufacturing.

7 Conclusions and recommendations

During the process of this thesis, thoughts and reflections have risen. This chapter will highlight the findings and reflections we have found to be the most sustainable and significant throughout the process. This will lead up to our recommendations where we have found areas with possibility to improve. These recommendations are primarily directed to the commissioner, Global Manufacturing, however we believe them to be applicable to any organization practicing remote management.

Now we have assembled the pieces of our puzzle and will examine what the whole picture depicts. The puzzle shows how the theoretical and interview studies fit together and combines in the analysis evolving into our conclusions, finally answering our initial question.
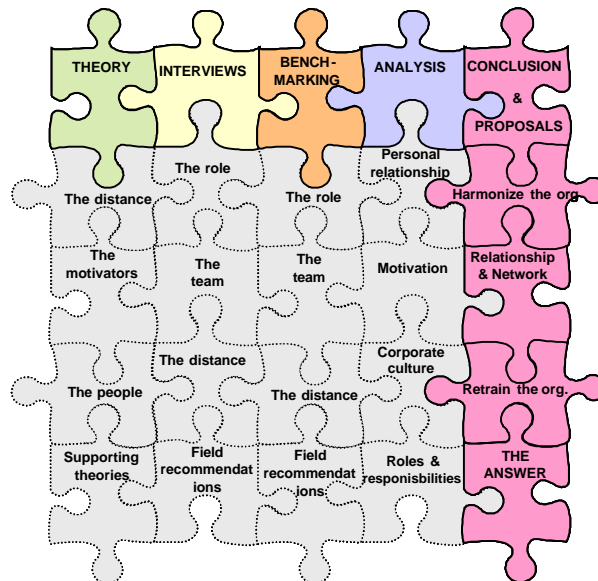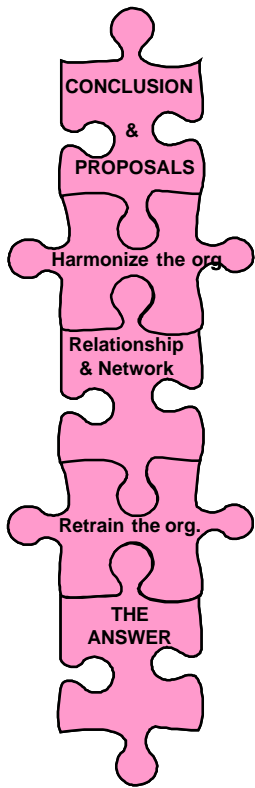
7.1 Discussion and conclusion

During our investigation, it has become clear to us that remote management and complex organizations is the future for international companies. In order to survive, synergies need to be obtained and new ways of leadership implemented. This implies an adjustment from as well the management as the employees. As one of the external benchmarking managers expressed:

Everyone needs to adapt

"It is extremely interesting to work with remote leadership. I also believe that it is a criterion for success in an international cooperation, to handle this in a good way. It is the only way to work. If you look at how the world is organized today and will organize itself in the future. You need to be able to work globally, to be able to use your resources all over, not only in your own backyard. This is a vital thing for any globally organized organization."

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7.1.1   Harmonize the organization

When harmonizing policies and processes synergies are created. Common processes were highly recommended by the internal benchmarked managers. Moreover it was also an explicit request from the internal managers, who experienced unnecessary frustration, having to work across different policies and systems on different sites. Even if they received support from the local HR departments, many managers experienced different instructions depending on who they asked, leading to further frustration.

We believe this is a part of the obstacles with feeling affiliation with the local site rather than the remote team. When different rules apply within the team, the process of sensemaking leads to bonding with those affected by the same rules and policies. By harmonizing the policies the company also emphasizes the importance of working as one organization, instead of several local organizations.

Regarding the challenges with local agendas and site culture, an experience and recommendation from one of the internal benchmarked managers was the need of relocating those not able or willing to adjust to the new organization. Another way of handling the local agenda issues was presented by an external benchmarked manager who visited the site in question and presented their agenda as well as the site's role in the organization. He experiences a positive effect from these kinds of presentations and found that they were usually only needed once.

Policies and local agendas

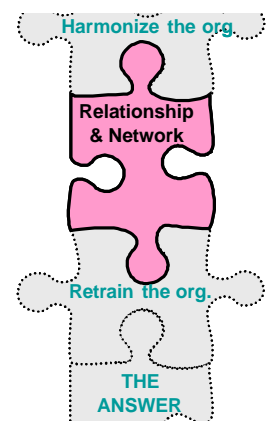### 7.1.2   Relationships and networks

A reason for a matrix organization is to create synergies in order to find best practices and being able to cut costs. However, the organization needs to facilitate this, creating a forum where networks can develop and experiences can be exchanged. None of the managers in our survey had a formal network within their company. On our direct question, they all recognized this as something they miss, that would help them in their role as a remote manager. The idea of having a community where managers exchange experiences to evolve the company's processes, also serving as a support system in their own managerial roles, is perceived as very appealing to them.

Further, the need for managerial support appears to be greater in the lower hierarchical levels. This might be because their subordinates are in a greater need of support, than those higher up in the organization. When the subordinates are managers them selves, they are often more self-sufficient.

We agree with Hall when he suggests that the creation of a team spirit is not as important as trust and networks, when managing a remote team. However, in line with this the implementing of new management methods is not about the removal of the human contact or personal relationships. Both managers and subordinates need to be motivated by acknowledgment and recognition, and this is still the

Communities

managers' role. Instead, it is meant to facilitate the contact and make it more effective and clear, hence reducing stress and misunderstandings. The majority of the interviewed managers emphasized the importance of personal relationships and knowing each other in the team. Before being able to use the technical tools efficiently, such as phone meetings and NetMeetings, the participants need to meet face to face and create a bond of trust.

Trust

The building of trust is also important in order to create synergies. When the trust and affiliation is low in the team the cooperation will be reduced to a minimum. In order to create good conditions for synergies to occur, good cooperation is required.
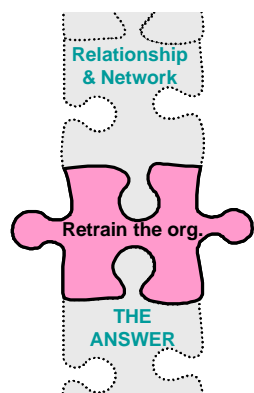
7.1.3   Retrain the remote organization

Relationship & Network

Retrain the org.

THE ANSWER

As a result of the new complex organizations, managers need to be retrained. As Hall claims, the managers need to unlearn their traditional management skills and learn a new way to cope with the situation. We mean that a remote manager cannot fully compensate the lack of personal daily interaction, and need to accept this. Many of the managers try easing their guilty consciences by being available around the clock. We agree with Hall when he states this only leads to negative stress and psychological illness. In cooperation with his team members, one external benchmarked manager created a communication contract, stating when, how and what to communicate to whom. We believe this to be the way to reduce the stress of always being available.

Regarding the challenges of the remote communication with team members on other sites, one of the external benchmarked managers described one way of handling this:

Remote communication

"We are handling that right now, implementing a process called "single point of contact", that means that when a problem occurs, people should direct themselves to just one contact. /.../ It maps out exactly where to turn when, and standardises all processes on how to work. We think that it is the organizations themselves that creates these processes, otherwise it won't work, and people won't adapt."

Our study has shown that none of the investigated organizations provides an education regarding the remote aspect of the leadership, even though we have noticed a high demand. We believe everyone needs to be educated in how to work in these new kinds of organizations, with the new challenges they represent. Both the managers and those working in the remote teams needs to learn how to accept and find new rules and change their expectations on what the team and leadership should contain.

7.2 The answer to our question

By this, we have reached the final piece of the puzzle, which contains the promised answer to our question. The question the thesis was aiming to answer was:

Are there, in the light of theories, internal interviews and benchmarking, any room for improvement of the remote management at Global Manufacturing today, and if so how?

We have found that there are areas where an improvement of the remote management is possible and Global Manufacturing would benefit from implementing our proposals.

7.3 The answer to the principal's questions

The assignment further contained related questions by our principal, which she wanted us to answer explicitly. We believe the answers already are in the above text, however we will shortly account for them below in order to make the answers appear more clearly.

Which methods do the internal managers use when practising their leadership today?
They try to be as accessible as possible at all times, while gathering the whole team as frequent as possible by a highly structured meeting plan. Most meetings are electronic meetings, such as NetMeetings or phone meetings. They use the PBP extensively to make roles and responsibilities clear and to make sure that the goals and targets are broken down into an individual level.

Are there any synergies that are not used to their full extent and is there any room for improvement in this area?
Within the team some managers tries to make their subordinates cooperate in order to create synergies. However this is not performed in all teams. Neither do the managers have a formal forum where they can exchange experiences and create synergies among each other.

How can they increase the employee sense of affiliation with the Volvo Trucks organization?
By information regarding what is going on in the company a sense of affiliation with the whole company is created. With creating exchange programs where you can visit other sites, and increasing the possibilities to travel to other sites for study visits, the sense of affiliation might be enhanced.
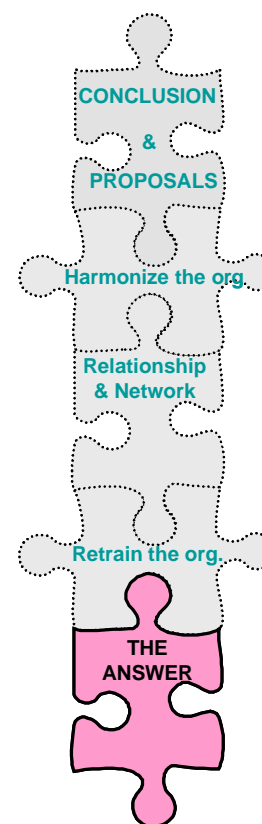
How is the Volvo Way implemented in an effective way?
Many of the teams work with it together by conducting group workshops, where they discuss the values and translates the meaning of the values on to their own team. Further, the manager's example as a role model is important.

What are the recent research findings regarding remote management?
Even though the theories regarding motivation, culture and remote management we have accounted for are valid, the most recent and innovative theory is created by Kevan Hall in his book *Speed Leading.* This theory aims at restructuring the traditional management methods, adjusting them to the modern complex companies with remote management. We have only had access to the introducing chapter of this book; however, we found it to be very thought-provocative and applicable.

How do similar organizations handle this kind of issues?
We have found, in the organizations we have investigated, the concept of remote management is fairly new. However, the ones who have worked with this for a several years have created synergies by harmonizing their processes and policies in order to reduce unwanted duplication of work. Moreover, we have found they have constructed guidelines for how to communicate, in order to secure the right information reaches the concerned people.

7.4 Recommendations to Global Manufacturing

As we have assembled the pieces of our puzzle the following proposals have emerged, showing how Global Manufacturing can improve their remote management. The proposals have been gathered throughout the making of the thesis. We have not ranged them in any specific order of importance.

Ø **Common processes and policies**
To avoid a duplication of the workload, as well as reducing frustration and jealousy, common process and routines need to be accomplished.

Ø **Communities of practise**
Create a formal supporting network for managers in the same level, where they can exchange experiences and learn from and support each other. In order to create synergies throughout the organization the network can advantageously be cross-functional.

Ø **Education in remote management**
Provide formal education in how to work in and with remote teams. Integrate the remote aspect in the excising leadership training programs. A deeper understanding of the remote organization will lead to acceptance of its possibilities and challenges. Managers need to be retrained to handle the new organization where they cannot practice the same type of leadership, as in a traditional organization.

∅ **Communication improvement**

In order to make sure the right information reaches the right people, and to make the communication effective, managers should create contracts of communication with their team. The contract states how and when to use which media, such as e-mail, phone, Skype and Messenger. It also provides guidelines on how and where to store information, making it accessible for the whole team. This will eliminate misunderstandings and reduce the risk of drowning in unnecessary information.

∅ **Enhancing the affiliation**

Explaining of the team agenda, either by the manager or the team, to the local site will increase their understanding and cooperation with the team. This is important especially in the beginning of creating a new team or project.

Further, an exchange of work force between the sites might increase the understanding between the sites within the team. A manager might invite another team member to join him on a visit to another site, in order to create relationships and affiliation and hence, synergies.

Finally, we want to emphasize the importance of creating an acceptance to the terms of the remote organization. The management need to provide incitements for the subordinates to make sense of the advantages and necessity of the new organization, in order to make them accept and fully adjust. The management also needs to understand that this type of organization does not fit everyone.

7.5 Our own learning

During the process we have found that, the research literature available do not yet discuss the implications of the globalization of organizations. Through the globalization the organizations has transformed into complex management systems providing incitements for synergies to be created. However, the synergies do not arise automatically as a by-product when global matrix teams are created. We have seen examples showing that the matrix organization just as well can create anergies when disharmonized processes cause a duplication of the workload.

When harmonizing the organization's processes, the employees can create a new sense of the new organization, which also leads to synergies being created. This occurs when the employees interact and learn from each other. By acknowledging the experience of the consolidated organizations and learning from them, a new best practice might evolve.

Finally, we have learned the importance of not being afraid of opening up to new management methods, replacing the traditional ways. When the organization evolves, the practice of management has to evolve as well.

8 References

When we have not accounted for any specific page numbers this means we have used the information of the whole book or paper, not singling out any specific sections or quotes. Neither have we in the above text used any quotations without referring to the used page.

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8.5 Interviews

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8.6 Further reading proposals

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> Ø This book provides methods on how to work and practice leadership in multi national matrix organizations with global teams. The first chapter is offered as a free download at the website: www.speedleading.com

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> Ø This thesis provides a description of the current theories regarding sensemaking needed when implementing change.

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