# Unit 6.1 – Teams

**Teams:**

SPEAKER:  The majority of work in organizations today is done by groups; by teams.  Some of our best experiences in organizations come through our membership in teams.  Successful teams often inspire team members, and often impress and inspire people outside of the team.  In some unique situations, elite teams are able to function at a level that can be difficult to imagine, extremely difficult to achieve, and pretty amazing when achieved.

Unfortunately, as we study teams, we need to think about the good, the bad, and the ugly of teams in organizations.  Sometimes it just the doesn't work.  We will focus on when and how to use teams in organizations, and as we do, we will strive to maximize the good, minimize the bad, and eliminate the ugly.

**Enduring Ideas:**

Let's think about the enduring ideas on which we will focus as we talk about groups and teams in organizations.  First, let's recognize that organizations use groups and teams as important tools to address the challenges and the opportunities that organizations face.  Second, let's understand and appreciate that groups and teams can be either an asset or a liability for organizations.  The degree to which teams are assets rather than liabilities will be a function of the quality of team membership, will be a function of the leadership for the team, a function of the quality of management in the organization.

We also know, and need to pay attention to the fact that the experiences that organizational members have as parts of groups and teams will have a big impact on the quality of the work experience for the individual member.  Groups and teams go through stages of development.  Organizations want their groups and teams to be successful, effective teams, but the research clearly shows that as organizations have teams go through various stages, organizations need different management strategies.  The needs of teams are different at those different stages of development.  The leadership and the management that's needed must match the needs of those teams at each stage of development.  And finally, let's recognize that we cannot manage what we do not measure.  It's critical for organizations to identify and assess critical team metrics in order to manage teams effectively.

**The Model:**

Teams are one of the important components of our treatment of what it takes to drive successful organizations.  Teams, and understanding how to manage teams effectively, is just as important as our ability to manage the strategy, the culture, the structure, the human resources, and entrepreneurial activities in the organization.

**Team Performance:**

Throughout this topic, we're going to talk about the performance of teams, so let's talk a little bit about what we mean when we talk about performance.  First, we will be talking about some of the more traditional organizational outcome measures:  We will talk about the degree to which teams achieve their goals; the efficiency with which teams achieve their goals; and the degree to which teams, and the work of teams, is integrated with the broader organization.  But as we talk about team performance, we will also talk about some process outcomes:  We'll talk about the degree to which teams develop cohesion, holding the team together; we'll talk about the degree to which teams and the members of the team learn as they do their work; we'll talk about the degree to which the members of a team are developed so that they become more capable and more valuable to the organization going forward; and we'll talk about the degree to which teams are integrated with the organization, and individuals are integrated with the work of the team; finally, we will talk about the degree to which the team experience impacts the engagement, the commitment, and the satisfaction of followers.  The research clearly shows that the degree to which a team member is engaged in the work of the team, is committed to the success of the team, satisfied with the team experience, will impact all of those traditional organizational performance outcomes.

**Teams in Context:**

As we continue to talk about teams, let's make sure we understand the context in which we're discussing teams: We are discussing teams in the context of strategy. Formal teams in organizations are created to contribute to the strategic objectives of the organization. So, strategy is important as we work on teams because teams need their own strategy, and the strategy of teams needs to be aligned with the strategy of the organization. Teams need to develop their own culture, and the culture of the team needs to be compatible with the culture of the organization. Teams need to fit appropriately in the overall structure of the organization.

When we talked about how to design the structure of an organization to facilitate success, we talked about the various units that we put in the organization's structure. One of those very important units is the team unit. So teams need to fit appropriately in the structure of the organization, and teams themselves need to design a structure that facilitates their own success.

We also need to think very carefully about leadership as we talk about teams. And we want to think about two kinds of leadership when we address teams. First: Most teams have an outside leader; someone who works with the team to help them identify goals, find a path to successfully achieve those goals; someone who provides support for the teams; and evaluates the teams; and rewards the teams. But most teams also have internal leadership, so we need to think about the degree to which leadership for the team and its members comes from inside the team and from outside the team, and how those two components of leadership integrate to facilitate the success of the team.

We also need to think about motivation. If team members are not motivated to exert time and energy to achieve the goals of the team, they're far less likely to succeed than if motivation has been created. So we need to think about the source of both extrinsic and intrinsic satisfaction that can come from inside the group, and we also need to think about the degree to which the organization is facilitating successful and appropriate motivation from outside of the team.

We spend a fair amount of time talking about human resource management in this course, and this is absolutely critical in teams because, as we will discuss later, number one: We should only create teams when having a team will facilitate the success of the organization; and once we create a team, we define goals for that team to achieve that will contribute to higher-level success of the organization. The HR, the human resource component of this, means that we have to make sure that within our team, we have members that have the KSAOs: The knowledge, the skills, the ability and the other experiences that will enable the team collectively to achieve its goals.

And finally, recognizing the importance of entrepreneurship and innovation in this course, it's treated as one of our major topics. When we look at the research on innovation and entrepreneurship, it's easy to see that much innovation in organizations, much successful entrepreneurial behavior, is driven by teams. So teams become an important component of the search for innovation and striving for entrepreneurial success.

**What is a Group?:**

We're differentiating a bit between groups and teams, and we're trying to do more here than just talk about that feeling you get when you truly believe that your group has become something more, and we label that a team. So let's start by defining what we mean by a group.

As we address this topic, when I talk about a group, I'm talking about a situation where we have two or more individuals, where they share at least one norm of the way things should be done, and they share at least one goal that they all care about. And, they share some sense of identity: They recognize that they're part of a group. In most situations, but not all -- and we'll talk more about this later -- groups tend to drive organizational success more effectively than just a collection of individuals working on their own. And we know that's due to the collective set of KSAOs that are brought together, but it's also due to some extent to group processes that we'll talk about that can cause a group of people to be more effective as a group than they would be working on their own.

**What is a Team?:**

So how is a team different from a basic group?  A team has all the characteristics of a group, but more.  In a team, each member brings a set of KSAOs -- they bring knowledge, they bring skills, and abilities and experience -- just as in a group; but in a team, each member recognizes that the KSAOs brought to the team are complementary. Each member understands that his or her KSAOs bring value to the team, and understands that the KSAOs from each other team member brings value, and more importantly, they all agree that the collective set of KSAOs is much more powerful than the sum of the KSAOs brought by the individuals; they recognize synergy.

In a team, we have a very high level of commitment to the purpose of the team, the goals of the team, and the path to success for the team, and what this means is if you ask any member of the team, "Why do you exist?  How will you define success?  And how will you achieve success?"  you will tend to get the same answer from any team member; and when you ask, "How important are those things to you?" the answer will tend to be, "Those things are important to us; they're important to me, but they're also important to us as a team." And that connects to one of the big differences between groups and teams, and that is the strength of the sense of team identity.  In a true team, when an individual thinks about who he or she is, their personal sense of identity, they not only think about themselves, but they also think about their team, and their thoughts about their team impact their self-perceptions of their own identity.

Importantly, in a team, members hold themselves to be mutually-accountable for team performance.  In a team, either we succeed or we fail.  In a team, we succeeded because of what we did.  In a team, we failed because of what we did.  In simple groups, often, members will identify which other member accounted for success or failure; in a true team, we succeeded or we failed because of what we did.  I mentioned earlier that one of the differences between a group and a team is how it feels; well these are some of the components that make a team feel different from a simple group.

**Formal Groups / Teams:**

When organizations look at teams and think about how teams are different than groups, they're very aware of several factors; and organizations -- good organizations -- recognize that when there is a team, the management of that team is different than the management of a group.  So, organizations recognize that when you have a true team, leadership becomes a shared activity within the team.  There may be a person who's designated as the leader, but the true leadership of the team is shared within the team.

Also, in a team, culture tends to be stronger; there are more components of culture that team members agree upon, and they agree more strongly that they share those values, those norms, and those beliefs; that culture, if it's healthy, is a big driver of the success of the team.  In a team, the organization recognizes that accountability shifts from individuals to collective -- individuals still have an important role, but the ultimate accountability shifts to the team; and organizations address teams and hold the team accountable, more than they would with a simple group.

Often in teams, teams will develop their own purpose, their own mission, their own vision.  They'll refine their strategic objectives, and organizations recognize that with a true team, allowing the team to develop its own strategic focus can give a better sense of ownership, more passion in pursuing that sense of purpose; but organizations also recognize that with a strong team that has its own leadership, its own culture, that has developed its own purpose for existence, it's imperative for the organization to make sure that the team is appropriately integrated into the organization.  Remember, teams only exist in the belief that having a team is a good way to drive organizational success.  Sometimes teams become so inwardly-focused that they can lose track of the fact that they exist to serve the organization.  So organizations need to keep that in mind, and make sure the teams and their work is appropriately integrated.

In true teams, problem solving and chasing opportunities becomes a way of life.  It's not something that members do part-time.  True teams, because of their commitment to success, are always focused on identifying challenges,

on identifying ways to manage those challenges. They're always focused on a search for opportunity, for better ways to achieve their objectives, and ways to capitalize on those opportunities.

Members of teams -- true teams -- when they talk about success, when they talk about effectiveness, talk about team-level success, effectiveness is measured by the group's collective outcomes, not by individual achievements. True teams believe that, they reinforce that, and organizations support that perspective. So as we look at stages of development later in this topic, we will see what happens as we go from groups that are almost nothing more than a collection of people in the same place, to become a group, to become a team. And we'll look at how the management, as we go from collection of people to group to team changes substantially.

**Informal Groups / Teams:**

We're going to talk about both formal and informal teams and organizations. A formal team is one that's established by an organization for the purpose of achieving organizational goals; it has a formal purpose: To contribute to organizational goals; and it has a formal creation initiated by the organization.

While formal teams are created by the organization for a formal purpose, informal teams emerge. They emerge because individuals see the opportunity to come together with others in the organization, because, individuals believe, that by coming together with others to form a group or a team, something they care about can be achieved. Very important to note that informal teams might evolve for the purpose of helping the organization. This might be the case when a collection of people see a challenge facing an organization, and choose to come together as a group or a team to help address that challenge for the organization. However, some informal teams are unrelated to the goals of the organization; they might just be friendship-based or social-based. So they might address a need of the members who come together, who say, "Well, this is good -- coming together for friendship and social needs," but they may be neutral in terms of their impact on the organization.

Informal teams can also hurt the organization. If an informal team emerges and adopts goals that are inconsistent with the goals of the organization, an informal team can be a real challenge for an organization. As we talk about the development and management of teams, we will talk about formal and informal teams just going through the same processes, developing in very similar manners. The difference is formal team is created by the organization for the organization. An informal team is created by the members for the members, and they get to choose the goals for the informal team.

**States of Development:**

SPEAKER: Your book talks about the stages of group and team development that are typically of importance to groups and teams. They talk about forming, storming, norming, performing, and adjourning, and those are the steps that most teams pursue. Some teams decide they want to go further than that. Some teams decide that they want to stay together longer. They decide that they want to try to seek a higher level of success. Given that, we will also talk about that smaller number of teams that attempt to go further, and as we talk about those, we'll talk about two potential problems -- delusion and disillusionment; and for that very small percentage of teams that makes it, we will talk about an elite level of success: The elite team. There aren't many, and organizations seldom need them, but we will talk about what it takes to become an elite team, and what some of the risks are along the way. But first, let's look at forming, storming, norming, performing, and adjourning.

**Forming:**

When we first form a group -- and they're usually groups, not teams when they're first put together -- when we first form a group, we take a collection of individuals and we assemble them -- if it's a formal group; or they choose to assemble on their own -- if it's an informal group. At the forming stage of development of a group, members often don't know each other very well. Now, often the people who come together already know each other, but they don't know each other as well in that particular context and for that particular purpose; and sometimes they don't know each other at all. And in that situation, they treat this very much as an orientation stage.

In the forming stage, members tend to be less certain about the group's purpose, its rules, and their own roles. Why are we here? What are we trying to achieve? And what is my role in this group? Mutual trust can often be quite low at the forming stage, because there's not yet been an opportunity for that trust to be developed and earned; so at this stage, it's very common to see members exchanging information and asking questions. They'll ask about why am I in this group; they'll ask about what are the goals of this group; they'll ask what will we do to try to achieve success; they'll ask about what is my role; so there's uncertainty, and in the face of uncertainty, members tend to ask questions.

Often at the forming stage, you will see some members kind of holding back a little bit until they see who takes charge; who plays a leadership role. They don't want to go forward as an individual without having an understanding of what the group wants to do. There are others, of course, who in the forming stage immediately try to grab the leadership role, and we'll talk about that. So, forming: Have an orientation stage.

**Guidelines for Forming:**

Let's think about what the members of a group and the leader -- the outside leader of a group -- can do to facilitate the success of a group at the forming stage. First, it's important, because of all the uncertainty, that we either have a strong leader who can provide some structure and guide the group during this early stage, or some sort of substitute for an internal leader. That substitute could be the outside leader, who provides structure for the group, who explains, this is why the group exists, this is what the goals are, this is how I want you to achieve the goals. So, we need leadership, which might mean a leader in the group, or a leader outside, or it might mean that the organization has provided a structure to the group that informs them about their goals, their roles, and their processes.

Organizations recognize that it's important to let members share personal information, so rather than saying, oh, let's quit talking about ourselves and move on, it's important to give members an opportunity to share information about the kinds of people they are, their personalities, their beliefs, their values, and share information about their knowledge and their skills and their abilities and their experiences, so that the members can start to collectively gain an understanding of the assets they have within the group. This is also a good time --

either internally or from the outside leader -- to review the outside goals that have been assigned to the group, if it's a formal group; or to discuss the internal goals if this was a self-forming, informal group.

So we want to talk about the long-term goals so that we have the big picture, but it's also important at the forming stage to talk about some short-term goals. It's really important for group members to know that there's something achievable in the foreseeable future; so even though the group might have formed for the purpose of achieving long-term goals, it's important to establish some short-term goals to give focus, to give meaning, to give purpose, and to give the members a sense of achievement and accomplishment and a belief that the group really can succeed if it works together.

Also at the forming stage, it's important for us to identify the needed KSAOs, the needed resources. So it's important at the forming stage for either the group or the outside leader to establish the collective knowledge, the collective skills, the collective ability, the collective experiences, and the organizational resources that will be needed to drive success against the group's short-term and long-term goals.

Then, it's important to look at the members of the group and ask, who has these KSAOs? Do we collectively have the knowledge and skills and abilities and experience that will be needed for us to collectively succeed? And identify the gaps and come up with a plan for identifying a way to fix the gaps -- which might mean, hey, we need a new member: We have a knowledge gap or we have a skill gap or we have an experience gap; we need an additional member so that collectively we will have everything it takes to succeed. It might be a new member, it might be training, it might be development for the current members; but it's very important at the forming stage that they not only know what their goals are, but they know what their capability is for achieving those goals; they identify the gaps that will drive failure; and have a plan for closing those gaps to enable success.

This is a stage where we not only share information about ourselves, but we share ideas about what we can do individually and as a group to succeed as a group. And this is a stage where we need to talk about roles. If an individual member of a group does not understand his or her role, it's very unlikely he or she will feel committed to the group, will feel important to the group, will be engaged by the work that's being done by the group. So at this point, it's important to talk about the short-term role of each member of the group as well as potential long-term roles. This not only drives successful coordination of efforts, but can also drive a sense of, I matter to this group; and importantly, a sense of, and those other members matter as well.

And finally, either on our own, or with leadership from outside, we ask for questions. We want to make sure that questions, concerns, beliefs of group members, have been shared, so that we're less likely to be surprised by these at a later stage of development.

If we're successful, at the end of the forming stage, we have a group of individuals who understand at least the short-term goals, the short-term roles, and the process for achieving those, and have an understanding of what the longer-term goals and roles are likely to be.

**Storming:**

The storming stage is exactly what it sounds like: This is a stage where conflict often emerges. It might be personality conflict between members; it might be conflict over the goals of the group; it could be conflict over the roles that people hold; or the process that the group is defining for achieving success. It can simply be storming that occurs around a sense of, I don't know if we can achieve this or not.

Often in this storming stage, members will compete for the leadership role. Now, not necessarily every member, but it's common to see two or more members striving to become the leader, to take the group in the direction that they want the group to go; either the goals they want to pursue, or the path to success that they want to pursue. That competition for leadership can be healthy, or it can drive higher-level interpersonal conflict, which can create a problem at the storming stage.

At the storming stage, it's not uncommon for members disagree about the merits of the group, the ability of the group to succeed, or to disagree about procedures and process for achieving success. It's not a mature group;

they haven't worked together long; so it's not surprising that they disagree; and disagreement can help drive the search for agreement and finding good solutions for goals on which to focus and process that will define the path to success against those goals.

Often at the storming stage, individual members can feel very challenged by the work that the team faces, meaning they might feel uncertain about the ability of the team or uncertain about their own ability to contribute to the success of the team. That uncertainty can create stress; that uncertainty can drive members away from the group.

This is also a stage where subgroups can form -- often dysfunctional subgroups -- as individuals who think alike in terms of goals or path to goals, might tend to form a subgroup, and it's natural to talk to people you agree with, but it's not necessarily good for the group to have the group split up instead of working together.

And finally, in extreme cases, we may see rebellion occurring. It may be active in the case of standing up and saying, this is wrong, we shouldn't be doing this; you're wrong, you shouldn't be saying that; or it can be more passive; that might take the form of passive aggression or procrastination on the part of team members.

Storming does not sound like a great stage of group development, and it's not usually a pleasant stage; however, it can be an important stage. If we try to repress these interpersonal conflicts, these disagreements about goals and roles and process -- if we try to repress those -- we're simply repressing conflict that's likely to emerge later and to emerge more strongly when it does.

**Guidelines for Storming:**

So what can organizations do, what can the members of groups do, to facilitate those aspects of the storming stage of development so that the team does not explode, but prepares itself to move forward? First, either someone inside the group or that leader outside the group needs to provide an emphasis on the goals of the group. Remember, we are counting on this group to achieve these goals. Members of the group, outside leadership, need to accept that personal relationships and group relationships can be stormy early on, and that conflict is natural, and can actually be helpful as group members sort through what is most important to us, what is the best way to achieve success, what are the most appropriate roles for each of us to drive success.

So it's important to allow that conflict, that disagreement to emerge, but we have to take steps to manage its intensity and manage its duration so it does not destroy the group. Often during the storming stage, members will test group norms. It might be as simple as finding out how late I can show up for a meeting, or how late I can be in completing a piece of work that I agreed to complete, or whether I actually pro-actively help another member of the group. This testing of group norms is a way of learning about what's most important about what the members jointly value, about standards of behavior that the members share, so we allow this testing of group norms, but we make it public that we're testing group norms and that the purpose of testing norms is to find the norms, the values, the beliefs, that we share.

It's hard to eliminate those subgroups that might form, but it's important that we -- either within the group or leadership outside the group -- create a focus on at least one goal, and one process that involves all members of the group to achieve that goal. What we're trying to create here is a sense in the mind of all members of the group that there is a situation where by working together we can succeed. Even if part of the time we're split out into subgroups and disagreeing, there's this situation where together, we can bring it together, and drive success as a group.

And we need to remind the members of the group that collectively, they bring the KSAOs that are needed to drive success. This is particularly effective if we can focus on how the collective knowledge and skills and abilities and experiences will drive success if they work together, and emphasize that because we have a collection of people and a collection of KSAOs, we have a higher probability of success.

**Norming:**

The next stage of development is called norming. This is often where cohesion starts to develop clearly within a group. This is a stage where members start to work through their personal differences. And these might be personality differences. They might be differences in beliefs about goals or roles or path to success. But they work through their differences. They develop norms that are shared by the members of the group, and they agree upon, not only their own roles, but the roles of other members of the group. This is where a sense of group structure and identity emerges more clearly, and where the group starts to feel that they own that structure and that identity. This is the stage of development where members usually start to believe that they're a team, not just a group.

If you observe a group at the stage of norming, you will observe a lot of cooperation compared to what you would have seen in earlier stages; you'll observe less emotional responses to comments, questions, and challenges; and you'll see more behavior that's goal-directed. In fact, when groups are at this stage of development, when an outsider comes in and asks a member, why did you do that? Why did you engage in that behavior? Not only can that member answer the question by referring to that behavior being part of a path to goal success, but other members of the group -- let me call it a team, now -- other members of the team can also answer and say, well, she did that because by doing that it increases our chance of achieving this goal.

And it feels good. Being part of a team almost always feels better than just being part of a group. Being part of a team that's cohesive feels good because you know that when you look at the other members of your team, you share things, and you share things that you care about, and you have joint understandings of how to drive success; and very importantly, you respect those other members, and you know that they respect you.

Some call this the cohesion stage of team development, and this is often a stage where we not only begin to feel that we're part of a team, but begin to be recognized that we are a team, and start to believe that we can be successful.

**Guidelines for Norming:**

For members of a team that's at the norming stage -- for outside leadership of a team that's at the norming stage -- we want to make sure that if there is an internal leader, the members feel that that leader is someone who's fair, who's focused on the good of the group, not focused only on personal interest. We want to make sure that as a team, we recognize we will have disagreements; we will occasionally have conflict; but we agree on a system, a process, for addressing our disagreements and our conflicts, so when that point of conflict occurs, instead of asking, "What should we do about this?" we have already decided what we will do if conflict emerges.

And we want to strongly encourage a sense of group -- or in this case, hopefully, team identity. Some teams at this stage name themselves, but they definitely start referring to "us" and "we" at this stage, and we want to encourage that. An outside leader, instead of talking to individuals, should talk to a team. An outside leader, instead of talking about the contributions of individuals should talk about the success of the team.

We want to develop a healthy culture. Remember that a healthy culture in an organization is one where there are shared values, norms, and beliefs, and those values, those norms, and those beliefs facilitate the success of the team. So it's at this stage where it's very important for us as members of a team to actively work on defining what our culture is, and evaluating whether the culture we are developing is one that is healthy and will drive success of our team.

We want to encourage statements from the team as a whole, not from individuals. We want the team to release statements. We want the team to interact with external teams and individuals. We want to do anything we can to encourage that sense of "we" within the team. It's also at this stage where teams tend to develop more permanent operating structures, more permanent assignment of roles and assumption of roles, and tend to shift their focus so that they're not only looking at short-term goals, but are more significantly focused on the long-term goals of the team.

**Performing:**

We've labeled the next stage of development "performing".  This is a stage where outsiders recognize that this is a team, not a group.  This is a stage where the activity of individual team members, and the activity of the group, is focused on solving problems, capitalizing on opportunities, and finding ways to achieve goals.  This is a stage of team development that typically outsiders will look at a team and say, that group is really doing well.  And when they talk about that team doing well, they talk about goal achievement, and they talk about, wow, that's a cohesive group!  They're really working effectively together as a team.  So here is where outsiders identify, this is a team; and the cue to outsiders that this is a team is the high level of performance and, if they have a chance to observe it, the team process that's going on inside the team.

Activity at this stage is focused on those problems, those opportunities, and goals.  Contributors get their individual work done without bothering others; they don't complain about their individual work that's outside of the team; they do that separately; and when they work as part of the team, they focus on the needs of the team.

**Guidelines for Performing:**

At the performing stage, we usually see good, effective communication, and what that means is that the team members are communicating with one another about their needs, about their work.  A lot of that communication is focused on coordinating the efforts within the team.  And also, at this stage, we see a lot of communication that comes from the team to outside parts of the organization, and that's clearly coming as communication from the team.

We see a lot of cooperation at the performing stage.  We see people looking actively for ways to contribute to the success of team members; whether that means offering advice, or offering hands-on help for some work.  We see a lot of cooperative behavior at the performing stage; and a lot of plain and simple helping behavior:  Individual members looking for ways to help teammates succeed, and to help assist the well-being of their teammates.  Again, this is the stage where outsiders say, that's a team, that's an effective team; they achieve, and they work well together.

At the performing stage, there are things that members of the team can do to reinforce the performing stage, and there are things that might be done by outsiders.  First, team members will focus on the clearly-identified and agreed-upon goals that they have established as team goals, and individuals will remind one another about what those goals are.  Keep your eye on the ball; keep your eye on the target; keep your eye on our goals.  But, they will also verify that these goals are truly goals that will contribute to higher-level success in the organization.  In other words, at the performing stage, teams are very successful at achieving the team goals, and they feel good about the way they do it, but it's important to make sure that those goals are well-aligned with the higher-level goals of the organization.

This is a stage where members of the team and outsiders can talk specifically and explicitly about paths to success, and talk about, is this our best way to achieve this goal?  They will talk about stories that explain that the behavior we're engaged in will lead to successfully achieving our goals, and they will also ask whether the path they have chosen to goal success is the most efficient.  In other words, they're open to finding better paths that are more efficient to achieve success.

And they measure their progress:  They use metrics.  If metrics don't exist, they create metrics.  They use metrics to measure their progress towards their goal, and they use that as feedback to reinforce what's working well, and to redirect when that's appropriate.  Teams tend to do this, but outside leadership often needs to be involved in this as well.  An outside leader needs to recognize that this team needs metrics and they want metrics and if those metrics are available to the leader, he or she should provide them to the team to facilitate their success.  It won't be forcing numbers on the team; it will be facilitating their success.

Outside leadership needs to reinforce and provide feedback on performance.  Outside leadership needs to make sure that rewards are associated with goal success.  Outside leadership that wants to continue to reinforce the team concept needs to make sure that at least some of the rewards that are offered are rewards based on team performance, not individual success.  And outside leadership needs to play a role in creating the interface

between the team and the rest of the organization, and making sure that the communication avenues are there, because the team wants them at this stage.

Outside leadership needs to ask what can I do, what can the organization do, to facilitate the success or the efficiency of this team? Outside leadership knows the team is committed to the goals, the team has defined a path to the goal; outside leadership needs to say, what can we do -- not to force -- but to facilitate the success of the team? And outside leadership can also reinforce the culture. If there's a healthy culture, outside leadership can show respect for that culture, talk about that culture, discuss how that healthy culture is contributing to success, and reinforce that culture.

This is the stage of development where, when someone in the organization says, "Where are our best teams located?" they point at a team that's in the performing stage. These are the teams that are recognized as teams, recognized as successful teams, respected by the organization, and this is really quite frankly the goal for most organizations when they try to create a team is: To get a team to the performing stage; where the team is well-aligned with the interests of the organization, and the team itself is taking the lead and making sure that they contribute to the success of the organization.

**Adjourning:**

Many teams have a set point in time when they cease to exist. Project teams, for example, are created to address a specific challenge or specific opportunity. That tends to be associated with a specific set of goals and once those goals are achieved, the team has succeeded; and we tend to say that: "The team has now succeeded."

With that sort of team, there's an endpoint. Now, this can be sad for members of a team. They've reached the point where they've gone from just a collection of people, through a stage where they've had a lot of disagreement, maybe some conflict, and they've learned how to perform, and the outside world has recognized them as a very successful team, and now it's time to end. We can grieve that. The adjourning stage is when the work is done; the achievements of the team are recognized; because the goals have been met. It's time for group members to move on and contribute to the success of the organization in other ways.

This is a stage that can often cause grieving -- we'll miss our friends, we'll miss that success, we'll miss that sense of cohesion -- so we try to ease the separation sometimes by having celebrations, or a new beginning celebration for the next thing for the members. It's really important at this stage that the members themselves have an outgoing briefing where they talk to one another about their successes and why they succeeded, and outside leadership reinforces that.

**Guidelines for Adjourning:**

Let's look at some of the things that smart organizations do as part of the adjournment stage for teams. First, externally, they conduct an analysis of what the team did, what the team achieved; and they do a debrief of the efforts, the successes, and the failures; and they ask, what can we learn from your team experiences?

They also document the basis of success. Not only that success occurred; not only that success occurred and failures occurred; but looking at the underlying bases: What was it that drove the successes, what was it that contributed to the failures?

And they document the KSAO enhancements of the members of the team. Almost all of the time, individuals who are part of a successful team will acquire new knowledge, develop new skills, and have new experiences that are valuable to that individual and the organization going forward. So the organization itself can conduct an exercise where it looks at the individual members and says, we're looking at your personal inventory of KSAOs and these are areas where we see enhancements that occurred because of your participation and your membership in that team. These are the KSAOs that we believe will be of value to the organization going forward.

And finally, the organization recognize the contributions of the team, and focuses on how the individual members, together, drove that success, and they celebrate it; they talk about it, they publicize it, with the team and with

outsiders.  They celebrate success, and they use it as a model of how a collection of people who were brought together as a group can become a team, grow as a team, have success as a team, and in the process, all grow as individuals.

**Long-Term Teams:**

SPEAKER: What about the team that does not adjourn, either because the organization has identified the team that has been so successful, they want them to continue going forward, addressing new challenges or new opportunities? Or because the team members are not willing to break up the team? What's in the future of a team that stays together after it has achieved its preliminary success?

Well, the research shows that there are two real risks: One is what we will label delusion; the second is what we will call disillusionment; but there's also that holy grail, that might be desired by the organization or by the members, and that is the thought of becoming an elite team. Let's take a look at what happens to that team that does not adjourn and attempts to move forward.

**Risk: Delusion:**

The first risk that a team faces when it strives for a higher level is the risk of delusion. Now, remember, to get to this stage, a team already has to have achieved success and be a high-performing team. With delusion, the members of the team -- individually and collectively -- believe that there are no significant problems that challenge their future success. Things tend to be marked with euphoria; all it well, all is great, we're the best. It's enjoyable. I mean, what could be better than being part of a team that has a recognized history of a high level of success that believes it's moving to an even higher level?

The problem is, if the team is in the delusion stage, they have not moved to a higher level; they have simply started believing that they have done so. If a group becomes a team, stays as a team, but moves into the delusion stage, it is at risk of two things: First, it's a risk of no more growth. It is -- because it thinks all is well, it's not likely to be proactive in looking for ways to be better, so their performance might flatten. So that's simply a risk of not becoming better. The other risk is the risk of catastrophic errors, because the team individually and collectively believes it's so strong, it's so successful, it believes that will continue; they do not look for indicators of new challenge; they do not look for indicators that might cause failure. This is where some people talk about the phenomenon known as groupthink, where collectively, delusion is so strong, and individually it is so strong, that the team fails to look for threats, and occasionally will succumb to one of those threats -- delusion.

**Guidelines for Delusion:**

What does an organization do, or what can a team do at the delusion stage? Often, management of the delusion stage needs to come from outside, unless a team has been really well-trained that delusion is likely to follow high performance, and is really well-trained to look for the symptoms, the indicators of the delusion stage. Some teams can do that with good training. Often, the work comes from outside the team, and what do we do? Well, we accept it as normal. You know, a team and individuals who have experienced sustained success for so long feel good about themselves; maybe they feel a little too good about themselves -- that's normal -- and although it might stifle quick growth in the short-term, it might actually help group development long-term if the group becomes aware of what has happened.

We need to be aware of the symptoms of the onset of groupthink -- and this is mostly for outsiders. If we detect groupthink emerging, we need to take corrective steps to try to prevent the group from getting so deep into delusion that they are clueless about threats, and vulnerable to those threats.

Importantly, we want to make sure that the delusion does not get too severe. Think of delusion as being like chewing bubble gum and blowing a bubble. As the bubble gets bigger, the risk of it exploding becomes bigger, and the impact of it exploding becomes bigger. So what we want at the delusion stage is to help the team and the individual members realize that their beliefs about how good they are, are now outside of reality. We need to create that awareness, and that's what will lead us to the next stage of development that typically follows the delusion stage.

**Risk: Disillusionment:**

The next state of team development -- disillusionment -- is the second risk that teams face as they attempt to create their development beyond being a high-performing group. This is where that bubble of delusion bursts; members of the group become quickly and immediately, and sometimes severely aware of their problems. It's very hard for effectiveness to increase when there's stress and distress and disappointment in one's self and one's team. Sometimes this can involve catastrophic errors and catastrophic failures. Typically, disillusionment will damage cohesion -- How could we have done this? We're not as good as we thought we were. You're not as good as you thought you were. I'm not as good as I thought I was -- all that basis of cohesion can be damaged.

Dysfunctional subgroups can form again; group A blaming group B; Group B blaming group A; splitting the team into subgroups. And then many people feel often, this team -- this high-performing team -- will regress to simply a group in conflict. And this stage looks very much like that storming stage of development, but it tends to be more extreme than what was experienced during the storming stage.

Often pessimism will grow -- I don't think we're as good as we thought we were; I don't believe we can be as good as we wanted to be. And this might be a point where the group breaks up and goes away. Instead of an orderly adjournment that we talked about earlier, this can be a catastrophic disintegration of the team. And if this happens, we've taken a high-performing team and turned them into a failure at the end: Not a good thing.

So let's talk about some things that perhaps members of the team can do -- definitely outside members of the organization can offer -- to help deal with disillusionment.

**Guidelines for Disillusion:**

If an outside leader, or any outside organizational member recognizes that a team has been in the delusion stage and is entering the disillusion stage -- or needs to -- but the first thing they need to do is understand that disillusionment is necessary for the shock; to tell a team that they're not as good as they thought they were. So it's often appropriate to allow that disillusionment to occur openly within the team, and if necessary, even outside of the team.

Sometimes it's necessary for an outside leader or other outside organizational member to force the disillusionment to occur -- to burst the bubble -- because that bubble's getting bigger and bigger and bigger, and the bigger that bubble of delusion gets, the more painful and more disruptive it will be when it explodes. So often an outside leader who identifies that delusion is occurring needs to force the onset of disillusionment.

Subgroups are likely to form; they're likely to be dysfunctional. This is again a stage where we need to recognize why those subgroups formed; recognize it's going to be very hard short-term to eliminate those dysfunctional subgroups, so instead what we do is we try to create a goal that can only be achieved by all members of the team working together. We try to remind the team members that there are situations where working together, they can solve problems; they can capitalize on opportunity. So we give them usually a short-term goal; a task that needs everybody to work together.

We also at this stage have to reevaluate the leadership of the team. If the team has a leader who's been unable to or unwilling to manage the delusion, to burst the bubble, to manage the conflicts that evolved if the bubble burst naturally, we may need to replace that leader. Sometimes that's a symbolic step that can help; sometimes it's an actual step that's necessary because we need a different kind of leader. So we may actually change the person who is the leader, or we may need to work with that leader to convince him or her that a different kind of leader behavior is needed at this stage of development than was needed at perhaps the high-performing stage of development.

And we need to make a careful decision here: Is it time to let this group dissolve, or do we want to save this group and hope that we can do one of two things: Either help it once again become a high-performing group, or help it move forward in search of becoming an elite team.

**Elite Teams:**

Getting that team back to high-performing status, or taking that team to elite level is taking a team to full maturity. It's taking a team to the point where it is able to do anything they choose to pursue successfully, and willing to only choose goals that they're capable of achieving. This is a stage where, if we have an elite team, that the members and the team collectively recognize failure is always possible; threats of failure are always present. Where in the delusion stage, we were insensitive to threats, at the elite stage, we are always sensitive to threats to our success.

This is a stage where, if we reach it, the divisive dysfunctional subgroups disappear. We may use many subgroups, but it's done with trust, and it's done for the purpose of achieving the success of the team goals. This is a stage where group identity is strong once again, but it's tempered by those experiences of failure. It's a strong sense of group identity that says we're good -- we are really good -- but we are not infallible. We have failed. We know we've failed. We know failure's possible in the future. Our identity? We're one of the best, and even the best can fail. So we, as a team, as part of our identity, as part of our culture, are always looking for threats to our success, and ways to respond to those threats. We are proactive in looking for threats and solution to threats.

The elite team, when an envisioned threat actually presents, already knows how to respond to that threat. To achieve this, we need an even higher level and even more efficient flow of communication within the team. We need to make sure that our time, our resources, are used effectively and used efficiently. We know that this is a stage of team development where the highest level of performance is possible, and the severity of failure can be very real.

**Guidelines for Elite Teams:**

Let's talk about what members of the team, or outsiders can do to facilitate a team becoming an elite team, and to maintain the team as an elite team. First, leadership, both inside and outside, needs to be interpersonally focused. The skills to manage people need to be strong. The leader needs to be clearly focused on the development of the group and the goals of the group. We need to encourage open, honest communication. We need to be willing to share with one another our perceptions of weaknesses -- of our own, weaknesses that we see in others; and strengths, and how those can be used, or problems avoided. We need to focus on what we do and why we do it, rather than who we are in terms of personality. And in fact, at the elite stage, we see very few personality conflicts. The conflicts that emerge are focused on the goals and the path to the goal. They're focused on things that we share: Wanting to achieve a set of goals and wanting to find the best, most efficient payoff to achieving those goals.

And if we see subgroups forming that might be dysfunctional, we quickly raise the issue, whether we're a member of that subgroup or we're outside of that subgroup. The focus here is on the goals and the path to success.

This is also a good time to review the KSAOs that are possessed collectively in the team, and by the individual members of the team. This is a good time to review whether we are deploying our KSAO's appropriately. It's also a good time to identify where we have backup strength on our KSAOs.

The Navy Seals, of course, need to know not only that before they pursue a mission, they collectively agree on the goals, agree on the path to success for the goals, and believe that collectively they have the KSAOs; but they also need to know that they have KSAO depth, so if someone goes down, they know who will step in and they know how they will step in, and they know which knowledge, which skills, which experience they will bring to bear to help the team still achieve success even though one member has gone down.

This is a place where we reinforce the unique capabilities of the team and its members. We continue to refine the communication channels, and when discussions occur, they're issue-oriented: Focused on goals, focused on process toward achieving that goal. When you ask any member of an elite team, why do you exist? The answer is we exist to pursue goals that are important to the organization and to do so successfully. It is our job to make

certain that we are a team that individually and collectively has the highest probability of achieving those goals in the most efficient manner possible.

**Steve Jobs on Effective Teams:**

It's interesting to look at some of the comments that Steve Jobs made when he was alive and running Apple. Steve repeatedly emphasized that he didn't want any committees at Apple; that what he wanted was teams -- teams that had a collaborative culture inside the team and that were part of a collaborative culture at the organizational level.  They wanted an organization that functioned like a start-up, and teams that functioned like a start-up, that set short-term, medium-term, and long-term goals; that have a culture that focuses on the success of the team rather than the success of individuals.

Jobs said he spent all day talking to teams; making sure that teams had a clear focus on their goals; that the goals of the teams were clearly integrated with the goals of the organization.  And he also felt that it was his role as a leader to help provide the catalyst for teams to want to be teams -- not just groups.

He's famously known for saying over and over, organizations and teams should be run by ideas, not by hierarchy. The Steve Jobs approach to teams was, our organization will only succeed if our teams succeed.  Our teams will only succeed in an atmosphere of trust, in a culture that values the success of teams over the success of individuals.

**Assets & Liabilities:**

PROFESSOR: We've talked on and off about the good news and bad news that can be associated with groups and teams, but let's be explicit, and let's summarize some of the research findings on the assets that can be realized from groups and teams, and some of the liabilities that can be created when we form a group or a team.

**Potential Assets:**

Let's start by looking at some of the assets, some of the good news associated with using groups and teams to do organizational work. First, when we bring the right collection of people together into a group or a team, we are putting together a greater set of knowledge, a greater set of KSAOs, more knowledge, more skills, more abilities, and a wider range of experiences.

As we do that, we're creating a broader, richer perspective on the issues, the challenges, and the opportunities. When we do that, we are likely to identify a wider range of alternatives for paths to dealing with challenges and capitalizing on opportunities. When we do this, we're not only likely to get better decisions, but better support for the decisions, and better satisfaction with the decisions, all of which are likely to drive better execution of the decisions.

When we use groups and teams, we're likely to create a better comprehension of the nature of problems and opportunities, and we're likely to create a situation where communication can flow more readily. All of these potential assets have capitalized on can benefit the success of the organization by helping us create groups and teams that collectively contribute more to the success of the organization than could individuals working on their own.

**Potential Liabilities:**

But it's not always good news that we get when we assemble groups and teams. One of the potential liabilities of using groups and teams is that the interaction can become more complicated. When five people are communicating and working on an issue, it can take longer than when one person addresses it. Even though a team might find better solutions, they might take longer to do so. There might be more lapsed time.

Another thing that can happen when we use groups and teams is that we are a more likely to see compromise as we choose how to move forward against problems or opportunities.

Now, in our culture compromise tends to be something that we value. Oh, what a great person, she's willing to compromise. It's really nice that he will compromise when we disagree. In our culture we tend to value compromise, but compromise is a lose-lose solution. When we compromise, we are agreeing to a lesser quality solution than we think exists. Although compromise might be considered positive as a personal style characteristic, it may damage the quality of our decisions and our execution.

We also know that in groups and teams we can experience social pressure that, although often motivates members to focus on the well-being of the team and its success, can sometimes be negative social pressure that motivates team members to engage in dysfunctional behavior they would not otherwise engage in had it not been for that negative social pressure.

We also observe that sometimes groups and teams make premature decisions. Now I already mentioned that sometimes it takes longer for a team to make a decision, because there are so many views, so many people, so many relationships.

Associated with this is that we can get tired of the amount of time we are spending trying to reach decisions. So we go all right, all right, enough already, let's make a decision and move ahead.

Sometimes in groups and teams those can be premature decisions. I consider a decision to be premature if a reasonable range of alternatives has not been identified, if a reasonable set of criteria for evaluating the alternatives has not been identified, or if the alternatives are not adequately evaluated against those criteria before a decision is made.

A premature decision is made when and if reasonable alternatives are not considered, a full set of criteria are not considered, and a full evaluation is not done before making a decision.

We also discover, and I'm sure you've all experienced this, that sometimes in a group, less likely in a team, but sometimes in a group one individual will attempt to dominate the conversation, dominate the decision making. When and if that happens, there's a tendency for other members to withdraw the level of their contributions to the group, and that damages the success level of the group or the team.

And oh, by the way, I have to tell you, there's been research done asking whether the big talker, the person who tries to dominate the conversation and teams has better ideas, better analyses, more knowledge, more skills, more appropriate experience, and the answer is usually not. They just like to dominate.

We have a double whammy, where not only can they turn off the other members of the team, but the domination is happening from someone who has lower quality to offer to the situation.

There's an issue we also have to address, and I think we should address explicitly whenever someone is asked to be part of a group or a team, and that's related to the fact that most of us have limited time and energy available to do the things we might do at work or outside of the workplace.

Any time we are a member of a group, a member of team, we are devoting some of our time and energy to the work of that group and that team. What that does is to interfere with our other organizational goals and potentially with our personal goals. If my team, that I love, that I care about, that I'm committed to, causes me to miss an evening with my family, it has interfered with a personal goal. We have to address that as a very real possibility.

Another downside risk of using groups and teams is the possibility of what we call social loafing. I'd like to talk a little more about social loafing. As students, I suspect you've experienced a situation where you've had a team of maybe four or five or six members, and one member is not pulling his or her weight. We refer to that as social loafing. Let's learn a little more about what social loafing is and what we might be able to do about it.

**Social Loafing:**

Social loafing is when one member of a group or team undercontributes to the work of the group or the team. There's a tendency for individual effort to decline as group size increases. As we go from a team that's too small to a group that's the right size, one of the things that happens is we're pulling less time from each team member.

As teams grow, individual members will sometimes think, oh, there are enough people here to get the work done, I don't need to do as much. When that person makes that decision, he or she is deciding to be a social loafer. Sometimes we call them free-riders. They produce low quality work, low quantity work, they cause others to work harder. They can distract or disrupt the work of other team members, and the can damage cohesion within the team.

We not only know what social loafers are, people who do not contribute their fair share, but we also know a lot about the damage they can do the team and to the rest of the individual members.

**Guarding Against Loafing:**

Let's think about some of the things that an organization can do to guard against social loafing. First, let's think about the size of the group or the team. Ideally we will form a group or a team that collectively has all the KSAOs that are needed for the group or team to successfully achieve its goals. Ideally we will make sure of that, maybe even have a little extra margin of error so we're sure we have enough KSAOs to succeed, but ideally we won't

create a group or a team that's larger than that. If we do create a team that's larger than what's necessary to have the KSAOs to facilitate success, we create a literal situation of redundancy. Redundancy of knowledge, of skills, of abilities, and experiences.

Now again, a little redundancy is fine, it gives us room for error, it lets us be a little more flexible. But as we increase group or team size too much beyond the necessary size, we create a situation where every member becomes aware that there's somebody else who knows some of the things they know who have some of the experiences and some of the skills. They know somebody could pick up the slack if they don't.

Groups that are larger than needed to achieve success create an environment in which social loafing can occur without the team failing. We want to limit the size of the group so we do not create that situation.

We also want to assure equity of effort. Now there are a lot of things that can be done. Some of your professors have probably had you do peer evaluations of the contributions of your individual members. Some of your professors have probably asked you, when you submit a report from a team, to indicate what the contributions were of each team member. These are all efforts to assure equity of the work done by the members of the team.

We can also address social loafing by holding the members of the team individually as well as collectively responsible for outcomes. Sometimes we can do that simply by having an outside leader talk to each individual member of the group and ask questions like, what are your goals, what's the path the success on this goal, what is your role in driving success. That can sometimes be done from the outside. It can also be done by having every other team member hold each team member accountable for their contributions.

We can also use the reward system for this. We can use hybrid rewards that reward both group contributions and individual contributions, which, although that might threaten the cohesion in some ways and the team spirit in some ways, it does reduce the probability of social loafing occurring.

In groups that are less developed, we have a greater need to use these hybrid rewards. In teams that are well developed, the team itself is likely to eliminate any social loafing that emerges.

**Assets or Liabilities:**

There's some things about groups and teams that can function as either assets or liabilities, depending on how they play out. We talked earlier about the disagreements that occur. If we assemble a group or a team where we know that disagreements are likely to occur, that can be very valuable in that those disagreements might find new and better ways to achieve success.

However, when we assemble a team where we know disagreements are likely to occur, we might create hard feelings, we might create conflict, and we might damage cohesion. So, we've got manage this one very carefully.

Where we create a group or a team where the members have broad, diverse interests that can broaden the perspective, which again can produce positive effects, or those diverse interests can mean that individual team members, even if they share team goals, might also have goals that are incompatible with the goals of the team, and that can create conflict.

We also know from quite a bit of research that teams, especially teams, are more likely to take a higher level risk than individuals or groups that are not as well developed. Risk taking is something that we want in organizations. Without risk, we don't find very significant gain.

However, excessive risk taking can be dangerous. We know that when we know a cohesive team, and when we ask them to evaluate alternatives, select an alternative, that they're likely to select riskier alternatives than would a less cohesive team and riskier alternatives than would the individual members of that team. That can be good or bad.

We need to be aware that team decision making tends to drive riskier decisions, maybe because teams recognize they can succeed against riskier alternatives. Maybe, because of diffusion of responsibility of who is to blame if a

risky decision fails.  We need to be aware, teams tend to make riskier decisions, and we need to manage that carefully.

We also know that when we put together groups and teams we're using more person hours than we're likely to use if one individual worked on every problem and every opportunity.  That's an investment, and we're going to have to think about the return on that investment.  In fact, later in topic we'll talk specifically about assessing return on investment.  Is it worth taking the time of six people to work in a team to address an opportunity rather than tasking one person with that?  The answer is sometimes yes, sometimes no.  We need to manage these factors that can be positive or negative, depending on how they play out.

# Unit 6.5 – Team Building and ROI

**Team Building Objectives:**

PROFESSOR: As organizations assign people to groups and teams, they often think about how much to invest in helping the group or team become effective as a group or team. They think about a variety of team building objectives and a variety of techniques that they might use.

They'll ask questions, such as how could we improve the cooperation within the group? Or how could we drive better communication within the group? Or reduce dysfunctional conflict, and focus conflict on finding better ways to do things? Or what can the organization do to enhance cohesion? The organization is thinking about ways that it can invest in helping groups and teams become more effective.

Often organizations overinvest. Sometimes they underinvest in helping groups become teams, teams become successful. We often, in successful organizations, will do an analysis before we move ahead and we will ask, is it worth using this team building technique in hopes of having a somewhat better group or a somewhat better team?

**Return on Investment:**

Before an organization decides to invest in a team building activity, it really should do a return on investment analysis. It should ask, is the cost of this team building activity going to be one that is a sunk cost or one that will produce a benefit that's even greater than the cost? In other words, the organization will ask the return or investment or ROI question, will this group enhancement, this team building enhancement, yield results that provide a good return on our investment?

**Team Metrics:**

To help you think a little more about the idea of evaluating return on investment, think of it as cost/benefit when an organization decides to invest resources in a group or team.

Let's think about a specific example where we can do a cost/benefit analysis. Now, remember I said earlier, you can't manage what you don't measure. Almost every return on investment analysis that we do requires us to have useable metrics. Otherwise we can't calculate a probable and actual return on investment.

What we need to do a good ROI, good return on investment analysis, is clear objectives and identification of how we'll measure them. A measure of performance of the team. We need to somehow validate that it's the team and what it does differently because of our investment in them that is yielding a return on that investment through performance and achievement of the objectives.

Let me try to be more specific by looking at a very specific situation lifted from an organization that went through an ROI analysis and subsequently decided to make an investment in some of the its teams.

**Example: The Need:**

Here's the situation. This was an organization that had a clear strategy of differentiating itself through excellence in customer service. The organization publicly, externally and internally, argued that our path to success in profitability is to differentiate what we do and how to do it by showing excellence in customer service.

This was an organization that had a culture that focused on collaboration. They were looking at teams that unfortunately had culture that was competition-based. Now this often happens in teams where there is a sales focus that can be tracked to individual performance. It often happens in teams where rewards are solely based on individual performance.

In this organization, we had a strategic approach that said, we will differentiate ourselves through excellence in customer service, an organization that said we will build a culture of collaboration that will enhance the

collaborative use of the knowledge, the skills, the abilities, the experiences that we bring together, but yet the organization had some teams where the culture was one of competition.

The structure of the organization was designed to be compatible with that strategy of excellence in customer service, that culture of collaboration. The organization developed a structure where almost all work was to be accomplished by teams. Yet the organization had some teams that were not compatible with that strategy, that culture, and that structure.

This yielded a very significant problem for the outcomes of the work of these teams focused on this example. The problem was there was reduced customer service quality, and that was being caused partly and to a large extent by a high level of turnover of team members and the turnover was being created, in large part, because of the excessive competition and conflict between team members.

We had an organization that had really taken great pains to create a strategy of culture and a structure that were compatible, relied on teams to deliver this excellence in customer service, but the teams were failing to do so.

And the research showed that the process through which poor customer service was being delivered was high competition within the teams, high conflict among team members, and that resulted in turnover, and with rapid turnover of the team that was providing customer service, customers said, the quality of customer service is going down. You cannot classify this as excellence in customer service.

Therefore, the organization was failing to capitalize on its differentiation strategy. So the question was, now that we've documented that teams with culture and structure that's inconsistent with the rest of the organization, and that that's the source of our problem, what can we do about it? Can we invest in these teams in such a way that will give us a good return on that investment?

Remember, as the organization was thinking about what to do, their goal was to reduce turnover in their customer service teams. They wanted to build teams that were more collaborative, that had a healthy conflict management process, and that focused conflict resolution on achieving goals and maximizing the contributions of members.

The organization concluded that it might be worth investing in training that would facilitate team collaboration and positive conflict management.

The organization collected information on turnover rates, customer service quality, and the attitudes of team members, and the degree to which the behavior of team members was collaborative and conflict management was constructive.

The research validated the link from attitudes, behavior, to turnover, to poor service quality. Then the organization asked, would it be a reasonable investment to do training that would change those sources that are leading to low quality customer service.

**Example: Team Training:**

Here's the result on the return on investment analysis that this organization did. They documented the payoff from the training program that they implemented. Now what this organization did is they executed this training program with a small set of their teams to evaluate whether they actually realized a positive return on investment from this training.

Their thinking was, if we get a good return on investment, we will roll this training out to all of our teams to maximize our return on that investment, but we don't want to roll it out with all the teams if it doesn't give us good return on investment.

They implemented the training. It was focused on collaboration and positive conflict management with a subset of teams. They documented the impact of that on turnover, customer complaints, and sales levels. What they found was a benefit per team of $200,000. They also documented the cost of the training program, the direct

cost, the space cost, the instructor cost.  They even documented the value of the time away from work of everyone who was involved in the training.

They identified the total cost of this training as $50,000.  So they invested $50,000.  They got a $200,000 return.  Subtract the cost from the benefit, and you get a $150,000 payoff, which is the equivalent of a 300 percent return on investment.  I don't know any organization that would turn down the opportunity for a 300 percent return on investment.

In this case, this was one of the highest returns on investment this organization could get anywhere.  Their conclusion was we started by knowing that problems within teams were creating turnover and subsequently poor customer service.  We documented that a training program that we spent $50,000 on reduced the turnover, reduced the conflict, improved the quality of customer service, and yielded $200,000 in value.  A 300 percent return on investment.

After observing that, this organization reached a pretty rational conclusion to roll out the training program across all of its teams.  The organization subsequently documented a roughly 275 percent return on investment across the organization.  What they really ended up with was an organization where the differentiation strategy and the culture and the behavior of teams were all aligned in producing positive results.

**Individual & Team Competencies:**

PROFESSOR: Organizations are often very explicit about the goals they have for the competency of teams and their members. Let's take a look at what some of those leading competencies are that organizations believe will facilitate the success of their teams.

**Common Teamwork Competencies:**

The first competency organizations think about is contributing to team's work by individuals. A competent team member will complete work in a timely manner, come to meetings prepared, and produce complete and accurate work. If a team member does that, they're considered to be contributing to the work of the team at an adequate level.

We also want to look at the competency of constructively interacting with team members. An individual team member who constructively interacts will communicate effectively, will listen to teammates, will accept and act on feedback from teammates.

We also want to keep the team on track. A team member who contributes to that will help plan, help organize the work, will stay aware of team members' progress, and will provide constructive feedback to other team members.

We want quality work from each team member. To get that, we want each team member to expect the team to succeed and believe that it can do so, and we want each team member to care that the team produces quality work. A personal ownership of the quality of work done by the team.

Of course, as we discussed earlier, we want to make sure that the team collectively has the KSAOs, the knowledge, skills, abilities, and experiences that are necessary for team responsibility. We want each team member to bring KSAOs of value to the team and not only to have those KSAOs capabilities, but to contribute those in a meaningful, positive way to the team.

**3 C's of Effective Teams:**

It's been argued that the keys to team effectiveness can be summarized as the three Cs of effective teams. Charters and strategies, composition of teams, and capacity to adapt. It's been argued, and the research supports, that teams are more likely to be effective when they have a charter and a clear strategy, appropriate team composition, and the capacity to adapt as the environment changes.

Let's look at each of these three Cs.

**Charters & Strategies:**

When we talk about charters and strategies, we're talking about strategic objectives for the team that are well aligned with the higher level organizational objectives. A team charter describes how a team will operate in order to achieve those goals. Think of a charter as a set of rules and procedures and processes for achieving success.

Part of the charter is a strategy with deliberate plans that outlines exactly what the team will do and how it will achieve success. In effect, the charter tells the story of what the team will do and how that will contribute to achieving its own goals and how achieving team goals will contribute to organizational goals.

**Team Composition:**

The second C is composition. This brings us back to the collection of jobs, personalities, KSAOs, assigned to a team and making sure there is alignment between the work the team is being asked to do and the personality and KSAOs of the team members. In other words, compose a team that has the ability to execute the charter.

Another part of composition relates to the reward system, both the formal and informal reward systems.

A reward system that will reinforce success is one that focuses on the key objectives of the team, the key measures of outcomes, and it focuses rewards on the achievement of those measurable outcomes.

An appropriate team composition is one that may or may not be a cross-functional team. An appropriate composition is one that has the appropriate functions represented in the team. There's no reason to have a team that represents marketing and accounting and finance and HR unless the work of the team requires a composition that has all of those functions represented. When we compose a team, we ask what functions need to be represented to facilitate the development and execution of success.

Another consideration when we compose teams is should everyone be from the same level in the organization, or should we span levels of the hierarchy? The answer to that is definitely it depends.

For some teams it's more appropriate to have everyone who is more or less a peer, who are able to work together without concern about the fact that their team includes someone higher in the hierarchy or lower in the hierarchy. But when work needs to be coordinated through a structure that's hierarchically oriented, then it can be critical that team composition include representatives above and maybe below the core group of people in the team. This can facilitate the flow of information and the flow of decision making. It can also help generate support for the team from above and from below.

**Capacity to Adapt:**

The third C is capacity to adapt. You know, it's one thing to have a team that has the KSAOs and the working relationships to succeed the way things are today. It's another thing to have a team that can not only be successful in today's environment, but that can be successful in tomorrow's environment.

We want a team that has the capacity to adapt to changes in the environment, to new challenges and new opportunities. To do that, we not only need to make sure that the KSAOs collectively present in the team are appropriate for current success, but are appropriate for potential likely future scenarios. In other words, we have to have the capability of adapting.

Also part of capacity to adapt is a desire to adapt. To have a team that is motivated to find changes in the environment, to identify new challenges, to identify new opportunities, and to change what they do and how they do it to be successful in new situations. Capacity to adapt will determine whether a team that's successful today is successful tomorrow.

# Unit 6.7 – Virtual Teams

**Virtual Teams:**

SPEAKER:  In today's organizations, a lot of teams do virtual work; they do distance connections with one another.  A virtual team is one that at least part of the time works together, over time, over distance, via some form of electronic media.  The goal here is to combine efforts and to achieve common goals even though the members of the team may not always be physically together.

This is important in almost every organization today, and it's important in this course, because much of the learning, and much of the interaction that occurs in this course is virtual.  And I have to say, virtual teamwork can truly be good, bad, or ugly.  Let's talk a little more about why we use virtual teams, how we use virtual teams, what can go wrong, and what we can do to drive the success of virtual teams.

**Virtual Teams:**

I think one of the best ways to get us thinking about what can go wrong with virtual teams, is to look at an example of a virtual team meeting.

[COMPUTER TONE]

TRIPP CROSBY:  Tripp Crosby --

COMPUTER VOICE:  -- has joined the meeting.

[BURST OF FUNK-JAZZ MUSIC]

[SOUNDS LIKE HOLD MUSIC]

[RHYTHMICALLY HITTING TABLE]

[COMPUTER TONE]

BETH:  Beth? --

COMPUTER VOICE:  -- has joined the meeting.

BETH:  Hello?

TRIPP CROSBY:  Tyler?

BETH:  No, this is Beth from ICS.

TRIPP CROSBY:  Oh.  Hey, Beth.

[AWKWARDLY SPEAKING AT ONCE]

TRIPP CROSBY:  How are you -- doing?

BETH:  Oh.  Oh, good.  Yeah.  Just making it.  You know.

[COMPUTER TONE]

TYLER:  Tyler --

COMPUTER VOICE:  -- has joined the meeting.

[DOOR CLOSING]

TRIPP CROSBY:  All right.  Well, uh, this is Tripp.

 Who's here?

TYLER:  Tyler's here.

BETH:  Beth's here.

TRIPP CROSBY:  Okay, the purpose of today's meeting is to discuss the --

[COMPUTER TONE]

JOHN:  Yeah, I'll be able to do it in, like 30 minutes.  John --

COMPUTER VOICE:  -- has joined the meeting.

TRIPP CROSBY:  Hi, John.

JOHN:  Hi.

TRIPP CROSBY:  I was just trying to go over the purpose of today's meeting, which is to discuss the deliver --

[COMPUTER TONE]

TYLER:  Tyler --

COMPUTER VOICE:  -- has joined the meeting.

TYLER:  [EXHALING] Sorry, guys.  I got cut off.  Is Paul here?  I sent him an invite.

[KNOCKING ON DOOR]

[SOUNDS LIKE TRYING TO OPEN DOOR]

BETH:  Put in your access code!

[BEEPING]

JOHN:  No, no, no.  That's your PIN number.

TRIPP CROSBY:  It should be a 9-digit number.

[BEEPING IN BACKGROUND]

SPEAKER 3:  Try pressing the pound key.

[SOUND OF DOOR OPENING]

[COMPUTER TONE]

PAUL:  Paul --

COMPUTER VOICE:  -- has joined the meeting.

[QUICK WHOOSHING SOUND]

TRIPP CROSBY:  Any questions before we move on?

BETH:  Yes.  This is Beth:  What's our best plan of attack for the second quarter?

JOHN:  The question actual --

TRIPP CROSBY:  What we should do is --

[SPEAKING SIMULTANEOUSLY]

TRIPP AND JOHN:  Oh, go ahead.

JOHN:  Oh, well, what I think we should do --

TRIPP CROSBY:  -- well, it actually depends on how you look at it --

JOHN:  -- is really diversify, because it really comes --

[BOTH STOP SPEAKING SUDDENLY]

TRIPP CROSBY:  Uh, go ahead --

JOHN:  -- you go ahead.

[AWKWARDLY TALKING OVER EACH OTHER]

BETH:  Given sales for --

TRIPP CROSBY:  -- well, let me just say --

BETH:  Okay.

[WHOOSHING SOUND]

TRIPP CROSBY:  That was a great graph, John.  Tyler?

TYLER:  Well, my main concern with the [SOUNDS LIKE PHONE AUDIO CUTTING OUT] projections from -- year -- was that -- they're just insufficient -- I mean they're not even taking into account --

JOHN:  Did we, uh -- did we lose Tyler again?

TYLER:  Hello?

[WHOOSHING SOUND]

TRIPP CROSBY:  John, are you guys taking distributions?

[LOOKS LIKE TALKING BUT NO SOUND]

John?

JOHN:  Oh.  My bad.  I was on mute.  Um, let me start over.

[WHOOSHING SOUND]

TRIPP CROSBY:  So I've prepared a presentation.  I'm sharing it with all of you.  You should be able to see it on your screen right now.

BETH:  Got it.

PAUL:  I don't see a link anywhere.

JOHN:  It says I need to download a plug-in.

TRIPP CROSBY:  We are all using Macs, I'm assuming?

[SEVERAL PEOPLE SAY, "YES," AND, "YEP."]

PAUL:  How can you -- uh ...

[WHOOSHING SOUND]

TRIPP CROSBY:  Financials are looking great.  Paul, do you have any comments on staffing?

PAUL:  I was thinking about that [DOG STARTS BARKING LOUDLY IN BACKGROUND] because we get a few more contractor types in -- hold on, I'm sorry.  Rex!  Get down!  [DOG CONTINUES BARKING AND SOUNDS LIKE ESPRESSO MACHINE IN BACKGROUND]

BETH:  I don't know. I feel like when I was  -- [WORDS OBSCURED BY BACKGROUND NOISE] -- so if you had to really tighten that up.

TRIPP CROSBY:  [VOICE ECHOING] To me, staffing is a huge --

BETH:  What is that?

TRIPP CROSBY:  [VOICE ECHOING] Is that me?

PAUL:  That's not me, I don't think. [ECHOING]

TRIPP CROSBY:  I just want to go over a couple of details as we move into our next section, here.  [COMPUTER TONE] We got three new departments coming on --

TYLER:  I think I'm breaking up a little bit, guys --

TRIPP CROSBY:  -- by the end of Q3 --

TYLER:  -- driving through a dead spot --

TRIPP CROSBY:  -- so I'm going to need everyone to give me detailed evaluations each month --

TYLER:  -- sorry, guys.

TRIPP CROSBY:  -- so that we know -- That's it, guys.  Beth, you'll send out a recap email that could have basically taken the place of this whole meeting, correct?

BETH:  Yep.  Always do.

DAVE:  Yeah, thanks for doing that, Beth.

TRIPP CROSBY:  Dave!  You been here the whole time?

DAVE:  Yeah.

TRIPP CROSBY:  Huh.  Well, thanks everyone, once again.  Oh, one more th--

SPEAKER:  [CHUCKLING] Could it have been any worse?  Clearly, this was not a successful virtual team interaction.  Unfortunately, this happens all too often.  Unfortunately, because it does happen often, there's a tendency to attribute negative characteristics to any type of virtual teamwork.  So it's important for us, and it's important for organizations to right up front say, using virtual teams can be challenging; remember, using face-to-face teams can also be challenging; some of the challenges are the same; some of the challenges are different.  For virtual teams to work, we need to manage virtual teams differently, in some ways, than we manage live teams.

**Potential Benefits:**

Let's look at some of the positive reasons why organizations use virtual teams:  When an organization uses a virtual team, they don't need as much office space.  Office space is expensive.  So one motivation, sometimes, is cost savings.  We can reduce our real estate cost if we don't give people physical offices, we don't have teams meet physically, but we have them meet virtually instead.  Another argument for using virtual teams is that we're able to leverage a really diverse set of KSAOs across geography, across time, that would be difficult for us to assemble if we could only consider team members who are physically together.  So, if we've looked at the KSAOs that are needed for a team and we can't assemble them in one place, that doesn't mean we have to give up.  We have the potential to assemble it across place and across space.

This potentially gives us the ability to share knowledge across very diverse markets, which might be different market types, might be geographic markets -- different parts of the world. This can help us reduce the commuting time, the commuting expenses, and the nonproductive time suffered by organizational members whenever they drive to get somewhere to be physically with their team. And this can be very expensive when a team is significantly separated geographically. A very common use of virtual teams is by organizations that have team members on different continents.

Virtual teaming has the potential to reduce work-life conflicts. I'm delighted to observe that more and more people are paying attention to work-life balance -- when they make life decisions and when they make work decisions. I think that's a great long-term trend. Virtual teaming can help reduce some of those work-life conflicts. If I have to be out of town for eight days to work with a team on another continent, that disrupts my personal life. If instead, over that eight-day period, I can have a series of a half a dozen virtual meetings; that still takes my time, but the overhead cost of travel is eliminated.

Virtual teaming can also help us attract talent from outside of our geographic labor market, and it can often help us retain talent; particularly in today's environment, where there's so many dual careers, where both spouses, both partners, have professional careers, and it can be difficult to locate both of them in the same physical space. There's a member of my department who's a professor who has a spouse, who does almost all of his work virtually. Because of his ability to do his work virtually, our faculty member -- your professor, who's really good -- is someone we're able to retain. If her spouse had to physically be where the rest of his teammates are, there'd be a problem.

So virtual teaming has a lot of potential benefits -- most of them relate to reducing overhead costs, and enabling us to build better, richer teams by drawing on people who are not physically close together.

**Potential Downsides:**

Unfortunately, as was clearly illustrated by our little video clip, virtual teaming can also have problems and constraints. Sometimes they're technical constraints, but it can be much more than that. If we want to take a collection of individuals and make them into a group and convert that group into a true team, if that's a virtual team, it can really be challenging to establish cohesion, to create satisfaction with the work and satisfaction with the team and with teammates -- it can be really challenging with a virtual team to develop trust; to create cooperative behavior; to develop true commitment to the well-being of the team and the team members.

Virtual teams also can make it more difficult to create a team culture that's focused on important values, norms, and beliefs. And in fact, often, with virtual teaming, we bring people together with very diverse individual values, norms, and beliefs, which can make it rich, but can also make it challenging to develop a good, healthy team culture while avoiding culture conflicts.

When we work with virtual teams, sometimes we're working with people from different countries where there are different labor laws and different work customs. And that can create a challenge for us, because the -- I mean, way beyond the, "What time is it in India now?" is the fact that there are different labor laws in India, and there are different work customs in India; and if my team includes Indians and Americans and Brazilians, I've got a real mix of local labor laws and work customs, and we're going to have to deal with that, because those can be magnified in virtual teams.

As all of us know, nonverbal cues can be extremely powerful. They can communicate emotion, they can communicate detail. They can communicate and engage very effectively. That is harder to achieve in a virtual team. Particularly, if we can't see each other, particularly if we're interacting with one another in a manner that's not synchronous, where we're not, like, real-time interacting with one another, nonverbal cues are more difficult to communicate, and can be more easily misinterpreted with virtual teaming.

We also can find a lack of collegiality in virtual teams; that sense of, this is really nice to be part of this team; I consider you one of my colleagues; I'm contributing to your success; you're contributing to mine. We often see

virtual teams focused more on transactional interactions: Here's our goal; here's what I have to do; here's what you have to do. So we talk about transactions for getting us to success versus relationships.

And finally, for many of us, working with interesting people, working with people we respect, is an important part of what we value from the work experience, and that is much more difficult to achieve with virtual teams. I can tell you from my own perspective, doing what I'm doing right now is much less rewarding to me because I like being in the classroom with my students; I like interacting with my students. Now, we've chosen to communicate the knowledge from this course using a virtual mode because of all the payoff associated with doing so, but there's a downside for me: I'm missing the enjoyment of working with you face-to-face in a classroom.

**Research & Best Practices:**

There's been some research done on best practices in managing virtual teams, and I'd like to share some of those with you. One of the best practices says, we have to be adaptive in the communication processes and the timing of communication, which means everything's not face by face: Phone calls might be harder; sometimes communication has to be asynchronous because of time zone differences. One of the best practices is sometimes called "share the love." But what that means is keep people connected, so that you can see my enjoyment of work, and I can see yours, and we're sharing our joint concern for -- love for -- the work that we're doing, and the work that we're achieving. So, best practices suggest that virtual interaction among team members make that difficult, so we need to create models that explicitly share those success stories and share those thoughts and feelings.

It's also important to make sure that we develop productive relationships with key people on the team. Sometimes that means that even if a team is going to work virtually most of the time, we need to occasionally bring the team members physically together to make them become real people: People we feel we know; people we might learn to trust. So, best practices suggest that even with a virtual team, we may -- as an organizations, as a team, as a member of the team -- may want to invest in that non-virtual interaction with the team from time to time.

Best practices also suggest that it can be helpful to have partners established within a virtual team -- kind of like a peer mentor; someone I can talk to off-line to get a read on what we're doing. Best practices suggest that team members are the best people to identify when they are available, when the best times are, for virtual meetings and virtual interactions.

We have to recognize that pace is often slower with virtual teams, and when we plan our strategies, when we plan our timing for teamwork, we have to take into account that virtual teaming has a lot of downtime quite often, and that can slow the pace of decision making and work execution.

Best practices suggest frequent updates to team members of what's being done by other teammates, what's being achieved by other teammates, what's being achieved by the team; more frequent than needs to be done with non-virtual teams. And it becomes extremely important that we not only select people for virtual teams who have the right KSAOs, but people who are personally comfortable working as part of a virtual team, and we know how to do that: By sampling people and testing people in those situations. Communication skills are essential for virtual teams; they are even more important than in non-virtual teams.

**The "Why" of Virtual Teams:**

Sometimes we use virtual teams because we have to. We have no other way -- no other affordable way -- to bring that collection of people together; and we need that collection of people working together. Sometimes we use virtual teams because we want to, because using virtual teams can be more efficient; because using virtual teams can be more respectful of our team members and their time and the rest of their lives. When we choose to use virtual teams, we are making an investment. This is yet another opportunity to do a return-on-investment analysis and ask, is it going to pay off to use virtual teams for this particular set of goals, and what will the return on investment be? We know there are costs; we also know there are potential payoffs. Use no virtual team

before its time; use a virtual team when doing so will increase the probability of organizational success and/or efficiency.

**Enduring Ideas:**

Let's revisit those enduring ideas:  Groups and teams are critically important tools for organizations to succeed as they face challenges and opportunities; groups and teams can be an asset or a liability.  We know that the quality of members, the quality of leadership, the quality of management, will determine whether we capitalize on those assets or suffer because of those liabilities.

We know that the group and team experience has a strong impact on the quality of work experience for team members, and that those team work experiences will be a significant factor when team members decide whether to stay with the organization, or go somewhere else; when they decide how hard to work, or on what to focus.

We know, very importantly, that groups and teams go through stages of development as they evolve from collections of people to groups, to teams.  And we know that each stage of development requires different strategies to promote effectiveness and success.  And we have some good guidelines on what those strategies should be at each stage of development.

We also know that you can't manage what you don't measure, and that it's critically important that organizations not only collect metrics at the organizational level and the individual level, but also at the team level.  And that those team metrics are used to facilitate the success of teams, and used by the reward systems that reward team success as well as individual success.

Teams:  They're good; they're bad; they're ugly.  We cannot guarantee success, but we can make better decisions about when to use them, how to use them, and how to make it more likely that our teams will drive success.

**Wrap-up:**

We really need to keep in mind as we think about teams, that this is a core part of what we do in organizations. The way we design teams, the way we manage teams, has to be effectively integrated with the strategy, the culture, the structure, the HR practices, and the entrepreneurial and innovation efforts that the organization focuses on as it pursues success.