MAKING THE TEAM

A GUIDE FOR MANAGERS

FIFTH EDITION

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PART

I

The Basics of Teamwork

CHAPTER

1

Teams in Organizations

Facts and Myths

Late in the evening of May 1st, 2011, two MH-60 Black Hawk helicopters embarked from Jalalabad Air Field in Afghanistan on a covert mission into Pakistan to kill Osama bin Laden. Twenty-three Navy SEALs from Team 6, the Naval Special Warfare Development Group, were on board. The plan was for the SEALs to drop from the helicopters into the bin Laden compound, overpower the guards, and shoot to kill. During the 90-minute helicopter flight, the SEALs rehearsed the well-planned operation in their heads. The mission was a well-orchestrated plan complete with dress rehearsals, practice sites, and months of planning. A replica of the bin Laden compound had been built and the team spent 5 full days practicing maneuvers, followed by more weeks of rehearsals in a stretch of desert in Nevada with elevation equivalent to Abbottabad. The Osama mission was one of almost 2,000 missions conducted over the previous two years and was so well practiced that one SEAL likened the routine to "mowing the lawn." The SEALs created a checklist of code words that had a Native American theme, representing different stages of the mission, and "Geronimo" to signify that bin Laden had been found. From the time the team landed, it took 18 minutes to find and kill Osama and 20 minutes to complete the intelligence-gathering.[1]

[1]Schmidle, S. (2011, August 8). Getting Bin Laden: what happened that night in Abbottabad. *The New Yorker.* newyorker.com

The capture of bin Laden is an example of effective teamwork: careful selection and recruitment of team members, relentless planning, rehearsal, timelines, and deliverables. These elements—as well as a shared goal and an interdependent group of people—are the defining characteristics of teams. Whereas most businesspeople do not complete operations like that of the capture of bin Laden, they do engage in missions that involve significant economic and social stakes.

Virtually everyone who has worked in an organization has been a member of a team at one time or another. Good teams are not a matter of luck; they result from hard work, careful planning, and commitment from the sponsoring organization. Designing effective teams is a skill that requires a thorough understanding of teams to ensure that the team works as designed. Although there are no guarantees, understanding what makes teams work will naturally lead to better and more effective teams. This book introduces a systematic approach that allows leaders, managers, executives, trainers, and professionals to build and maintain excellent teams in their organizations.

Our systematic approach is based upon scientific principles of learning and change. Implementing change requires that managers audit their own behavior to see where mistakes are being made, consider and implement new techniques and practices, and then examine their effects. Unfortunately, accomplishing these tasks in a typical organization is not easy. This chapter sets the stage for effective learning by defining what a team is—it's not always clear! We distinguish four types of teams in organizations in terms of their authority. We expose the most common myths about teamwork and share some observations from team leaders. We provide the results of our assessment on how teams are used in organizations and the problems with which managers are most concerned. The problems cited by these managers cut across industries, from doughnut companies to high-tech firms.

WHAT IS A TEAM?

A **work team** is an interdependent collection of individuals who share responsibility for specific outcomes for their organizations. Not everyone who works together or is in proximity belongs to a team. A team is a group of people who are interdependent with respect to information, resources, and skills and who seek to combine their efforts to achieve a common goal. As is summarized in Exhibit 1-1, teams have five key defining characteristics. First, teams exist to achieve a **shared goal**. Simply put, teams have work to do. Teams produce outcomes for which members have collective responsibility and reap some form of collective reward. Second, team members are interdependent regarding a common goal. Interdependence is the hallmark of teamwork. **Interdependence** means that team members cannot achieve their goals single-handedly, but instead must rely on each other to meet shared objectives. There are several kinds of interdependencies, as team members must rely on others for information, expertise, resources, and support. Third, teams are bounded and remain relatively stable over time. **Boundedness** means the team has an identifiable membership; members, as well as nonmembers, know who is on the team. **Stability** refers to the tenure of membership. Most teams work together for a meaningful

- Teams exist to achieve a shared goal.
- Team members are interdependent regarding some common goal.
- Teams are bounded and stable over time.
- Team members have the authority to manage their own work and internal processes.
- Teams operate in a social system context.

EXHIBIT 1-1 Five Key Characteristics of Teams

Source: Alderfer, C. P. (1977). Group and intergroup relations. In J. R. Hackman & J. L. Suttle (Eds.), *Improving life at work* (pp. 227–296). Palisades, CA: Goodyear; Hackman, J. R. (1990). Introduction: Work teams in organizations: An oriented framework. In J. Hackman (Ed.), *Groups that work and those that don't.* San Francisco, CA: Jossey-Bass.

length of time—long enough to accomplish their goal. Fourth, team members have the **authority** to manage their own work and internal processes. We focus on teams in which individual members can, to some extent, determine how their work gets done. Thus, although a prison work crew may be a team in some sense, the prisoners have little authority in terms of managing their own work. Finally, teams operate in a larger **social system context.** Teams are not islands unto themselves. They do their work in a larger organization, often alongside other teams. Furthermore, teams often need to draw upon resources from outside the team and vice versa—something we discuss in Part III of this book.

A **working group,** by contrast, consists of people who learn from one another, share ideas but are not interdependent in an important fashion, and are not working toward a shared goal. Working groups share information, perspectives, and insights; make decisions; and help people do their jobs better, but the focus is on individual goals and accountability. For example, a group of researchers who meet each month to share their new ideas is a working group.

WHY SHOULD ORGANIZATIONS HAVE TEAMS?

Teams and teamwork are not novel concepts. In fact, teams and team thinking have been around for years at companies such as Procter & Gamble and Boeing. In the 1980s, the manufacturing and auto industries strongly embraced a team-oriented approach when U.S. companies retooled to compete with Japanese companies that were quickly gaining market share.[2] For example, during collaboration on the B-2 stealth bomber between the U.S. Air Force, Northrop, and 4,000 subcontractors and suppliers in the early 1980s, teams were employed to handle different parts of the project.[3]

[2]Nahavandi, A., & Aranda, E. (1994). Restructuring teams for the reengineered organization. *Academy of Management Review, 8*(4), 58–68.

[3]Kresa, K. (1991). Aerospace leadership in a vortex of change. *Financier, 15*(1), 25–28.

Managers discovered a large body of research indicating that teams can be more effective than the traditional corporate hierarchical structure for making decisions quickly and efficiently. Even simple changes such as encouraging input and feedback from workers on the line can make a dramatic improvement. For instance, quality control (QC) circles and employee involvement groups encourage employee participation.[4] It is a mark of these programs' success that this kind of thinking is considered conventional wisdom nowadays. Although these QC teams were worthy efforts at fostering the use of teams in organizations, the teams needed for the restructuring and reengineering processes of the future may be quite different. According to one study, team-based projects fail 50 to 70 percent of the time.[5]

At least four challenges suggest that building and maintaining effective teams is of paramount importance.

Information Technology

As recently as 10 years ago, virtual teams were rather novel; now they are standard fare. In the collaboration economy, employees are knowledge workers and teams are knowledge integrators. One of the challenges of the information era is in finding the information that is located within the company, or connecting and communicating with others who may be working half way across the globe. What do people look for in experts? They look for expertise, trustworthiness, communication skills, willingness to help, years of experience, and awareness of other resources. For example, at AT&T, internal activities and interactions happen on TSpace, which includes blogs, wikis, forums and SharePoint sites. Because many people are reluctant to learn new technologies, professional training on new media increases internal adoption.[6]

In the collaboration economy, the role of managers has shifted accordingly; they are no longer primarily responsible for gathering information from employees working below them in the organizational hierarchy and then making command decisions based on this information. Their new role is to identify the key resources that will best implement the team's objectives and then to facilitate the coordination of those resources for the company's purposes.

The jobs of the team members have also changed significantly. This can be viewed as a threat or a challenge. For example, in 2012, the U.S. Census Bureau estimated that 13.4 million people, or 9.5 percent of all workers, worked from home at least 1 day per week. That's up from 7 percent of the workforce in 1999.[7] Decisions may now be made far from their traditional location; indeed, sometimes they are even made by contractors, who are not employees of the company. This dramatic change in structure requires an equally dramatic reappraisal of how companies structure the work environment.

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[4]Cole, R. E. (1982). Diffusion of participating work structures in Japan, Sweden and the United States. In P. S. Goodman et al. (Eds.), *Change in organizations* (pp. 166–225). San Francisco, CA: Jossey-Bass.

[5]Greenberg, J., & Baron, R. A. (2008). *Behavior in organizations* (9th ed.). Upper Saddle River, NJ: Pearson Education.

[6]Miller, L. (2011, January 25). Getting past 'no' on your way to a social media 'yes'. *PR Daily Europe*. prdaily.com

[7]U.S. Census Bureau. (2012, October 4). *Census Bureau report shows steady increase in home-based workers since 1999*. census.gov.

Competition

Information technology has also allowed customers and clients to gain immediate access to knowledge and information about products and services. This knowledge creates greater competition among companies vying for customers and market share. At least 65 percent of a typical company's business comes from existing customers, and it costs five times as much to attract a new customer than to keep an existing customer satisfied.[8] With so much at stake, companies aggressively compete in a winner-take-all battle for market share. Thus, bringing out the best in teams within the company has become even more important. This means that people can be expected to specialize more, and these areas of expertise will get ever more narrow and interdependent. This is the core structure of a team-based approach to work. For example, the Apple iPhone holds 73 percent of cell phone profits worldwide.[9] The team that developed the iPhone included over 200 engineers and involved thousands of others. This coordinated task was difficult because the applications had to work together. Thus teamwork was critical to coordinate activities of the various groups. Engineers who developed the iPhone worked through the night on coding, hardly sleeping for days. Product managers worked hard to make deadlines, and the tension was high in the office as doors were slammed and arguments broke out in the hallways.[10]

Globalization and Culture

Another challenge is **globalization**. An increasingly global and fast-paced economy requires people with specialized expertise, yet the specialists within a company need to work together. As acquisitions, restructurings, outsourcing, and other structural changes take place, the need for coordination becomes all the more salient. Changes in corporate structure and increases in specialization imply that there will be new boundaries among the members of an organization. Boundaries both separate and link teams within an organization, although the boundaries are not always obvious.[11] These new relationships require team members to learn how to work with others to achieve their goals. Team members must integrate through coordination and synchronization with suppliers, managers, peers, and customers. Teams of people are required to work with one another and rarely (and, in some cases, never) interact in a face-to-face fashion. With the ability to communicate with others anywhere on the planet (and beyond!), people and resources that were once remote can now be reached quickly, easily, and inexpensively. This has facilitated the development of the virtual team—groups linked by technology so effectively it is as if they are in the same building. Furthermore, cultural differences, both profound and nuanced, can threaten the ability of teams to accomplish shared objectives.

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[8]U.S. Small Business Administration. (2012). *Keeping customers satisfied*. sba.gov.

[9]Elmer-DeWitt, P. (2012, May 3). With 8.8% market share, Apple has 73% of cell phone profits. *CNN Money*. cnnmoney.com

[10]Vogelstein, F. (2008, January 9). The untold story: How the iPhone blew up the wireless industry. *Wired*. wired.com

[11]Alderfer, C. P. (1977). Group and intergroup relations. In J. R. Hackman & J. L. Suttle (Eds.), *Improving life at work* (pp. 227–296). Palisades, CA: Goodyear; Friedlander, F. (1987). The design of work teams. In J. W. Lorsch (Ed.), *Handbook of organizational behavior*. Upper Saddle, NJ: Pearson Education.

Multigenerational Teams

Multigenerational teams refer to the fact that people of different generations work in fundamentally different ways and have dramatically different norms when it comes to collaborating and teaming. This is largely due to the shaping experiences some generations have had with technology at a young age that have affected how they think and work. For example, born in the mid-1980s and later, Generation Y professionals (also known as millennials) are the fastest-growing segment of the workforce.[12] Sometimes, communicating with someone from a different generation can be as challenging as communicating with someone from a different culture. Unless managers and companies take the time to understand the different work and value systems of the other generations, they are doomed to be disappointed and frustrated. Moreover, mixed generations in the office can often lead to awkward face-to-face interactions. For example, millennials have been referred to as the "new office moron" by *Businessweek* because they don't know how to dress, use a landline, or be professional in a meeting—using their cell phones to text or browse the Internet.[13] Values to consider in teams composed of different generations are as follows: the importance of family, achievement orientation, team versus individual orientation, and the need for feedback, attention, and coaching.

TYPES OF TEAMS IN ORGANIZATIONS

Organizations rely on team-based arrangements to improve quality, productivity, customer service, and the experience of work for their employees. However, teams differ greatly in their degree of autonomy and control vis-à-vis the organization. Specifically, how is authority distributed in the organization? Who has responsibility for the routine monitoring and management of group performance processes? Who has responsibility for creating and fine-tuning the design of the group?[14] Consider the four levels of control depicted in Exhibit 1-2.

Manager-Led Teams

The most traditional type of team is the **manager-led team.** In the manager-led team, the manager acts as the team leader and is responsible for defining the goals, methods, and functioning of the team. The team itself is responsible only for the actual execution of their assigned work. Management is responsible for monitoring and managing performance processes, overseeing design, selecting members, and interfacing with the organization. Examples of manager-led work teams include automobile assembly teams, surgery teams, sports teams, and military teams. A manager-led team typically has a dedicated, full-time, higher-ranking supervisor, as in a coal-mining crew.

Manager-led teams provide the greatest amount of control over team members and the work they perform; they allow the leader to have control over the process and products of the team. In addition, they can be efficient, in the sense that the manager

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[12]Kane, S. (2012). Generation Y. *about.com*

[13]Why etiquette schools are thriving. (2010, October 14). *Businessweek*. businessweek.com

[14]Hackman, J. R. (1987). The design of work teams. In J. W. Lorsch (Ed.), *Handbook of organizational behavior*. Upper Saddle River, NJ: Prentice Hall.

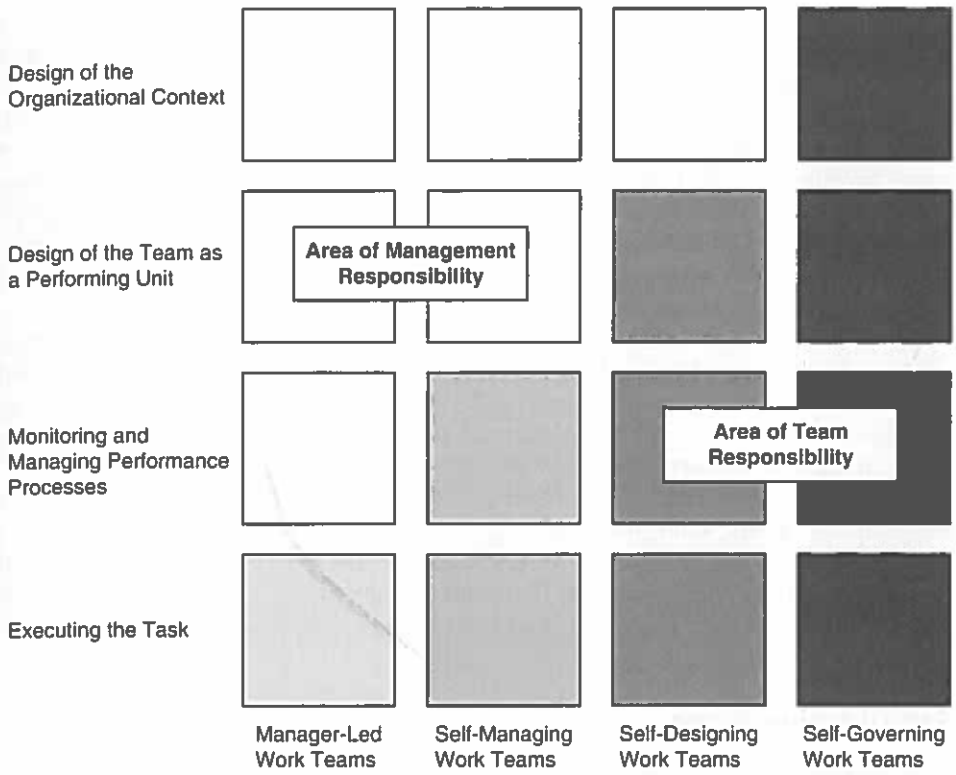

EXHIBIT 1-2 Authority of Four Illustrative Types of Work Teams

Source: Hackman, J. R. (1987). The design of work teams. In J. W. Lorsch (Ed.), *Handbook of organizational behavior*. Upper Saddle River, NJ: Prentice Hall.

does the work of setting the goals and outlining the work to be done. In manager-led teams, managers don't have to passively observe the team make the same mistakes they did. These teams also have relatively low start-up costs. However, there can be some key disadvantages, such as diffusion of responsibility and conformity to the leader. In short, members have less autonomy and empowerment. Manager-led teams may be ideally suited for simple tasks in which there is a clear goal, such as task forces or fact-finding teams. The capture of bin Laden, presented in the chapter-opening vignette, is an example of a manager-led team, with Vice-Admiral Bill McRaven, the SEAL in charge of the JSOC (Joint Special Operations Command). Other examples include surgical teams, flight crews, and stage crews.

Self-Managing Teams

In **self-managing** or **self-regulating teams,** a manager or leader determines the overall purpose or goal of the team, but the team is at liberty to manage the methods by which to achieve that goal. Self-managed teams are increasingly common in organizations. Examples include executive search committees and managerial task forces. Self-managing teams improve productivity, quality, savings, and employee morale, as well

as contribute to reductions in absenteeism and turnover.[15] These benefits have been observed in both manufacturing and service settings. For example, gaming development company Double Fine was headed for bankruptcy after their most popular game was cancelled. In an unprecedented self-managing move, the owner assigned people to several teams and gave each team 2 weeks in which they were free to develop new game prototypes. The process was called Amnesia Fortnight. Notably, team members were not locked into any one specific job; rather, programmers could become producers and artists could become designers. Staffers were able to explore their capabilities and discover hidden talents. After the 2 weeks ended, Double Fine developed four new games, which saved their company.[16]

Ruth Wageman formally studied 43 self-managing teams in the Xerox service organization.[17] According to Wageman, seven defining features emerged in the superbly performing teams but not in the ineffective teams, including the following: clear direction, a team task, rewards, material resources, authority to manage their work, goals, and strategic norms (see Exhibit 1-3).

A study of self-managing companies revealed that they performed much better than did others when the recession of 2008 hit, and they also created more jobs.[18] Self-managing teams build commitment, offer increased autonomy, and often enhance morale. The disadvantage is that the manager has much less control over the process and products, making it difficult to assess progress. Self-managing teams can also be more time consuming.

Self-Directing Teams

Self-directing or **self-designing teams** determine their own objectives and the methods by which to achieve them. Management has responsibility only for the team's organizational context. Self-directed teams offer the most potential for innovation, enhance goal commitment and motivation, and provide opportunity for organizational learning and change. However, self-directed or self-designing teams are extremely time consuming, have the greatest potential for conflict, and can be very costly to build. (For a step-by-step guide to setting up self-designing teams, see *The New Self-Directed Work Teams*.[19]) Furthermore, it can be extremely difficult to monitor their progress. Other disadvantages include marginalization of the team and lack of team legitimacy. However, self-directed teams are often capable of great accomplishments.

Self-designing teams may be ideally suited for complex, ill-defined, or ambiguous problems and next-generation planning. Some companies have "free time" policies that

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[15]Stewart, G. L., & Manz, C. C. (1995). Leadership and self-managing work teams: A typology and integrative model. *Human Relations, 48*(7), 747–770.

[16]Makuch, E. (2012, March 8). How amnesia fortnight saved Double Fine. *gamespot*. gamespot.com

[17]Wageman, R. (1997b, Summer). Critical success factors for creating superb self-managing teams. *Organizational Dynamics, 26*(1), 49–61.

[18]Groom, B. (2012, July 2). Expansion: Chief executives express caution about pace of growth in the sector. *Financial Times*. ft.com

[19]Orsburn, J. D., Moran, L., Musselwhite, E., & Zenger, J. H. (2000). *The new self-directed work teams*. New York: McGraw-Hill.

1. **Clear direction**
   - Can team members articulate a clear direction, shared by all members, of the basic purpose that the team exists to achieve?
2. **A real team task**
   - Is the team assigned collective responsibility for all the team's customers and major outputs?
   - Is the team required to make collective decisions about work strategies (rather than leaving it to individuals)?
   - Are members cross-trained, able to help each other?
   - Does the team get team-level data and feedback about its performance?
   - Is the team required to meet frequently, and does it do so?
3. **Team rewards**
   - Counting all reward dollars available, are more than 80 percent available to teams only and not to individuals?
4. **Basic material resources**
   - Does the team have its own meeting space?
   - Can the team easily get basic materials needed for work?
5. **Authority to manage the work**
   - Does the team have the authority to decide the following (without first receiving special authority):
     - How to meet client demands
     - Which actions to take and when
     - Whether to change their work strategies when they deem necessary
6. **Team goals**
   - Can the team articulate specific goals?
   - Do these goals stretch their performance?
   - Have they specified a time by which they intend to accomplish these goals?
7. **Strategy norms**
   - Do team members encourage each other to detect problems without the leader's intervention?
   - Do members openly discuss differences in what members have to contribute to the team?
   - Do members encourage experimentation with new ways of operating?
   - Does the team actively seek to learn from other teams?

EXHIBIT 1-3 Critical Success Factors for Self-Managing Teams

Source: Wageman, R. (1997b, Summer). Critical success factors for creating superb self-managing teams. *Organizational Dynamics, 26*(1), 49–61.

allow employees to pursue novel projects they feel passionate about. According to Google, by allowing employees to have "20 percent time" for their projects, several successful launches including Gmail electronic mail service, the Google News service, Google Maps, and social networking site Orkut were possible. Similarly, at Southwest Airlines, self-directing teams are a core value. The company limits the emphasis on formal organizational structure and instead trusts decision making to the individual worker or management committee. When a well-known author forgot his identification card needed to board the plane, the empowered team member was able to assure his identity from the back cover of one of his books, and permitted the author to board the plane, preventing a dreaded flight delay. In a traditional top–down structure, the team member would have to call her manager, who then may have to call another manager, but the power of the self-directing team circumvented the bureaucratic

hassle.[20] By reducing bureaucracy, self-directed teams help the bottom line. At W.L. Gore company, 9,500 employees across 50 locations work without formal hierarchies, no bosses, and minimal job titles. Associates choose their work and negotiate roles with team members. Manufacturing facilities are capped around 200 workers to keep the focus on "we decided" instead of "they decided." The company scores high in annual lists of best places to work and innovation leaders.[21]

Self-Governing Teams

Self-governing teams and boards of directors are usually responsible for executing a task, managing their own performance processes, designing the group, and designing the organizational context. They have wide latitude of authority and responsibility. In many companies, the president or chief operating officer has been replaced with an executive, self-governing team.[22] For example, LPN Founder Dov Seidman stood in front of his executive team and tore up the traditional organizational chart and announced that all members would now "report" to the company mission. The company is managed through elected employee councils and is responsible for recruiting, performance and resource management, and conflict resolution.[23]

Yet, there are trade-offs involved with each of these four types of teams. Self-governing and self-directed teams provide the greatest potential in terms of commitment and participation, but they are also at the greatest risk of misdirection. When decisions are pushed down in organizations, team goals and interests may be at odds with organizational interests. Unless everyone in the organization is aware of the company's interests and goals, poor decisions (often with the best of intentions) may be made. An organization that chooses a manager-led group is betting that a manager can run things more effectively than a team can. If it is believed that the team can do the job better, a self-governing or self-designing team may be appropriate. One implication of this is that the manager's traditional role as a collector of information is less and less important. However, it is important to think about the direction of movement. One investigation tested predictions from Structural Adaptation Theory on the longitudinal effects of centralizing versus decentralizing decision-making structures in teams.[24] Results from 93 4-person teams documented that it was more difficult for teams to adapt to a centralized decision-making structure after formally working within a decentralized structure than it was to adapt in the opposite direction.

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[20]Nayab, N. (2011, August 24). How employee empowerment has pushed companies ahead. *Bright Hub.* brighthub.com

[21]LaBarre, P. (2012, March 5). When nobody (and everybody) is the boss. *CNNMoney.* management.fortune.cnn.com.

[22]Ancona, D. G., & Nadler, D. A. (1989). Top hats and executive tales: Designing the senior team. *Senior Management Review, 31*(1), 19–28.

[23]Seidman, D. (2012, June 26). Work in progress: Working in a self-governing office. *Financial Times.* financialtimes.com

[24]Hollenbeck, J. R., Aleksander, P. J., Ellis, S. E., Humphrey, A. S, Garza, & Ilgen, D. R. (2011). Asymmetry in structural adaptation: The differential impact of centralizing versus decentralizing team decision-making structures, *Organizational Behavior and Human Decision Processes, 114*(1), 64–74.

SOME OBSERVATIONS ABOUT TEAMS AND TEAMWORK

There is a lot of folklore and unfounded intuition when it comes to teams and teamwork. We want to set the record straight by exposing some of the observations that managers find most useful. This is not an exhaustive list, obviously, but we believe the factors on this list have the most value for leaders when it comes to understanding how teams perform, change, and grow.

Teams Are Not Always the Answer

When companies are in trouble, they often restructure into teams. However, organizing people into teams does not solve problems; if not done thoughtfully, this may even cause more problems. Perhaps it is for this reason that 37 Signals, a Web application company, instilled a "month off" policy under which employees take a month off from coming into the office and instead work on mock-ups or prototypes of new products. They are free to work wherever they want. By having a full month to dedicate to innovation without the hassle and interruptions of team meetings and administration, individuals can innovate.[25]

Teams can outperform the best member of the group, but there are no guarantees. Admitting the inefficiency of teams is hard, especially when most of us would like to believe the Gestalt principle that the whole is greater than the sum of its parts! Teams are not a panacea for organizations; they often fail and are frequently overused or poorly designed. In the best circumstances, teams provide insight, creativity, and cross-fertilization of knowledge in a way that a person working independently cannot. In the wrong circumstances, teamwork can lead to confusion, delay, and poor decision making.

Managers Fault the Wrong Causes for Team Failure

Imagine yourself in the following situation: The wonderful team that you put together last year has collapsed into lethargy. The new product line is not forthcoming, conflict has erupted, and there is high turnover. What has gone wrong? If you are like most managers, you place the blame on one of two things: (1) external, uncontrollable forces (e.g., a bad economy), or (2) the people on the team (e.g., difficult personalities). Conveniently for the manager, both of these problems do not directly implicate poor leadership. However, according to most research investigations, neither of these causes is the actual culprit. Most team problems are not explained by external problems or personality problems. Faulty team design is a key causal factor in underperforming teams.

The **misattribution error** is the tendency for managers to attribute the causes of team failure to forces beyond their personal control. Leaders may blame individual team members, the lack of resources, or a competitive environment. When the leader points to a problem team member the team's problems can be neatly and clearly understood as emanating from one source. This protects the leader's ego (and, in some cases, the manager's job), but it stifles learning and destroys morale. It is more likely that the team's poor performance is due to a structural, rather than personal, cause. Furthermore, it is likely that several things, not just one, are at work.

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[25]Fried, J. (2012, May 31). Workplace experiments: a month to yourself. *37Signals*. 37signals.com

Managers Fail to Recognize Their Team-Building Responsibilities

Many new managers conceive of their role as building the most effective relationships they can with each individual subordinate; they erroneously equate managing their team with managing the individual people on the team.[26] These managers rarely rely on group-based forums for problem solving and diagnosis. Instead, they spend their time in one-on-one meetings. Teamwork is expected to be a natural consequence. As a result, many decisions are based upon limited information, and decision outcomes can backfire in unexpected and negative ways. Leaders need to help managers learn about teamwork.

Experimenting with Failures Leads to Better Teams

It may seem ironic, but one of the most effective ways to learn is to experience failure. For example, Twitter was born out of a failed project called Odeo. Twitter founder Evan Williams and his team were struggling to get excited about a podcasting service that didn't offer everything that iTunes—a major competitor—did. Sure enough, soon after it was introduced, Odeo failed. So, Williams and his team took the experience from Odeo and developed a completely new social media that allowed people to send simple updates via text.[27] A failed team effort should be viewed as a critical source of information from which to learn. However, when you are the one failing, failure is hard to embrace. The true mark of a valued team member is a willingness to learn from mistakes.

Surprises and ambiguity are often a cause of failure, so it is important to examine how teams can best deal with surprise and the unexpected. One investigation examined how SWAT teams and film production crews deal with surprises and upsets by engaging in organizational bricolage—in which they restructure their activities by role shifting, reorganizing routines, and reassembling their work.[28]

Conflict Among Team Members Is Not Always a Bad Thing

Many leaders naively boast that their teams are successful because they never have conflict. However, it is a fallacy to believe that conflict is detrimental to effective teamwork. In fact, conflict may be necessary for effective decision making in teams as it can foment accuracy, insight, understanding, trust, and innovation.

Strong Leadership Is Not Always Necessary for Strong Teams

A common myth about leadership is that to function effectively, teams need a strong, powerful, and charismatic leader. In general, leaders who control all the details, manage all the key relationships in the team, have all the good ideas, and use the team to execute their "vision" are usually overworked and underproductive. Teams with strong leaders sometimes succumb to flawed and disastrous decision making.

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[26]Hill, M. (1982). Group versus individual performance: Are N + 1 heads better than one? *Psychological Bulletin, 91*, 517–539.

[27]Miller, C. (2012, October 30). Why Twitter's C.E.O. demoted himself. *New York Times* nytimes.com

[28]Bechky, B. A., & Okhuysen, G. A. (2011). Expecting the unexpected? How SWAT officers and film crews handle surprises. *Academy of Management Journal, 54*(2), 239–261.

As we discuss in Chapter 11, a leader has two main functions: a design function, meaning that the leader structures the team environment (working conditions, access to information, incentives, training, and education), and a coaching function, meaning that the leader has direct interaction with the team.[29]

Good Teams Can Still Fail Under the Wrong Circumstances

Teams are often depicted as mavericks: bucking authority, striking out on their own, and asking for permission only after the fact. Such cases do occur, but they are rare and tend to be one-shot successes. Most managers want consistently successful teams.

To be successful in the long run, teams need ongoing resources and support. By resources, we mean more than just money. Teams need information and education. In too many cases, teams tackle a problem that has already been solved by someone else in the company, but a lack of communication prevents this critical knowledge from reaching the current task force.

To lay the best groundwork for teams, it is important to consider the goals and resources of the team: Are the team's goals well defined? Does everyone know them? Are the goals consistent with the objectives of other members of the organization? If not, how will the inevitable conflict be managed? Does everyone on the team have access to the resources necessary to successfully achieve the goal? Is the organizational hierarchy designed to give team members access to these resources efficiently? If not, it might be necessary to reconsider the governance structure within which the team must operate. What are the rights of the team members in pursuing their duties, who can they contact, and what information can they command? It is also important to assess the incentive structure existing for team members and for those outside the team with whom team members must interact. Are the team members' incentives aligned? Are team members' incentives aligned with those of the group and the organization, for instance, to cooperate with one another and to fully share information and resources? There is no cookie-cutter solution to team structure. For instance, it may be appropriate for team members to compete with one another (in which case, cooperation may not be an achievable feature of the group dynamic). Choosing the structure of the group and the incentives that motivate the individuals inside it are essential factors contributing to the success of any team.

Retreats Will Not Fix All the Conflicts Between Team Members

Teams often get into trouble. Members may fight, slack off, or simply be unable to keep up with their responsibilities, potentially resulting in angry or dissatisfied customers. When conflict arises, people search for a solution to the team problem. A common strategy is to have a "team-building retreat," "corporate love-in," or "ropes and boulders course" where team members try to address underlying concerns and build trust by engaging in activities—like rock climbing—that are not part of what they ordinarily do as a team. A team retreat is a popular way for team members to build mutual trust and commitment. A retreat may involve team members spending a weekend camping and engaging in cooperative, shared, structured activities. However, unless retreats address the structural and design problems that plague the team day to day in the work environment, they may fail.

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[29]Hackman, J. R. (2002). *Leading teams: Setting the stage for great performances*. Boston, MA: Harvard Business School Press.

For example, one company facing leadership issues decided to have a consultant run a team-building retreat. The employees played games that put them into different roles so they could understand each other more and the issues they were facing day to day. However, the retreat did not accomplish the company goal because the employees did not discuss the games process. One employee commented that it was too bad the leadership was not stronger at the company because on paper it was the perfect job, but after experiencing yet another bad team-building experience, she decided to leave the company. Another example of a nonproductive work retreat came when a large nonprofit company had a lot of discord between employees. To help resolve this, the executive director asked the staff to participate in a retreat by going into the woods, standing in a circle, and holding a stone to express their negative feelings. Needless to say, the discord continued.[30]

Design problems are best addressed by examining the team in its own environment while team members are engaged in actual work. For this reason, it is important to take a more comprehensive approach to analyzing team problems. Retreats are often insufficient because they encourage managers to attribute team failures to interpersonal dynamics, rather than examining and changing deeper, more systemic issues.

WHAT LEADERS TELL US ABOUT THEIR TEAMS

To gain a more accurate picture of the challenges leaders face in their organizations when designing, leading, and motivating teams, we conducted an assessment, spanning 15 years, of over 1,300 executives and managers from a variety of industries.[31] Here are some highlights of what they told us.

Most Common Type of Team

The most common type is the middle management team, followed by cross-functional, operations, and service teams. Cross-functional teams epitomize the challenges outlined earlier in this chapter. They represent the greatest potential, in terms of integrating talent, skills, and ideas, but because of their diversity of training and responsibility, they provide fertile ground for conflict.

Team Size

Team size varies dramatically, from 3 to 100 members, with an average of 11.92. However, the modal team size is 8. These numbers can be compared with the optimum team size. As we discuss later in the book, teams should generally have fewer than 10 members—more like 5 or 6.

Team Autonomy Versus Manager Control

Most of the managers in our assessment were in self-managing teams (52 percent), followed by manager-led teams (42 percent), with self-directing teams (6 percent) distinctly less common (see Exhibit 1-4). There is an inevitable tension between the degree of

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[30]Balderrama, A. (2012, June 18). The worst team-building experience you've ever had. *CareerBuilder*. careerbuilder.com

[31]Thompson, L. (2013). *Leading high impact teams*. Team leadership survey from the Kellogg School of Management Executive Program. Northwestern University, Evanston, IL.

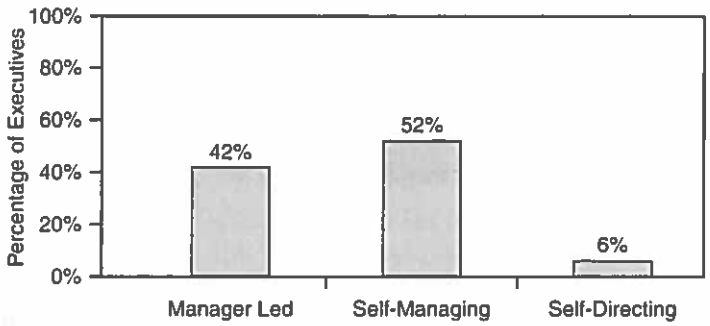


EXHIBIT 1-4 Team Autonomy Versus Manager Control

Source: Thompson, L. (2013). *Leading high impact teams.* Team leadership survey from the Kellogg School of Management Executive Program. Northwestern University, Evanston, IL.

manager control in a team and the ability of team members to guide and manage their own actions. Manager-led teams provide more control, but less innovation than what stems from autonomy. We do not suggest that all teams should be self-directing. Rather, it is important to understand the trade-offs and what is required for each type of team to function effectively.

Team Longevity

Teams vary a great deal in terms of how long they have been in existence. On average, teams are in existence for 1 to 2 years (see Exhibit 1-5).

The Most Frustrating Aspect of Teamwork

Managers considered several possible sources of frustration in managing teams. The most frequently cited cause of frustration and challenge in teams is developing and sustaining high motivation, followed by minimizing confusion and coordination problems

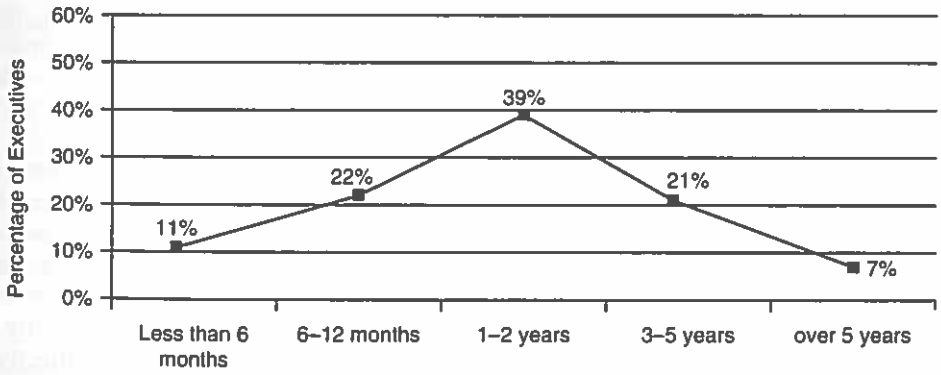


EXHIBIT 1-5 Team Longevity

Source: Thompson, L. (2013). *Leading high impact teams.* Team leadership survey from the Kellogg School of Management Executive Program. Northwestern University, Evanston, IL.

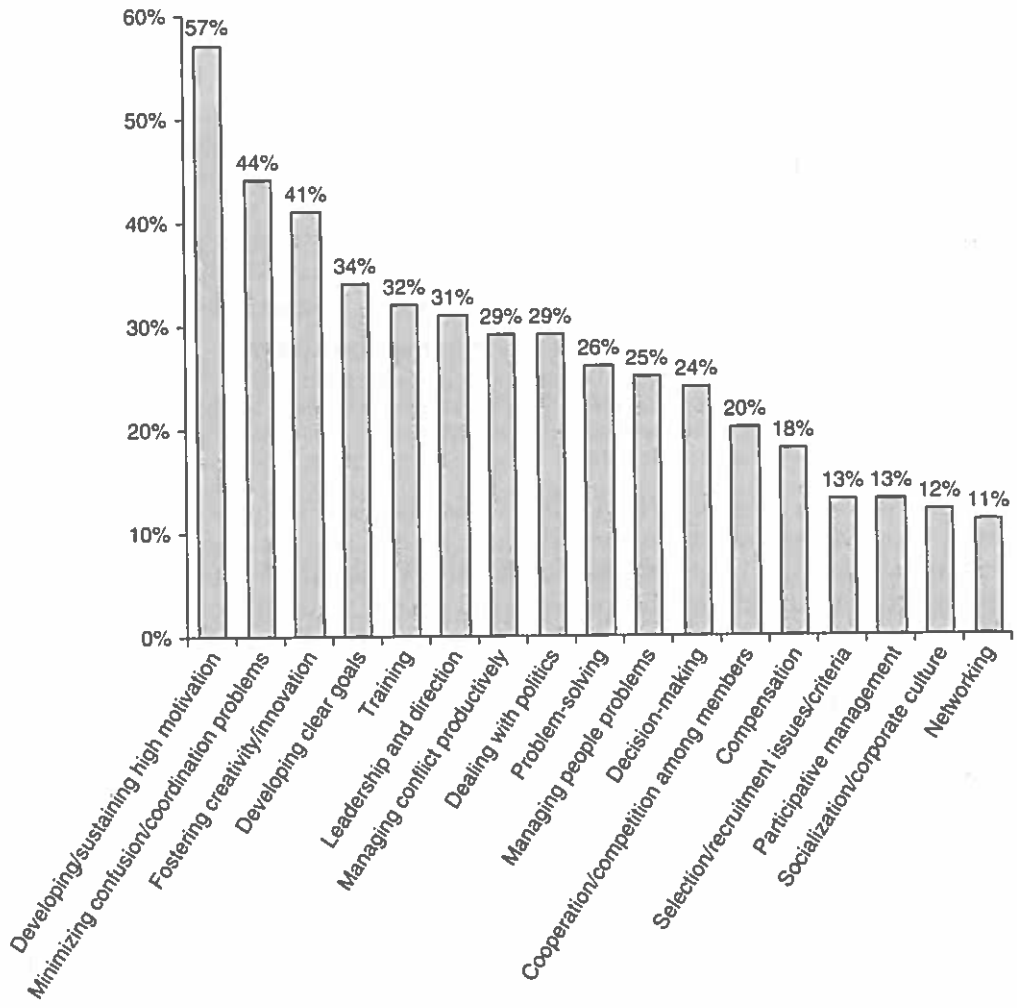


EXHIBIT 1-6 The Most Frustrating Aspects of Teamwork

Source: Thompson, L. (2013). *Leading high impact teams.* Team leadership survey from the Kellogg School of Management Executive Program. Northwestern University, Evanston, IL.

(see Exhibit 1-6). We discuss issues of motivation in Chapter 2; also, we focus on team compensation and incentives in Chapter 3. We analyze conflict (and ways to effectively manage it within a team) in Chapter 8 and address creativity in Chapter 9. Not surprisingly, among the skills on the most-wanted list for managerial education are developing and sustaining high motivation, developing clear goals, fostering creativity and innovation, training, and minimizing confusion and coordination problems. Consequently, we designed this book to prepare managers and reeducate executives in how to effectively deal with each of these concerns.

DEVELOPING YOUR TEAM-BUILDING SKILLS

This book focuses on three skills: accurate diagnosis of team problems, research-based intervention, and expert learning.

Skill 1: Accurate Diagnosis of Team Problems

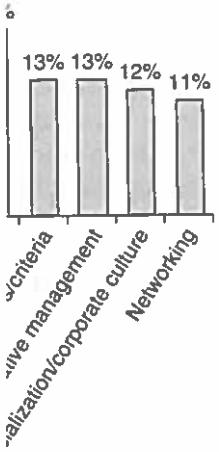
It is difficult to identify a single measure of team functioning because team effectiveness is hard to define. For example, perhaps your organization beat the competition in winning a large contract, but the contract was ultimately not very profitable. Was this a victory or a failure? What will be the implications for future competition?

Many people make the mistake of looking for causes *after* they find effects. In the scientific literature, this is known as **sampling on the dependent variable.** For example, if your goal is to identify the determinants of a successful team, it may appear useful to look for effective teams in your organization and then try to determine what is common among them. This sounds logical, until you realize that there may be many common factors that have nothing to do with making a team successful. Or there may be common features that interfere with good teamwork but are nonetheless difficult to detect—perhaps precisely because they are common to all the teams, successful or not. One important example of this is the institutional background of the company, for example, taking certain established practices for granted, such as operating procedures, information sources, and even contractual relationships. In this case, the team may be effective, but not as effective as it might otherwise be. A manager who is also entrenched in the institutional framework of the company may perceive a team as effective, while overlooking its shortcomings. Thus, it is essential to be as independent and critical as possible when analyzing team effectiveness.

How do you avoid the trap of sampling on the dependent variable? From a methodological point of view, you can do one of two things: (1) identify a preexisting baseline or control group—that is, a comparison group (in this case, unsuccessful teams)—and look for differences between the two; or (2) do an experiment in which you provide different information, education, communication, and so on to one group (randomly assigned) but not the other. Then look for differences. Unfortunately, most executives do not have the time or resources to do either of these things. This book provides insights based upon research that has done these things before a drawing of conclusions. However, nothing can substitute for a thoughtful understanding of the environment in which the team operates, the incentives facing team members, and so on. We discuss these factors throughout this book.

Another problem is called **hindsight bias,** or the "I knew it all along" fallacy.[32] This is the tendency to believe that something seems obvious, even inevitable, after you learn about it when you have not predicted (or cannot predict) what will happen. This can result in an unfortunate form of overconfidence: Managers think they know everything, when in fact they don't. We often see managers engage in post hoc justification

[32]Fischhoff, B. (1975). Hindsight does not equal foresight: The effect of outcome knowledge on judgment under uncertainty. *Journal of Experimental Psychology: Human Perception and Performance, 1,* 288–299.



from the Kellogg

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rather than careful reasoning. The best way to avoid this trap is to read actively to learn about other possibilities, critically examine your assumptions, and be open to a change of mind once you have the facts. As you read this book, some things will surprise you, but much will seem obvious. As a general principle, do not rely on your intuition; rather, test your assumptions.

Skill 2: Research-Based Intervention

For every managerial problem, there are a dozen purported solutions and quick fixes. How can a manager knowledgeably choose among them? The answer, we think, is the science of teamwork.

Team and group-related research is based on scientific theory. Group-related research accounts for over one-sixth of all the research in social psychology and one-third of the most cited papers in social psychology journals focus on groups and teams.[33] The interventions presented in this book have a key quality going for them: They are all theory based and empirically sound. This means that they are not based on naive, intuitive perceptions; rather, they have been scientifically examined. This is known as **evidence-based management.**[34] This book was written to provide managers with up-to-date, scientifically based information about how best to manage their teams.

Skill 3: Expert Learning

Effective managers make mistakes, but they don't make the same mistakes twice. Expert learning involves the ability to continually learn from experience. One of the great fallacies about learning is that people reach a point where they have acquired all the knowledge they need; in contrast, great leaders are always learning. In this book, we use a model that we call **expert learning** to refer to how managers can continually benefit, even from the most mundane experiences. Consider Chris Argyris's distinction between single-loop versus double-loop learning.[35] According to Argyris, **single-loop learning** is learning that is primarily one-dimensional. For example, a leader may believe that she has nothing to learn from a subordinate but that the subordinate can learn from her. Therefore, the interactions between the leader and the subordinate will be primarily one-directional, or single loop. In contrast, Argyris argues that effective leaders engage in **double-loop learning** processes, which involve a reciprocal interchange between leaders and teams. This means, of course, that not only do leaders coach, direct, and instruct their teams but also that teams help their leaders learn.

Another important aspect of learning is the use of examples to illustrate and convey concepts. Experiential and example-based learning is more effective than didactic (lecture-based) learning.[36] An important key to whether knowledge is actually used or remains inert is what Whitehead, over 80 years ago, called the **inert knowledge**

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[33]Abrams, D. A., De Moura, G. R., Marques, J. M., & Hutchison, P. (2008). Innovation credit: When can leaders oppose their group's norms? *Journal of Personality and Social Psychology, 95*(3), 662–678.

[34]Pfeffer, J., & Sutton, R. (2006). Evidence-based management. *Harvard Business Review, 84*(1), 62–74.

[35]Argyris, C. (1977a). Double loop learning. *Harvard Business Review, 55*(5), 115–125.

[36]Nadler, J., Thompson, L., & Van Boven, L. (2003). Learning negotiation skills: Four models of knowledge creation and transfer. *Management Science, 49*(4), 529–540; Gentner, D., Loewenstein, J., & Thompson, L. (2003). Learning and transfer: A general role for analogical encoding. *Journal of Educational Psychology, 95*, 393–408.

problem.[37] The key to unlocking the pervasive inert knowledge problem lies in how the manager processes the information, and when managers link examples to concepts, they learn better.[38] Thus, in this book, we attempt to provide several ways of looking at the same problem via a combination of theory, research, and real business practices.

A WARNING

We believe that teamwork, like other interdependent social behaviors, is best perfected in an active, experimental, and dynamic environment. Thus, to fully benefit from this book, it is necessary for you to actively engage in teamwork and examine your own behavior. It may seem somewhat heretical to make the point in a textbook that team-building skills cannot be learned exclusively from a textbook, but we do so anyway.

We strongly urge you to work through the models and ideas presented here in the context of your own experience. We can think of no better way to do this than in a classroom setting that offers the opportunity for online, applied, experiential learning. It is easy to watch, analyze, and critique other teams, but much more challenging to engage in effective team behavior yourself. We hope that what you gain from this book, and the work you do on your own through team-building exercises, is the knowledge of how to be an effective team member, team leader, and team designer. In the long run, we hope this book will help you in developing your own experience, expertise, and models of how you can best function with teams.

Chapter Capstone

There is no foolproof scientific formula for designing and maintaining an effective team. If there were, it would have been discovered by now. In some ways, a team is like the human body: No one knows the exact regimen for staying healthy over time. However, we have some very good information about the benefits of a lean diet, exercise, stress reduction, wellness maintenance, and early detection of disease. The same goes for teamwork. Just as we rely on science to cure disease and to advance health, this book takes an unabashedly scientific approach to the study and improvement of teamwork in organizations. There is a lot of misperception about teams and teamwork. Intuition and luck can only take us so far; in fact, if misapplied, they may get us into trouble. In the next chapter, we undertake a performance analysis of teamwork, asking these questions: How do we know a healthy and productive team when we see it? What are the biggest "killers" and "diseases" of teams? And, more important, what do we need to do to keep a team functioning effectively over time? In Chapter 3, we deal with the question of incentives and rewards for good teamwork. Part II focuses on internal team dynamics, and Part III focuses on the bigger picture—the team in the organization.

[37] Whitehead, A. N. (1929). *The aims of education*. New York: Macmillan.

[38] Thompson, L., Loewenstein, J., & Gentner, D. (2000). Avoiding missed opportunities in managerial life: Analogical training more powerful than individual case training. *Organizational Behavior and Human Decision Processes, 82*(1), 60–75.