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.

Companies That Use Teams Are Not More Effective Than Those That Do Not

When companies are in trouble, they often restructure into teams. However, putting people into teams does not solve problems; if not done thoughtfully, this may even cause more problems. For every case of team success, there is an equally compelling case of team failure, as indicated by this chapter's opening example. 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 in the Gestalt principle that the whole is greater than the sum of its parts! As we discuss in later chapters, teams can suffer from many drawbacks, such as too much emphasis on harmony or individualism,
causing a feeling of powerlessness and creating discord (Griffith, 1997). 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 a clash of personalities: Someone is not behaving as a team player, or petty politics are usurping common team goals.

Misattribution error is a 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. By pointing to a problem team member, the team’s problems can be neatly and clearly understood as emanating from one source. This saves the manager’s ego (and in some cases the manager’s job), but 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 are at work, not just one.

Managers Fail to Recognize Their Team-Building Responsibilities
Many new managers conceive of their people-management role as building the most effective relationships they can with each individual subordinate; they erroneously equate managing the team with managing the individual (Hill, 1982). 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 (see Sidebar 1-1).

Experimenting with Failures Leads to Better Teams
It may seem ironic, but one of the most effective ways to learn is to experience failure. Evidence of this is provided by the fallout that accompanied the Los Angeles Police Department’s (LAPD) handling of the riots that broke out following the Rodney King beating verdict in 1992. A Los Angeles Times editorial following the incident stated that “successful policing is a team effort; likewise, unsuccessful policing of the magnitude that occurred the night the riots broke out is a team failure” (Los Angeles Times, 1992, p. B4). The aftermath of the criticisms levied upon the LAPD and the people who run the department caused an overhaul within the management ranks of the department. A failed team effort should be viewed as a critical source of information from which to learn. The problem is that failure is hard to take: Our defense systems go into overdrive at the mere inkling that something we do is not above average. The true mark of a valued team member is a willingness to learn from mistakes. However, this learning can only come when people take personal responsibility for their actions.
Sidebar 1-1. Team-Building Responsibilities

Steve Miller, managing director of the Royal Dutch/Shell Group of Companies, develops exercises that allow teams to assess their performance as a group and the impact a leader has on the group. For example, one of his exercises involves giving each team a video camera. Each team has 90 minutes to come up with a 5 or 6 minute video that illustrates the old culture of the company and the new culture of the company. This exercise instigated a major change in the Austrian business offices of Royal Dutch/Shell.

In the first program involving the video camera exercise, the Austrian team was clearly lagging behind all the other teams in terms of motivation, participation and enjoyment. What's more, it was obvious to the Austrians as well as the other teams that they were not performing well. Needless to say, their morale was suffering, and Miller was uncertain how to help the struggling team turn things around.

At one point during the week, the team leader for the Austrian group was called away suddenly and was not present for the video exercise. At first, this seemed to be the worst thing that could happen to the Austrian team—they were leaderless and facing a real out-of-the-box problem.

The Austrian team surprised everyone by coming up with a powerful and humorous video. The video showed a man who needs to use the bathroom very urgently. The “old Shell” video depicts the man walking around in great discomfort, looking for a toilet. The doors are locked; there is all kinds of bureaucratic paperwork to complete and needless rubber-stamping. The clip ends with the man nearly collapsing in the men’s room. That was the Austrian’s idea of the “old Shell”.

The next clip depicted the “new Shell” culture. The same man immediately finds the men’s room, is greeted by a hospitable attendant and is offered personal toilet paper and amenities. The video concludes with the service attendant trying to zip up the man’s fly.

Everyone watching the video was completely stunned by the creativity and humor of the video. Clearly, the Austrians had won this competition, which turned out to be the beginning of a dramatic shift in their motivation, performance, and participation in the entire event. When the Austrian leader returned, he began to realize how capable and motivated his team really was. This single event was a turning point in how the team and the leader worked together; the team went on to dramatically improve their business in Austria (Pascale, 1998).

The truth is, teams have a flatter learning curve than do most individuals; it takes teams longer to “get on their feet.” However, teams have greater potential than do individuals. We discuss this further in chapter 2.

**Conflict among Team Members Is Not Always a Bad Thing**

Many managers 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. Conflict among team members can foment accuracy, insight, understanding, and development of trust and innovation. We discuss conflict in teams in greater detail in chapter 7.

**Strong Leadership Is Not Always Necessary for Strong Teams**

A common myth 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 may succumb to flawed and disastrous decision making.

As we discuss in chapter 10, 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 (Hackman, 1996).

**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. This is particularly important in industries where considerable tooling up is required for team members.

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 before the problems begin, it is important to consider such factors as 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 set up 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. Does everyone have the right incentives (to do the things they are supposed to do)? 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" or "corporate love-in," 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. This usually results in a good time had by all. However, retreats fail to address the structural and design problems that plague the team on a day-to-day basis in the work environment. 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 insufficient because they allow managers to blame team interpersonal dynamics on the failures, rather than deeper, more systemic problems, which are harder to identify.

**WHAT MANAGERS TELL US ABOUT THEIR TEAMS**

To gain a more accurate picture of what managers face in their organizations in the way of teamwork, we conducted a minisurvey of 149 executives and managers from a variety of industries. Here are some highlights of what they told us.

**Most Common Type of Team**

By far, the most common teams were cross-functional project groups, followed by service, marketing, and operations teams (see also Katzenbach & Smith, 1993). Cross-functional teams epitomize the new challenges outlined earlier in this chapter. They represent the greatest potential, in terms of integrating talent, skills, and ideas, but because of the diversity of training and responsibility, they provide fertile ground for conflict.

**Team Size**

Team size varied dramatically, from 3 to 25 members, with an average of 8.4. The modal team size was 5. These numbers can be compared to the optimum team size: As we discuss later in the book, teams should generally have fewer than 10 members—more like 5 or 6.

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1Survey results are based on the responses from executives in attendance at the Kellogg Team-Building for Managers Program, 1996–1999.
CHAPTER I Teams in Organizations: Facts and Myths

Team Autonomy versus Manager Control

Most of the managers in our survey were in self-managing teams, followed by manager-led teams, with self-directing teams distinctly less common (see Figure 1-2). 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. As a general principle, manager-led teams provide more control, but less innovation that 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

The teams in our survey varied a great deal in terms of how long they had been working together. On average, teams had been in existence for 6 to 12 months (see Figure 1-3).

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 was developing and sustaining high motivation, followed by minimizing confusion and coordination problems (see Figure 1-4). We discuss issues of motivation in chapter 2 as well as in a special chapter that focuses on team compensation and incentives (chapter 3). We look at conflict and ways to effectively manage it within a team in chapter 7.

Not surprisingly, the skills on the most-wanted list for managerial education were (1) developing and sustaining high motivation; (2) managing conflict productively; (3) providing leadership and direction; (4) fostering creativity and innovation; and (5) minimizing confusion and coordination problems. Consequently, we have designed this book to prepare managers and reeducate executives in how to effectively deal with each of these concerns.
CHAPTER I  Teams in Organizations: Facts and Myths

Skill Assessment

We asked managers to rate their own skills along a continuum from most to least proficient (see Figure 1-5). Managers felt most proficient in their decision-making, goal-setting, and leadership skills. They felt less proficient about fostering creativity and innovation, managing conflict, and compensation issues.

FIGURE 1-3 Team Longevity

FIGURE 1-4 The Most Frustrating Aspects of Teamwork
DEVELOPING YOUR TEAM-BUILDING SKILLS

This book focuses on two skills: Accurate diagnosis and theory-based intervention.

**Skill 1: Accurate Diagnosis**

One of the biggest shortcomings of managerial effectiveness is an inability to accurately diagnose situations; for instance, is a team performing well or poorly? It is very rare to identify a simple, obvious measure of team functioning because effectiveness is hard to define. For example, perhaps your firm beat the competition in winning a large contract, but the contract didn’t turn out to be so 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 to all of them. This sounds logical, until you realize that there may be many common factors that have nothing to do with making a team successful, like the fact that everyone wears clothes! Or there may be common features that interfere with good team-
work, 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 firm; 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 more serious problem is that a manager who is also entrenched in the institutional framework of the firm 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) have a 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 will discuss these factors throughout this book.

Another problem is called hindsight bias (Fischhoff, 1975), or the “I knew it all along” fallacy. 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 in advance. This can result in an unfortunate form of overconfidence: Managers think they know everything, when in fact they know nothing useful when it is time to make the decision. We often see managers engage in post hoc justification rather than careful reasoning. The best way to avoid this trap is to read actively in order to learn about other possibilities, critically examine your own 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: Theory-Based Intervention

Once a problem or area of improvement has been identified, a manager still needs to deal effectively with it. This involves identifying reasons and remedies, such as finding ways to change the motivational structure of the task, the composition of the group, and so on. Mechanisms for transferring information from those who have it to those who need it must be developed as well as a means to manage power, politics, and conflict involving the group. All this is much easier said than done, of course. For every managerial problem, there are a dozen purported solutions and quick fixes. How can a manager knowledgeably choose among them?

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 book was written to provide managers with up-to-date, scientifically-based information about how best to manage their teams.
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 on-line, 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 about how you can best function with teams.

CONCLUSIONS

There is no magic 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 really knows an 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. This is extraordinarily important because 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.