

Teams in Organizations: Facts and Myths

Scenario 1: The Miller Brewing Company opened its Trenton, Ohio, brewery in 1990. It was intended to be the brewery of the future, one that would give the company the flexibility to expand capacity and embody the most advanced staffing features. A planning and design team was set up for the Trenton project with a mandate to start from scratch and develop a totally new workplace design, abandoning all the traditional constraints of brewery operations. The team met for 6 months and came up with a completely new way to run a brewery, employing self-directed, cross-functional teams, ranging from 6 to 19 people. These teams handled brewing, packaging, and distribution. The payoff in terms of business results was a 30 percent increase in productivity, in comparison to Miller's other plants (Parnell, 1996).

Scenario 2: In the late 1980s as corporate America was embracing the concept of teams, Texas Instruments, the multi-billion-dollar electronics manufacturer in Dallas, joined the frenzy and began adding teams throughout the organization. "Depending on each team's focus, salespeople were grouped together with various employees, including engineers and sales support people. Management spoke of empowerment and self-direction" (Marchetti, 1997, p. 91). Management's message to employees was, "You're empowered; go do what you want to do." The initial results of this project were utter failure.

These two companies are household names and represent major players in their respective industries. One of the companies succeeded using teams, whereas the other failed. Why?

Virtually everyone who has worked in an organization has been a member of a task-performing group at one time or another. Why are some team experiences successful and others unsuccessful? Good teams are not a matter of luck; they result from hard work, careful planning, and commitment from the sponsoring organization. Team design from the inside out is a skill. It requires a thorough understanding of teams to ensure that the team works as designed. Although there are no guarantees, we believe that understanding what makes teams work will naturally lead to better and more effective teams. In this book, we introduce a systematic approach that allows managers, executives, teachers, and professionals to develop and maintain excellent teams in their organizations.

Our systematic approach is based upon a principle 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 organizational setting is not easy. This chapter sets the stage for effective learning by first

defining what a team is—it's not always clear! Next, we distinguish four types of teams in organizations in terms of their authority and examine why teams are even necessary in organizations. We expose some of the most common myths about teamwork and provide some useful observations. Finally, we provide the manager with the results of our recent survey 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 engineering firms. These problems and concerns are examined in the chapters that follow.

WHAT IS A TEAM?

Not everyone who works together or in close 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 Box 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 some 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 so on. 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. We focus on teams in which individual members can, to some extent, determine how their work gets done. Thus, although a prison chain gang 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

BOX 1-1

Five Key Characteristics of Teams (Alderfer, 1977; Hackman, 1990)

- 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.

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 and 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, consider the operators who staff the phone lines at 1-800-MATTRESS. They share, via their computer network, specifications on hundreds of mattresses and bed frames. They may also share information among themselves on sales techniques, consumer demographics, or tie-in items. Yet they are individually evaluated based on their sales performance. These phone operators share resources, but not results. A team is a type of group, but not all groups are teams.

TYPES OF TEAMS IN ORGANIZATIONS

Organizations have come to rely on team-based arrangements to improve quality, productivity, customer service, and the experience of work for their employees. Yet not all teams are alike. 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 (Hackman, 1987)? Consider the four levels of control depicted in Figure 1-1.

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 teams themselves have responsibility 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. 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 are efficient, in the sense that the manager does the work of setting the goals and outlining the work to be done. In manager-led teams, managers don't have to sit by and watch the team make the same mistakes they did. Manager-led teams also have relatively low start-up costs. The key disadvantages are diffusion of responsibility and conformity to the leader. In short, members have less autonomy and empowerment. Such teams may be ideally suited for simple tasks in which there is a clear overriding goal, such as task forces or fact-finding teams. Specific examples include military squads, flight crews, and stage crews.

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, managerial task forces, and so on. For example, at Whole Foods Markets, the largest natural-foods grocer in the United States, the culture "is premised on decentralized teamwork. The team, not the hierarchy, is the defining unit of activity. Each of the 43 stores is an autonomous profit center composed of an average of 10 self-managed teams—produce, grocery prepared foods,

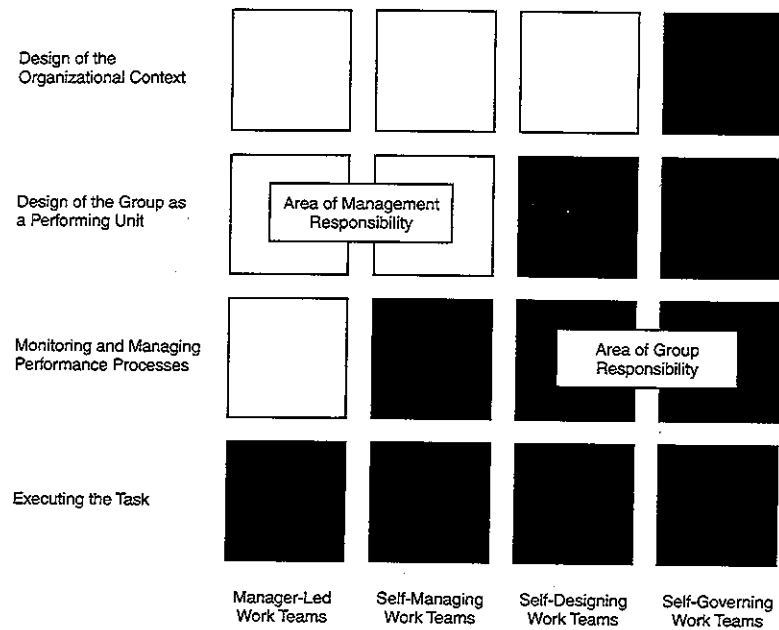


FIGURE 1.1 Authority of Four Illustrative Types of Work Groups

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.

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 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 start up. (For a step-by-step guide to setting up self-designing teams, see Orsburn, Moran, Musselwhite, & Zenger, 1990.) Furthermore, it can be extremely difficult (or impossible) to monitor their progress. Other disadvantages include marginalization of members and lack of team legitimacy. Self-designing teams may be ideally suited for complex, ill-defined, or ambiguous problems and next-generation planning. At the Harley-Davidson Motor Company,

where the people closest to a job have the authority and responsibility to do it the best way they can. Part of the company's management approach is freedom and teamwork—it encourages each plant to solve its problems in its own way" (Imperato, 1997, p. 104). According to CEO Rich Teerlink, "The issues are always the same . . . quality, productivity, participation, flexibility, and cash flow. But each plant deals with them in a different way. We don't have cookbooks because there isn't a cookbook. We're on a journey that never ends. And the day we think we've got it made, that's the day we'd better start worrying about going out of business" (p. 104).

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 are the extreme in terms of control and responsibility. In many companies, the president or chief operating officer has been replaced with an executive, self-governing team (Ancona & Nadler, 1989). Examples of this approach are John Reed's structuring of Citicorp's senior management when he succeeded Walter Wriston, and Walter Shipley's creation of the "three president" structure at Chemical Bank in the 1980s. When British Steel took the construction industry by storm by developing a unique, patented steel-skinned concrete panel system called the bi-steel system, it did so with the use of "a semi-autonomous team within a giant conglomerate not widely credited for encouraging innovative virtually self governing teams" (Greek, 1997, p. 19).

In certain cases, firms want to set up a self-governing (autonomous) team, similar to the independent counsel's office, to investigate serious problems, such as the sexual harassment case at Mitsubishi (e.g., the team headed up by Lynn Martin; Holland, 1996). The way the military has handled problems with sexual harassment stands in sharp contrast, not only in terms of the kinds of teams set up to examine the problems, but also in terms of the results they have achieved. In other cases, these kinds of teams could be disastrous, such as a committee composed of boards of directors—employees could be intimidated by the authority of these individuals and, therefore, unwilling or unable to provide a critical perspective on the status quo.

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 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 group members can. If it is believed that the group 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. If shared control over the performance situation and processes is preferred, a self-managing group is chosen.

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 new, team-oriented

gaining market share (Nahavandi & Aranda, 1994). During collaboration on the B-2 stealth bomber between the U.S. Air Force, Northrop, and some 4,000 subcontractors and suppliers in the early 1980s, various teams were employed to handle different parts of the project. "As new developments occurred or new problems were encountered during the program, the Air Force/Northrop team formed ad hoc teams made up of [their] own experts and specialists from other companies and scientific institutions" (Kresa, 1991).

Managers discovered the 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 like encouraging input and feedback from workers on the line can make a dramatic improvement. For instance, quality control (QC) circles and employee involvement groups are often vehicles for employee participation (Cole, 1982). It is a mark of these programs' success that this kind of thinking is considered conventional wisdom nowadays. But, 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 (Nahavandi & Aranda, 1994). This point is brought home even more clearly in light of A. T. Kearney's findings that nearly seven out of ten teams fail to produce the desired results ("The Trouble with Teams," 1995).

At least three challenges of the future suggest that building and maintaining effective teams will be of paramount importance. The first has to do with *specialization*. As the economy expands and organizations grow accordingly, firms become ever more complex, both in their tasks and in the markets they serve. Thus, the activities of individuals in these firms are necessarily becoming more specialized. An increasingly global and fast-paced economy requires people with specialized expertise. Yet the specialists within a company need to know how to work together. Moreover, 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 between the members of an organization. Boundaries both separate and link teams within an organization (Alderfer, 1977; Friedlander, 1987), although the boundaries are not always obvious. 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.

The second challenge has to do with *competition*. In today's economy, a few large firms are emerging as dominant players in the biggest markets. These industry leaders often enjoy vast economies of scale and earn tremendous profits. The losers are often left with little in the way of a market—let alone a marketable product (Frank & Cook, 1995). Think, for example, of Microsoft's Windows operating system and Office Products market share dominance. The division that develops the Office Products software—which includes Word, Excel, PowerPoint, Outlook, and Access—employs thousands of people. Those products share a lot of code with each other, and so teamwork is critical to coordinate the activities of the various component groups that make up the Office Products Division (Anonymous, 1996). With so much at stake, firms are aggressively competing in a winner-take-all battle for market share. Thus, bringing out the best in individuals within the firm has become ever more important. This means that people

can be expected to specialize more and more in their areas of expertise, and these areas of expertise will get ever more narrow and interdependent. Both firms and individuals will have to increasingly rely on others to get access to their expertise. This is the core structure of a team-based approach to work.

A third factor is the *emergence of the information age*. Computer technology extends the firm's obligations and capacity to add value to its customers. For example, Toyota has a Monday-to-Friday design-to-delivery program, in which a customer "designs" a car on a computer terminal on Monday, and the factory automatically receives the specifications and has manufacturing completed by Friday of the same week (Cusumano, 1985). With ever-improving 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 that it is as if they were in the same building. Technology also gives managers options they never had before, in terms of which resources they choose to employ on any particular project. The role of management 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 company'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. Millions of jobs have been altered dramatically or have disappeared completely since the advent of computers. For example, George David, CEO of United Technologies Corp., believes that 18 million U.S. workers (almost one in six) are "at risk" because their jobs are "prone to automation" (Zachary, 1996). Decisions may now be made far from their traditional location; indeed, sometimes even by contractors who are not employees of the firm. This dramatic change in structure requires an equally dramatic reappraisal of how firms structure the work environment.

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 every-

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.¹ 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.

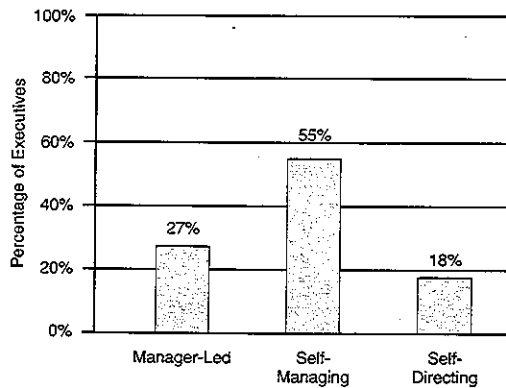


FIGURE 1-2 Team Autonomy versus Manager Control

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

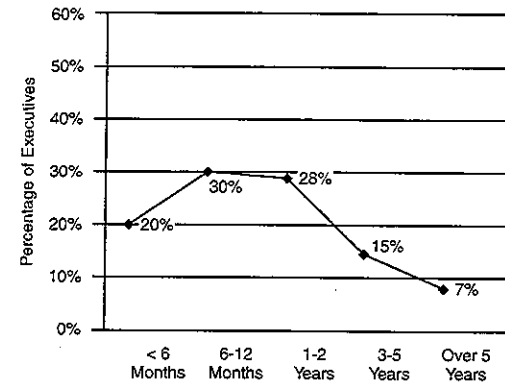


FIGURE 1-3 Team Longevity

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.

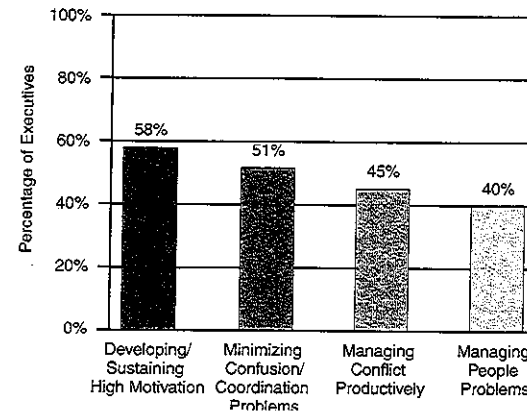


FIGURE 1-4 The Most Frustrating Aspect of Teamwork

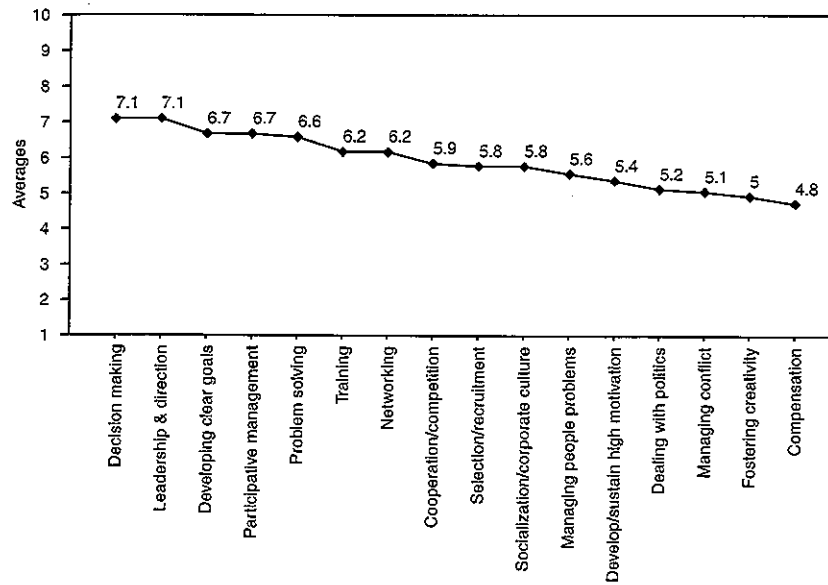


FIGURE 1.5 Skill Assessment

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.