

CHAPTER

1

Types of Teams

The ad was posted to Facebook: Diggers needed for an exotic expedition. Experience needed in paleontology or anthropology. Willing to fly to South Africa within the month. And "the person must be skinny and preferably small, they must not be claustrophobic, they must be fit, they should have some caving experience. Climbing experience would be a bonus." Dr. Lee Berger, a university paleoanthropologist, selected six slender women from 57 applicants for a major excavation. The team squeezed themselves through a long vertical chute which narrowed to a gap just 18 inches wide and inched their way to a landing zone at the bottom of the cave. The team of women crouched in the fossil chamber plotting, digging, and bagging densely packed bones in 6-hour shifts in near total darkness, connected to the surface by the nearly two miles of power cables that local climbers had threaded from the surface to the fossil chamber. Dozens of scientists watched excitedly on video from a tent outside the cave and waited to catalog samples. Dr. Berger invited 30 scientists from 15 countries to Johannesburg for a 6-week frenzy of fossil research and the putting together of skeletons from the assembled parts. Teams were divided by specific body part—one group for feet, one for legs, one for skulls, and so forth, while Berger and his advisers rushed between groups. The discovery of 1,550 fossil fragments was ultimately regarded as a breakthrough discovery in the field.



¹Smith, D. (2015, September 10). Small spelunkers required: The ad that led to the discovery of Homo naledi. *The Guardian*. guardian.com; Yong, E. (2015, September 10). 6 tiny cavers, 15 odd skeletons, and 1 amazing new species of ancient human. *The Atlantic*. theatlantic.com; Schreeve, J. (2015, September 10). This face changes the human story. But how? *National Geographic*. nationalgeographic.com



A shared goal and an interdependent group of people are the defining characteristics of teams. Whereas most businesspeople are not digging up fossils in caves, 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 groups 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 on 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 three types of teams in organizations based on their task focus. We also distinguish four types of teams 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 survey assessment on how teams are used in organizations and the problems with which managers are most concerned.

TEAMS VS. GROUPS

A group is a collection of people. A **team** is an interdependent group of people working for a shared goal. A work team is a 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. Teams have five key defining characteristics.²

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 length of time—long enough to accomplish their goal. Fourth, team members have the **authority** to manage their own work and internal processes.





 $^{^2}$ 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.



We focus on teams in which individual members can, to some extent, determine how their work gets done. 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. For example, during collaboration on the B-2 stealth bomber between the U.S. Air Force, Northrop Grumman, and 4,000 subcontractors and suppliers in the early 1980s, teams were employed to handle different parts of the project.³

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 assembly lines 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. For example, Zappos.com uses holacracies, which are radical self-management systems in which managers no longer exist and the traditional corporate hierarchy is gone. Concentric circles of responsibility replace organizational charts, and employees choose which circles they belong to and what projects they work on. People don't have one job; they have multiple "roles" and "lead links" are designated to communicate between circles. The company's 1,500 employees define their own jobs and anyone can set the agenda for a meeting but to prevent anarchy, processes are strictly enforced.⁵ At least four challenges suggest that building and maintaining effective teams is of paramount importance.

INFORMATION TECHNOLOGY

In our research, 72% of managers and leaders report that they work in hybrid teams in which they are not physically co-located. In the collaboration economy, employees are







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

⁴Cole, 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.

 $^{^5}$ Gelles, D. (2015, July 17). At Zappos, pushing shoes and a vision. *The New York Times*. nytimes.com

⁶Thompson, L. (2016). Constructive Collaboration Executive program survey, Kellogg School of Management.

knowledge workers and teams are knowledge integrators. One of the challenges of the information era is in finding where the information is located within the company, or connecting and communicating with others who may be working halfway around the globe. What do people look for in experts? They look for expertise, trustworthiness, communication skills, a willingness to help, years of experience, and an awareness of other resources. LinkedIn launched *Lookup*, an app that lets employees find, learn about, and contact coworkers through in-app messaging or by email. Senior product managers at LinkedIn realized that as the company grows and new people join the team, it is vital to know where the information is.⁷

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. In 2015, the U.S. Census Bureau estimated that approximately 15.8 million people, or 10 percent of the workforce, worked from home at least 1 day per week. That's an increase of 18 percent from only 3 years earlier. 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.

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. The average business loses 50 percent of its customers every 5 years. Just a 2 percent increase in customer retention has the same effect as decreasing costs by 10 percent. And, acquiring new customers can cost as much as five times more than retaining current customers. 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, when Apple began developing its own brand of electric cars from the ground up, project leaders were given permission to create a 1,000-person team and recruit employees from anywhere in the company, including engineers who created the iPhone and iPod. The industrial design team was staffed with designers who had experience working for European and American auto makers. Dozens





⁷Chaykowski, K. (2015, August 19). LinkedIn's new employee directory app 'Lookup' could boost daily activity on its network. *Forbes.* forbes.com

⁸U.S. Census Bureau daily feature for October 8: Work From Home Week. (2015, October 8). United States Census Bureau. census.gov

⁹(2015, July 20). How to build customer loyalty. Forbes. forbes.com



of other employee teams were tasked with researching robotics, metals, materials, or fiscally efficient automobile production methods and supply chains. 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. However, cultural differences, both profound and nuanced, can threaten the ability of teams to accomplish shared objectives.

MULTIGENERATIONAL **T**EAMS

Multigenerational teams are composed of people of different generations who work in different ways and follow 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, in 2015, more than one-in-three American workers—54 million in all—were millennials (persons born between 1981 and 1997), surpassing Generation X to become the largest segment of the United States workforce. 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. Values to consider in teams composed of different generations include: the importance of family; achievement orientation; team versus individual orientation; and the need for feedback, attention, and coaching. 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





¹⁰Wakabayashi, D., & Ramsey, M. (2015, February 15). Apple gears up to challenge Tesla in electric cars. *The Wall Street Journal*. wsj.com

¹¹Alderfer, 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 River, NJ: Pearson Education.

¹²Fry, R. (2015, May 11). Millennials surpass Gen Xers as the largest generation in the U.S. labor force. *Pew Research Center*. pewresearch.org

Key Objective	Process Focus	Threats
Tactical	Directive, highly-focused tasksRole clarityWell-defined operationAccuracy	Role ambiguityLack of training standardsCommunication barriers
Problem-solving	 Focus on issues Separate people from problem Consider facts, not opinions Conduct thorough investigation Suspend judgment 	 Failure to stick to facts Fixate on solutions Succumb to political pressures Confirmatory information search
Creative	 Explore possibilities and alternatives 	Production blockingUneven participation

Exhibit 1-1 Types of Work That Teams Do

Based on Larson, C. E., & LaFasto, F. M. (1989). *Teamwork: What must go right/what can go wrong.* Newbury Park, CA: Sage, Publications, Inc.

landline, or be professional in a meeting—using their cell phones to text or browse the Internet. ¹³ Millennials view traditional employment with skepticism. ¹⁴ For these reasons, Acuity insurance instituted gaming clubs for its young workforce. And Workday, a cloud computing provider, invites junior staffers to lead meetings, offers mentoring programs, and rotates employees through different divisions throughout the company to keep them engaged and build their skills and experiences. ¹⁵

TASK FOCUS

Teams do one of three types of tasks: tactical, problem solving, and creative. Exhibit 1-1 describes the disadvantages and advantages of tactical, problem-solving, and creative teams.

TACTICAL TEAMS

Tactical teams execute a well-defined plan. Some examples of tactical teams include cardiac surgery teams, many sports teams, and other teams that are tightly organized. For tactical teams to be successful, there must be a high degree of task clarity and unambiguous role definition. In a study of the success of NBA (National Basketball Association) players, teams on which players played together longer won more games





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

¹⁴Zaino, G. (2015, January 5). Three things forward-thinking companies need to know to attract millennial independent workers in 2016. *Huffington Post Business*. huffingtonpost.com

¹⁵Lewis, K. R. (2015, June 23). Everything you need to know about your Millennial co-workers. *Fortune*. fortune.com

¹⁶LaFasto, F. M. J., & Larson, C. E. (2001). When teams work best: 6,000 team members and leaders tell what it takes to succeed. Newbury Park, CA: Sage.



(holding constant the players' own stats); and if "bad teams" played together a lot, they won more than they should have based on other criteria. 17

One type of tactical team is a **crew**. A crew is a group of expert specialists each of whom has a specific role position, performs brief tasks that are closely synchronized with others, and repeats those events across different environmental conditions. To assess whether a particular team is a "work crew," complete the survey in Exhibit 1-2. Located at a barren site with Earth's most unforgivable climate, the Amundsen-Scott South Pole Station at summer peak requires 150 scientists, technicians, and support staff all working in concert to accomplish the research goals of the station. The 6-month arctic winter where temperatures can drop to -76° F tests the mettle of the remaining 45 workers who persevere through 6 months of complete darkness unbroken by supply planes, Wi-Fi, or cell phone service. Winter crews with specific skills maintain the station's telescopes, monitor the "ice cube lab" of computers that collect daily scientific data, and watch over necessities for survival such as diesel generators that run the station's heating systems and electricity, and hydroponic greenhouses which provide 30 pounds of vegetables each week. 19

PROBLEM-SOLVING TEAMS

Problem-solving teams attempt to resolve problems, usually on an ongoing basis. To be effective, each member of the team must expect and believe that interactions among members will be truthful and of high integrity. Some examples of problem-solving teams include the Centers for Disease Control and Prevention and Sandia Laboratory's nuclear weapons team. A crisis team is an example of a problem-solving team. Crisis teams may deal with a *sudden crisis*, such as a natural disaster (e.g., tsunami) or a *smoldering crisis*, such as a product defect or scandal that begins small and then escalates out of control. Some organizations have existing, permanent crisis teams to handle crises; other organizations improvise. (see Exhibit 1-3). The contamination crisis at Chipotle that sickened more than 500 customers, sent the company's stock tumbling, and darkened the company's image, directed dozens of teams to implement severe new food safety measures after three different pathogens were linked to five known outbreaks.

CREATIVE TEAMS

Creative teams are those in which the key objective is to create something, think out-of-the-box, and question assumptions. The process focus of creative teams is on exploring possibilities and alternatives. We discuss creative teams in much more depth in Chapter 9. Examples of creative teams include IDEO design teams, Hallmark's creative advisory group, and the teams responsible for Netflix original programming.







¹⁷Berman, S. L., Down, J., & Hill, C. W. (2002). Tacit knowledge as a source of competitive advantage in the National Basketball Association. *Academy of Management Journal*, *45*(1), 13–31.

¹⁸Klimoski, R., & Jones, R. G. (1995). Staffing for effective group decision making. In R. A. Guzzo & E. Salas (Eds.), *Team effectiveness and decision making* (pp. 9–45). San Francisco, CA: Jossey-Bass; Sundstrom, E. D., DeMeuse, K. P., & Futrell, D. (1990). Work teams: Applications and effectiveness. *American Psychologist*, 45(2), 120–133.

¹⁹Berfield, S. (2014, June 11). A guide to wintering in the South Pole. *Bloomberg Business*. bloomberg.com

²⁰LaFasto & Larson, When teams work best.

²¹Irvine, R. B. (1997, July). What's a crisis anyway? Communication World, 14(7), 36.

²²Berfield, S. (2015, December 22). Inside Chipotle's contamination crisis. *Bloomberg Business*. bloomberg.com



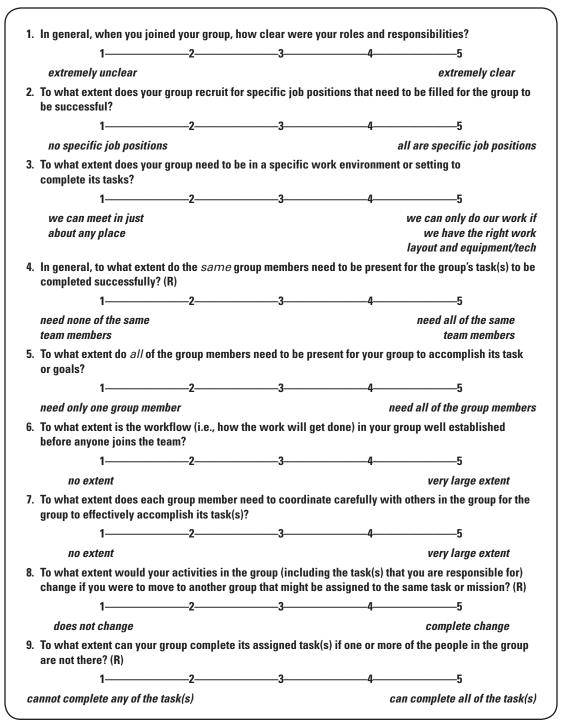


Exhibit 1-2 The Crew Classification Scale







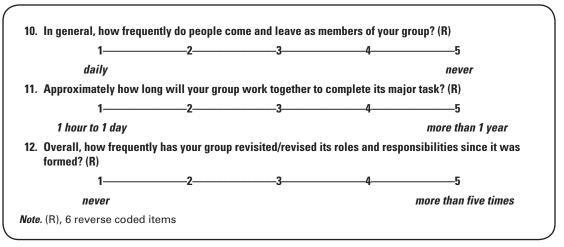


Exhibit 1-2 The Crew Classification Scale

Webber, S. S., & Klimoski. (2004). Crews: A distinct type of work team. *Journal of Business and Psychology*, 18(3), 261–279. Reproduced with permission of Springer New York LLC via Copyright Clearance Center.

	Sudden Crisis Unexpected events in which the organization has virtually no control and perceived limited fault or responsibility	Smoldering Crisis Events that begin as small internal problems within an organization become public to stakeholders and over time, escalate into crisis status as a result of inattention by management
Formal Team Members are brought together to prevent, prepare, and be on call to handle crisis situations	Walmart & Hurricane KatrinaApollo 13 Tiger Team	CISCO and global recessionBP Gulf Oil SpillVolkswagen emissions crisis
Improv Team Ad hoc team that adapts to given situation moment by moment	 SARS team in China US Airways Flight 1549 Chipotle E.coli crisis Zika virus outbreak 	City of Flint, Michigan lead disaster Wells Fargo phony accounts

Exhibit 1-3 Organizational Crisis Teams

Based on Pearson, C. M. and Clari, J. A. (1998). Reframing crisis management. *American Management Review, 23*, 59–76; James, E. H. & Wooten, L. P. (2009). Leading teams in crisis situations: From chaos to extraordinary performance. *Effective Executive 12*(5), 14–19.







TYPES OF TEAM AUTONOMY

Teams differ greatly in their degree of autonomy and control vis-à-vis the organization. Consider the four levels of control depicted in Exhibit 1-4.

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 does the work of setting the goals and outlining the work to be done. In manager-led

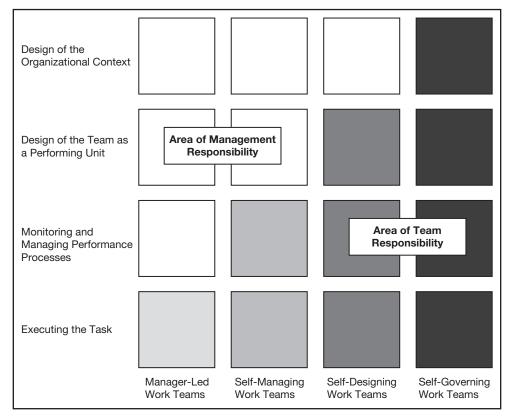


Exhibit 1-4 Authority of Four Illustrative Types of Work Teams

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







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. For example, GE Oil and Gas team leader, Steve Mumm, a former Army captain, leads a team of 50 employees to finish construction of a \$35 million drilling safety system, known as a "stack," designed to prevent gas blowouts during deepwater exploration. Steve points to his top-down style, "To get the pieces where they need to be at the right time takes someone out there motivating, directing, organizing. It takes a leader to do it." 23

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.²⁴ These benefits have been observed in both manufacturing and service settings. In one investigation of 121 service technician teams, those that were empowered developed team processes that effectively increased quantitative performance and indirectly increased customer satisfaction.²⁵ For example, at Pivotal Labs, there are no managers; instead, employees work in project teams, and pairs of programmers switch out almost daily to work with other teams and other projects. Using "balanced teams," the emphasis is on productivity rather than managerial meetings to discuss productivity.²⁶

Ruth Wageman formally studied 43 self-managing teams in the Xerox service organization. ²⁷ According to Wageman, seven defining features emerged in the superbly performing teams but not in the ineffective teams, including: clear direction, a team task, rewards, material resources, authority to manage their work, goals, and strategic norms. The success of self-managing work teams is defined by four predictors and variables: group task design, encouraging supervisory behaviors, group characteristics, and employee involvement. ²⁸ For a summary of critical success factors, see Exhibit 1-5.

Self-managing teams build commitment, offer increased autonomy, and often enhance morale. However, one disadvantage is that the manager has much less control over the process and products, making it difficult to assess progress. In one investigation, the effectiveness of three types of changes (personnel, process, and structure) were





²³ O'Keefe, B. (2015, November 10). Battle-tested: From soldier to business leader. Fortune. fortune.com

²⁴Stewart, G. I., & Manz, C. C. (1995). Leadership and self-managing work teams: A typology and integrative model. *Human Relations*, 48(7), 747–770.

²⁵Mathieu, J., Gilson, L., & Ruddy, T. (2006). Empowerment and team effectiveness: An empirical test of an integrated model. *Journal of Applied Psychology*, 91(1), 97–108.

²⁶Blakeman, C. (2015, December 9). Pivotal labs finds success with self-managed teams. *Inc.* inc.com

²⁷Wageman, R. (1997b, Summer). Critical success factors for creating superb self-managing teams. *Organizational Dynamics*, 26(1), 49–61.

²⁸Cohen, S. G., Ledford, G. E., Spreitzer, G. M. (1996). A predictive model of self-managing work team effectiveness. *Human Relations*, 49(5), 643–675.



Team Goals

14

- Can team members articulate a clear direction, shared by all members, of the basic purpose that the team exists to achieve?
- · Can the team articulate specific goals?
- Do these goals stretch their performance?
- Has the team specified a time by which they intend to accomplish these goals?
- Can the team work together without duplicating or wasting efforts and doing so with a "can-do" attitude?
- Is the team effective in innovating and coming up with new solutions that address changing task demands?

A Real Team Task / Group Task Design

- Group task identity. Is the team assigned collective responsibility for all the team's customers and major outputs?
- Group task variety. Are members cross-trained to help and substitute efforts for each other?
- Group task feedback: Does the team get team-level data and feedback about its performance?
- Is the team required to meet frequently, and does it do so?
- Group task significance: Is the team motivated to take care of the important work they perform and cooperate with one another when they perceive the work they do as significant?

Group Characteristics

- Group composition
- Group expertise
 - Group size adequacy
 - Group stability of membership

Team Rewards / Employee Involvement Context

- Counting all reward dollars available, are more than 80 percent available to teams only and not to individuals?
- Are team rewards tied to team performance and development of team capabilities?
- Does the team have access to information about work processes, quality, customers, business performance, competitors and organizational changes?
- Does the team get training that enables team members to grow in their knowledge required for their effective performance?

Basic Material Resources

- Does the team have the resources, the equipment, space, tools, and materials that permit the team to accomplish their work?
- Does the team have its own meeting space?

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
- Group task autonomy. Is the team given the power to make decisions about business performance
 and required to make collective decisions about work strategies (rather than leaving it to individuals)?
- Can the team allocate resources efficiently in order to adjust to variation in work conditions?

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?
- Are there standards of behavior that are shared by the team members?
- Is there a shared belief among the team members that the group can be effective?

Exhibit 1-5 Critical Success Factors for Self-Managing Teams

Based on Wageman, R. (1997b, Summer). Critical success factors for creating superb self-managing team. *Organization Dynamics*, *26*(1), 49-61; Cohen, S. G., Ledford, G. E., Spreitzer, G. M. (1996). A predictive model of self-managing work team effectiveness. *Human Relations*, *49*(5), 643–675.







examined in structurally misaligned teams.²⁹ These teams were more likely to change their process more frequently than their structure, resulting in detrimental effects on performance. However, when teams received feedback interventions, they were more likely to change their structure and thereby improve their performance.

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 opportunities 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. 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 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 Google Glass, Google driverless car, Gmail electronic mail service, Google News service, Google Maps, and the 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. 30 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 on annual lists of best places to work and innovation leaders.³¹

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





²⁹Johnson, M. D., Hollenbeck, J. R., DeRue, D. S., Barnes, C. M., & Jundt, D. (2013). Functional versus dysfunctional team change: Problem diagnosis and structural feedback for self-managed teams. *Organizational Behavior and Human Decision Processes*, 122(1), 1–11.

³⁰Nayab, N. (2011, August 24). How employee empowerment has pushed companies ahead. *Bright Hub*. brighthub.com; D'Onfro, J. (2015, April 17). The truth about Google's famous '20% time' policy. *Business Insider*. businessinsider.com; How companies are changing their culture to attract (and retain) millennials. (2015, August 19). *Business.com*. business.com

³¹LaBarre, P. (2012, March 5). When nobody (and everybody) is the boss. *CNNMoney*. management.fortune. cnn.com.; Our culture. (2016, August). *Gore* [Company website]. gore.com



many companies, the president or chief operating officer has been replaced with an executive, self-governing team.³² For example, LRN 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.³³

Yet, there are trade-offs involved with each of these four types of teams. Selfgoverning 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.³⁴ Results from ninety-three, 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.

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, 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 SHOULD BE THE EXCEPTION, NOT THE RULE

Don't create a team for the sake of "teamwork." If one person can accomplish a goal single-handedly, let that person do it! 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 Basecamp, 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. Employees are free to work wherever they want. By





³²Ancona, D. G., & Nadler, D. A. (1989). Top hats and executive tales: Designing the senior team. *Senior* Management Review, 31(1), 19–28.

³³Seidman, D. (2012, June 26). Work in progress: Working in a self-governing office. Financial Times. financialtimes.com

³⁴Hollenbeck, 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.



having a full month to dedicate to innovation without the hassle and interruptions of team meetings and administration, individuals can innovate.³⁵

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 crossfertilization 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. 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, 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.

TEAMS REQUIRE ATTENTION

Many new managers believe that their role should be one of 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. ³⁶ 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





³⁵Fried, J. (2012, May 31). Workplace experiments: a month to yourself. 37Signals. 37signals.com

³⁶Hill, M. (1982). Group versus individual performance: Are N + 1 heads better than one? *Psychological Bulletin*, *91*, 517–539.

18

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.³⁷ 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.³⁸

CONFLICT IS NOT ALWAYS DETRIMENTAL

Many leaders 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.

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.³⁹

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.





³⁷Miller, C. (2012, October 30). Why Twitter's C.E.O. demoted himself. New York Times. nytimes.com

³⁸Bechky, 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.

³⁹Hackman, J. R. (2002). *Leading teams: Setting the stage for great performances*. Boston, MA: Harvard Business School Press.



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 one-size-fitsall 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. 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 more about each other and the issues they faced 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.⁴⁰

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





⁴⁰Balderrama, A. (2012, June 18). The worst team-building experience you've ever had. *CareerBuilder*. career-builder.com



insufficient because they encourage managers to attribute team failures to interpersonal dynamics, rather than examining and changing deeper, structural 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 18 years, of over 1,300 executives and managers from a variety of industries. 41 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 have the greatest potential, in terms of integrating talent, skills, and ideas, but because of their diversity of skills and responsibilities, they provide fertile ground for conflict.

TEAM SIZE

Team size varies dramatically, from 3 to 100 members, with an average of 11.75. However, the modal team size is 10. 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 (49%), followed by manager-led teams (45%), with self-directing teams (6%) distinctly less common (see Exhibit 1-6). There is an inevitable tension between the degree of 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 autonomous teams. 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 1-7).

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





⁴¹Thompson, L. (2016). Leading high impact teams executive program survey [survey data set]. Kellogg School of Management Executive Program. Northwestern University, Evanston, IL.



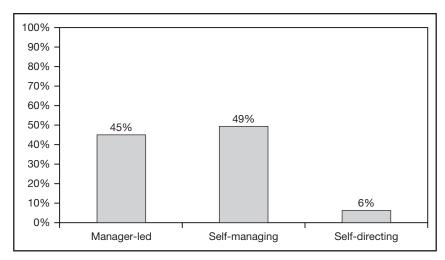


Exhibit 1-6 Team Autonomy Versus Manager Control

Thompson, L. (2016). Leading high impact teams. Team leadership survey from the Kellogg School of Management Executive Program [Survey data set]. Northwestern University, Evanston, IL.

sustaining high motivation, followed by minimizing confusion and coordination problems (see Exhibit 1-8). We discuss motivation and engagement in Chapter 5. 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.

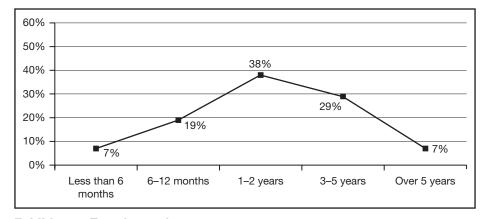


Exhibit 1-7 Team Longevity

Thompson, L. (2016). Leading high impact teams. Team leadership survey from the Kellogg School of Management Executive Program [Survey data set]. Northwestern University, Evanston, IL.





(



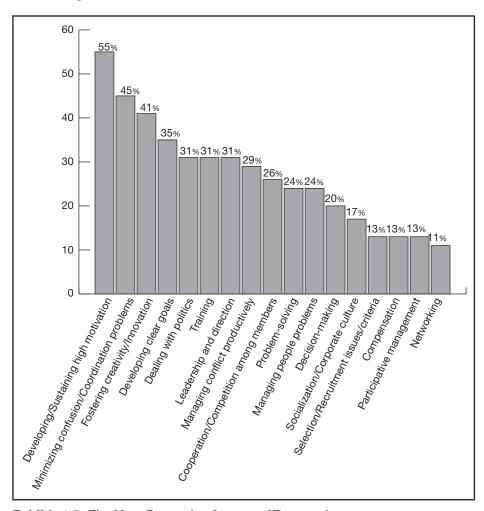


Exhibit 1-8 The Most Frustrating Aspects of Teamwork

Thompson, L. (2016). Leading high impact teams. Team leadership survey from the Kellogg School of Management Executive Program [Survey data set]. Northwestern University, Evanston, IL.

DEVELOPING YOUR TEAM-BUILDING SKILLS

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

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 observe 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 drawing 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. ⁴² 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 rather than careful reasoning. The best way to avoid this trap is to actively 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.

EVIDENCE-BASED MANAGEMENT

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







⁴²Fischhoff, 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*(3), 288–299.



teams.⁴³ The interventions presented in this book have a key quality going for them: They are theory-based and empirically supported. This means that they are not based on naive, intuitive perceptions; rather, they have been scientifically examined. This is known as evidence-based management. 44 This book was written to provide managers with up-to-date, scientifically based information about how best to manage their teams.

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' distinction between single-loop versus double-loop learning. 45 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. 46 When people fail to use knowledge they actually possess, this is known as the **inert knowledge problem**. ⁴⁷ 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. 48 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.





⁴³Abrams, 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.

⁴⁴Pfeffer, J., & Sutton, R. (2006). Evidence-based management. *Harvard Business Review*, 84(1), 62–74.

⁴⁵Argyris, C. (1977a). Double loop learning. *Harvard Business Review*, 55(5), 115–125.

⁴⁶Nadler, 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,

⁴⁷Whitehead, A. N. (1929). The aims of education. New York: Macmillan.

⁴⁸Thompson, 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.



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. The next chapters in Part I focus on building the team. Part II focuses on optimizing teams to perform, and Part III focuses on the bigger picture—the team in the organization.



