

Team Management

A Guide for Sustainable Entrepreneurs

SUSTAINABLE ENTREPRENEURSHIP PROJECT

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Team Management: A Guide for Sustainable Entrepreneurs

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Team Management

Setting the Stage

Teams and team-based organizations are a specialized form of a network organization that has gained popularity as organizations seek ways to flatten their hierarchical structures, gain more flexibility and effectively combine expertise from different functional areas to solve problems that were presented to group members as projects to be completed. Important organizational benefits of teams include improved productivity and quality, improved quality of work life for employees, lower absenteeism and turnover, increased innovation and improved organizational adaptability and flexibility, and team management can actually become an organizational core competency that can be leveraged to achieve important strategic objectives such as accelerated new product development, efficient production and improved responsiveness to the service requirements of key customers; however, in order for senior management to achieve these benefits they need to grapple with and resolve difficult issues such as how to structure teams and select team members, how much authority and autonomy to delegate to teams, how to motivate team members, and how to make teams accountable for their actions.

Key Topics Covered

Key topics covered in this Guide include the following:

- Definitions and organizational benefits of teams
- Types of teams
- Placement of teams in the organizational hierarchy
- Challenges for collaboration in team activities
- Guidelines for effective team performance
- The roles of executive support and human resources practices
- Team leadership
- Team composition and structure
- Team building
- Monitoring and evaluation of team activities

Learning Objectives

After reading this Guide, you should be able to:

1. Identify and describe the different types of teams.
2. Understand the challenges for collaboration in team activities.
3. Understand the characteristics of effective teams.
4. Understand the organizational practices associated with effective team activities.
5. Understand best practices for team composition and structure.
6. Understand the stages of team development and evolution.

§1 Introduction

According to Harris, teams and team-based organizations are a specialized form of a network organization that gained popularity in the 1990s as organizations sought ways to flatten their hierarchical structures, gain more flexibility and effectively combine

expertise from different functional areas to solve problems that were presented to group members as projects to be completed.¹ A “team” is an organizational group composed of representatives from multiple departments who are brought together to discuss and resolve strategic and/or administrative issues that involve each of the participating departments. One useful and practical definition of a team emphasizes that it is a collection of individuals organized to accomplish a common purpose, who are independent, and who can be identified by themselves and observers as a team.²

A list of some of the important organizational benefits of teams compiled by Newell included the following³:

- Improved productivity and quality, as evidenced by the fact that the team approach is typically integrated into total quality management programs that rely on the team approach to ensure quality while simultaneously controlling and lowering the overall costs of manufacturing.
- Improved quality of work life for employees, which assumes that teams are organized in a way that allow teams members to participate in making decisions and control their work processes so that members are less burdened by external control and have a stronger sense of ownership over the results of their work.
- Lower absenteeism and turnover since employees have more interactions with others on a regular basis, a sense of belonging to their teams and respect that the other team members are relying upon them to be there and make the expected contributions to the group.
- Increased innovation, as evidenced by studies that have shown that companies that rely heavily on use of the team concept and encourage team members to experiment and develop new ideas have higher numbers of patent applications and new products.
- Organizational adaptability and flexibility, which increases as team members are allowed to get involved earlier in key decisions relating to planning, designing, engineering and manufacturing and thus contribute to overcoming or avoiding bottlenecks that have traditionally slowed down design and development of new products.

It seems clear that organizations need to consider using teams as part of their operational activities; however, much still needs to be learned and understood about basic questions such as when a team structure is appropriate and how teams can be structured in order to be most effective for the organization. While senior management would certainly enjoy the organizational benefits of team described above they need to grapple with difficult issues such as how to structure teams and select team members, how much authority and autonomy to delegate to teams, how to motivate team members, and how to make teams

¹ C. Harris, *Characteristics of Effective Managers* (2010), <http://pdfsr.com/pdf/characteristics-of-effective-managers> [accessed June 28, 2015], 5.

² S. Newell (revised by H. Kirkwood), “Teams and Teamwork”, Reference for Business (blog), <http://www.referenceforbusiness.com/management/Str-Ti/Teams-and-Teamwork.html> [accessed July 16, 2015]

³ S. Newell (revised by H. Kirkwood), “Teams and Teamwork”, Reference for Business (blog), <http://www.referenceforbusiness.com/management/Str-Ti/Teams-and-Teamwork.html> [accessed July 16, 2015]

accountable for their actions. New technologies have made it easier to create and use virtual teams, but collaboration and cooperation among team members who may never meet each other in person is difficult to guarantee. Studies have shown that while teams are capable of producing extraordinary results a higher percentage of self-directed work teams ultimately fail to achieve their objectives.⁴

The term “team” can be used to describe any number of permanent or temporary groups of members of a company. At one extreme is an entire business unit in which all of the members (i.e., managers and employees) focus on specific function-, product- or market-based activities under the direction of a senior manager who performs the role of the team leader. Other categories of teams include parallel, project, work and management teams. Teams can be formed for a wide array of activities including quality and productivity improvement, new product development, production and oversight of the activities of organizational business units. A team is often compared to another popular form of integrative strategy used by organizational designers: the task force; however, as opposed to a task force, which is a temporary and disbands once a specific issue has been resolved or no longer exists, a team often becomes a permanent feature of the organizational structure that can be readily deployed to address and resolve commonly recurring problems that impact the departments represented on the team.

Since teams can be thought of as a group of organizational members brought together to carry out projects selected by the company, it is not surprising that project and team management have come to be recognized as closely aligned concepts. Like project management, team management has become a recognized academic and professional discipline that focuses on the development and implementation of the techniques, processes and tools necessary for effectively organizing and coordinating groups of individuals working toward a common goal or objective (i.e., a “team”). There have been a number of popular books on the subject of team management and team leaders can turn to a wide range of sources for guidance on team building activities and methods for structuring teams and cultivating relationships among team members. Customized software programs are now available to support team management and psychological testing can be used to identify persons who have the most suitable personalities and skill sets for particular team projects.

Effective team management requires attention to many of the same skills and activities highlighted with respect to project management—defining the scope of the team’s activities, including its goals and objectives; resource and time management; and budgeting. An additional element is the ability of the team leadership to promote collaboration among the members of the team who are brought together from different parts of the company to create solutions for specific issues and problems. While there is no single list of collaborative behaviors that would fit every situation and include everything that might be necessary in order for a team to be effective, it can probably be agreed that the chances for team success would be increased if members shared knowledge freely and took the time to teach, and learn from, one another; were willing and able to make sudden changes in the work schedules in order to engage with and

⁴ Id.

resolve problems that threatened the progress of the team; were willing to assist one another with the team-related tasks they have been assigned; and were open to sharing resources with their teammates. In the best of worlds the members of the team would share mutually agreed and understood goals and objectives and have a genuine interest and desire in seeing everyone on the team succeed in their team-related tasks.⁵

Certainly not all team activities raise substantial concerns about collaboration although it is certainly necessary for any team, regardless of its size or purpose, to work together to achieve a common goal. Collaboration does become a major issue, however, when two or more of the following descriptive statements are applicable to the proposed activities of the team⁶:

- Successful completion of the task will likely depend upon accessing skills that reside outside the membership of the team;
- Completion of the task requires formation of a new group that would be initially created solely the purpose of working on the task;
- Completion of the task will require input from a number of highly specialized individuals from within and outside the company;
- More than 20 people will need to provide input and agreement on the task in order for it to be completed;
- The individuals who should join the team in order for the task to be effectively addressed and completed are located in more than two locations;
- Completion of the task requires an understanding of the preferences and needs of individuals outside of the group;
- The activities that must be undertaken in order to complete the task will need to be conducted under highly risky and uncertain conditions; and
- The team members will be required to complete the task under extreme time pressures.

The challenges associated with collaboration within teams engaged in complex group activities are described in greater detail below and subsequent sections describe specific practices that companies can follow in order create a culture and practices that can be used to increase the effectiveness of their team activities. As with other internal processes, team management can become an organizational core competency that can be leveraged to achieve important strategic objectives such as accelerated new product development, efficient production and improved responsiveness to the service requirements of key customers.

§2 Types of teams

Teams can be formed for a seemingly limitless number of reasons and a researchers and consultants have offered a wide range of ideas for a taxonomy or framework of the

⁵ L. Gratton and T.J. Erickson, “8 Ways to Build Collaborative Teams,” Harvard Business Review, November 2007, 102.

⁶ Id. at 107.

different types of teams. For example, Newell suggested that the following categories of teams could be used for explanatory purposes⁷:

- Informal teams, which are usually formed initially for social purposes among persons with a set of common concerns and interests such as improving working conditions or sharing information on specialized topics. As opposed to other teams, the interests of informal teams and their members may be different than those of the organization and leaders of informal teams emerge from the membership rather than by formal assignment by the organization.
- Traditional teams in the organizational structure include groups formed to oversee and operate in functional areas. A “department” is an example of a traditional team and the team will be assigned a leader (i.e., a supervisor or manager) by the organization who is vested with legitimate power and authority to manage the group. The team is generally given one or more specific formal directives by senior management of the organization such as developing a product, delivering a service or performing a functional task related to a product or service such as marketing or customer support.
- Problem-solving teams are temporary groups of members drawn from different functional teams who come together to find solutions to issues and problems that cannot be resolved within the standard organizational structure. In many cases a problem-solving team is led by a manager appointment by senior management; however, there is a growing trend toward “self-directed” teams that are given autonomy over how to achieve the goals established by senior management including the ability to select their own leaders.
- Leadership teams are created at the top of the organizational hierarchy to collaborate on the development and implementation of organizational goals (i.e., development and launch of new products) and related strategies. Membership includes the chairman and/or chief executive officer and the senior executives of each of the key functional groups (e.g., finance, production and marketing) and other business units of the organization.
- Self-directed teams have been mentioned above as a form of problem-solving team; however, organizations may employ them in a number of different ways that radically depart from the notions of command and control seen in traditional organizational structures. For example, in addition to the autonomy to determine how to achieve goals provided by senior management and internal leadership processes, self-directed teams may be allowed to select their own members, decide on work assignments and evaluate the performance of their members. The result is a great deal of freedom and latitude for the team; however, the performance of the team will continue to be

⁷ S. Newell (revised by H. Kirkwood), “Teams and Teamwork”, Reference for Business (blog), <http://www.referenceforbusiness.com/management/Str-Ti/Teams-and-Teamwork.html> [accessed July 16, 2015] Additional resources cited included S. Carney, *The Teamwork Chronicles: A Startling Look Inside the Workplace for Those Who Want Better Teamwork* (Austin, TX: Greenleaf Book Group, LLC, 2003); N. Gold, *Teamwork: An Interdisciplinary Approach* (New York: Palgrave Macmillan, 2005); G. Huszczo, *Tools for Team Excellence: Getting Your Team into High Gear and Keeping It There* (Palo Alto, CA: Davies-Black Publishing, 1996); J. Nemiro, *Creativity in Virtual Teams: Key Components for Success* (San Francisco: Pfeiffer, 2004); and G. Stewart, C. Manz and H. Sims, *Team Work and Group Dynamics* (New York: John Wiley & Sons, 2000).

measured by external standards of quality and customer satisfaction established by senior management.

- Virtual teams composed of members who rarely, if ever, meet face-to-face in a single physical location have become more prevalent as organizational activities have been dispersed and technology has emerged to facilitate communication and collaboration among people in different places. Certain aspects of team dynamics found among other types of teams still apply to virtual teams; however, new issues must be addressed and team members must learn to relate to, and trust, one another without the benefit of facial and auditory clues. Great care should be taken when selecting members for a virtual team and the quality of trust and communication among team members should be continuously assessed.

Cohen and Bailey reviewed research on teams and groups in organizational settings published from January 1990 to April 1996 and concluded that it would be useful to classify teams into parallel teams, project teams, work teams and management teams⁸:

- Parallel teams supplement the normal work processes of the company and typically focus on specific activities and functions that cannot otherwise be handled effectively within the regular organizational structure. Common and often-used examples of parallel teams include quality circles, quality improvement teams, productivity improvement groups and employee participation teams.
- Project teams are organized to focus on a specific activity with the stated goal of creating a one-time output within a fixed timeframe. Project teams are generally staffed by white-collar professionals, such as engineers, designers and researchers, drawn from different departments in order to tap into the requisite specialized expertise and focus on basic research and development, product improvement and new product development, new factory design, development of information systems, customer service and technical support.
- Work teams are cross-functional and multi-skilled groups vested with responsibility for transforming various inputs into products or services. By way of example, self-managed work teams are commonly formed for production, administrative support, customer sales and service, and professional support.
- Management teams exist to coordinate and provide direction to the various groups (i.e., departments or divisions) that report to them and deploy their own integrating

⁸ S.G. Cohen and D.E. Bailey, "What makes teams work: group effectiveness research from the shop floor to the executive suite", *Journal of Management*, 23(3) (June 1997), 239-290. Cohen and Bailey also presented research findings for each type of team organized by the following dimensions of a heuristic framework they suggested could be used to measure team effectiveness: task, group, and organization design factors, environmental factors, internal processes, external processes, and group psychosocial traits. For other typologies see J.R. Katzenbach and D.K. Smith, *The wisdom of teams: Creating the high performance company* (Boston, MA: Harvard Business School Press, 1993); S.A. Mohrman, S.G. Cohen and A.M. Morhman, *Designing team-based companies: New forms for knowledge work* (San Francisco: Jossey-Bass, 1995); and E. Sundstrom, K.P. DeMeuse and D. Futrell, "Work teams: Applications and effectiveness", *American Psychologist*, 45 (1990), 120-133. For further discussion of each of the identified categories of teams, see "Integration Strategies" in "Organizational Design: A Library of Resources for Sustainable Entrepreneurs" prepared and distributed by the Sustainable Entrepreneurship Project (www.seproject.org).

mechanisms and lateral processes to ensure that the business units for which they are responsible achieve their performance objectives.

§3 --Parallel teams

Parallel team structures supplement the normal work processes of the organization and typically focus on specific activities and functions that cannot otherwise be handled effectively within the regular organizational structure.⁹ The term used to describe these types of teams follows from the fact that they generally operate “in parallel” with the formal structure with limited focus and authority. Parallel teams are similar to task forces and usually have a finite life span with the ultimate goal of making recommendations to managers at higher levels in the organizational hierarchy regarding improvements to work processes and/or solutions to specific business problems. Common and often-used examples of parallel teams include quality circles, quality improvement teams, productivity improvement groups and employee participation teams.

Parallel teams are used more often than other team designs and are preferred because they are easy to establish and do not require significant changes to the organizational structure or the power and authority of incumbent managers. In addition, since membership is often voluntary parallel teams can be used as a way to allow workers to feel that they can participate in identifying and resolving organizational issues and problems. However, there are significant potential problems that undermine the efficacy of parallel teams. First of all, parallel teams cannot effect change on their own since they can only make recommendations that must ultimately be approved by the preexisting hierarchical decision-making structure. As such, the work of the team will only be successful if the workers that are actually responsible for the activities associated with the process can be convinced to adopt and execute the changes suggested by the team. Second, parallel teams are usually forced to compete with the normal work processes for time, money, information, and other resources. Finally, conflicts may arise between team members and those managers that are not members of the team and believe that the team is treading on their turf.¹⁰

§4 --Project teams

As the name implies, a project team is organized to focus on a specific activity with the stated goal of creating a one-time output within a fixed timeframe.¹¹ Project teams are generally staffed by white-collar professionals, such as engineers, designers and researchers, drawn from different departments in order to tap into the requisite specialized expertise and focus on basic research and development, product improvement

⁹ G.E. Ledford, E.E., Lawler and S.A. Mohrman, “The quality circle and its variations”, in J.P. Campbell, R.J. Campbell & Associates (Eds.), *Productivity in organizations* (San Francisco: Jossey-Bass, 1988), 255-294.

¹⁰ S.G. Cohen, “New Approaches to Teams and Teamwork”, in J.R. Galbraith, E.E. Lawler, III, and Associates, *Organizing for the Future: The New Logic for Managing Complex Organizations* (San Francisco: Jossey-Bass, 1993), 206-207.

¹¹ D. Mankin, S.G. Cohen and T.K. Bikson, *Teams and technology: Fulfilling the promise of the new organization* (Boston, MA: Harvard Business School Press, 1996).

and new product development, new factory design, development of information systems, customer service and technical support. Since project teams are formed to work on non-repetitive tasks and the activities associated with any specific project are unique it is difficult and probably imprudent to attempt to establish standardized procedures for these types of teams. Similarly, project teams are often challenged to define performance measures since the desired output from their activities is often new and untested. For example, the success or failure of a new product development effort may take years to determine since it often takes that long to figure out whether the product actually meets customer requirements. Given these factors it is not surprising that project teams are usually vested with substantial autonomy with respect to decisions as long as they act within broad strategic parameters that should be established by senior management of the organization.¹²

A prevalent use of a project team is for the development of a new product or service, which is an activity that by its very nature requires focused and continuous participation from all of the departments that are relevant to moving a new product along from initial design through introduction into the marketplace—research and development, engineering and design, production, sales, marketing, customer service, credit and legal. Typically new product developments are composed of members who are dedicated to the project on a full-time basis until the work is completed and once the project is over they either return to the regular departments or take on a new project assignment. Product development teams are so important that a new reporting channel should be created that ensures the teams are directly responsible to senior management and that senior management is in a position to allocate all the necessary resources to the team in order to allow it to fulfill its goals and objectives. Evaluation of the performance of this type of team is done by setting objective goals for the products and services to which the team's activities are related. Studies have shown that the use of cross-functional teams enhances the probability of successful product development and that the ability of such teams to carry out and complete multiple activities simultaneously, rather than continuously, allows organizations to overcome competitive pressures to rapidly develop and introduce new products.¹³

§5 --Work teams

Work teams are the most commonly recognized form of team. Organizations form cross-functional and multi-skilled work teams as permanent and ongoing units within the organizational structure and vest them with responsibility for transforming various inputs into products or services. The membership of work teams is generally quite stable and participation on the team is usually a full-time activity of its members.¹⁴ It is possible for work team to also act in the same way as an improvements-focused task force or

¹² S.G. Cohen, "New Approaches to Teams and Teamwork", in J.R. Galbraith, E.E. Lawler, III, and Associates, *Organizing for the Future: The New Logic for Managing Complex Organizations* (San Francisco: Jossey-Bass, 1993), 211-212.

¹³ S.G. Cohen, "New Approaches to Teams and Teamwork", in J.R. Galbraith, E.E. Lawler, III, and Associates, *Organizing for the Future: The New Logic for Managing Complex Organizations* (San Francisco: Jossey-Bass, 1993), 194-226.

¹⁴ Id.

project team with respect to its activities to the extent that the team tracks and analyzes its own work processes and identifies and implements changes in order to improve its transformation process.¹⁵ A work team can be used as an agent of incremental change for the organization and will often be formed to rigorously test and evaluate possible new business models and obtain feedback from various functional specialists dispersed throughout the organizational structure. If the activities of the work team are successful senior management may ultimately decide to channel additional resources to the group and transform it into a more fully-autonomous business unit such as a product division.

Some work teams, such as assembly lines, are externally controlled and thus perform their activities in accordance with management guidelines handed down from outside of the team. In those cases the work team will be directed by a supervisor who is responsible for decisions about what is done, how it is done and who does it and makes those decisions by reference to the external management guidelines. However, organizations have turned more and more toward self-managed work teams with the resources and autonomy to make their own decisions regarding how the product or service that should be produced. By way of example, self-managed work teams are commonly formed for production, administrative support, customer sales and service, and professional support. Self-managed work teams provide a number of benefits to the organization beyond cost savings including most notably opportunities to maximize employee involvement and job satisfaction by providing members of the team with the latitude and flexibility to design how it will carry out its identified activities. It should be noted though that these benefits will only be available if the team members have the requisite knowledge, skill and maturity to take on the challenges of self-design including setting performance goals, making decisions about adding and removing members and determining team rewards. Since organizations are justifiably reluctant to shift so much power to a team it is not surprising that management and professional support teams are more likely to be self-designed than the other categories of self-managed teams listed above. In any cases, work teams are challenging to implement since jobs and job groupings must be redesigned and management philosophy must be reoriented to afford work teams sufficient authority to perform their activities.¹⁶

§6 --Management teams

While management teams have been included among the categories of team units that may exist within the organizational structure they are quite different in form and function than the other teams described above. Management teams exist to coordinate and provide direction to the various groups (i.e., departments or divisions) that report to them and deploy their own integrating mechanisms and lateral processes to ensure that the business units for which they are responsible achieve their performance objectives. The primary

¹⁵ S.A. Mohrman, "Integrating Roles and Structure in the Lateral Organization", in J.R. Galbraith, E.E. Lawler, III, and Associates, *Organizing for the Future: The New Logic for Managing Complex Organizations* (San Francisco: Jossey-Bass, 1993), 121-122.

¹⁶ S.G. Cohen, "New Approaches to Teams and Teamwork", in J.R. Galbraith, E.E. Lawler, III, and Associates, *Organizing for the Future: The New Logic for Managing Complex Organizations* (San Francisco: Jossey-Bass, 1993), 215-217.

basis of authority for a management team is its location within the overall hierarchy of the organizational structure and the status of its members. For each business unit the management typically includes the general managers, often given the title of vice president, of each of the key sub-units such as the managers overseeing research and development, manufacturing and sales/marketing. At the very top of the pyramid shaped organizational structure is the executive management team headed by the CEO that is ultimately responsible for setting the strategy for the organization, designing its structure and managing its performance.

Formal recognition and usage of senior executive teams, as opposed to the traditional approach of almost dictatorial control by one person serving as the chairman and CEO of the organization, has expanded in response to the growing complexity of directing global business enterprises and the need for strategy to be set and executed with inputs from diverse specialty areas. While a properly constituted and integrated executive management team can create a substantial competitive advantage for an organization it is by no means easy for talented and ambitious individuals to smoothly accept joint responsibility for the performance of the organization and interact with one another as good team players. Certainly each member of the senior executive team must be able to contribute deep experience and knowledge in one or more functional areas that are essential to the organization's core competencies. In addition, however, senior executives must be able to set aside their specialist focus and think strategically on behalf of the organization and all of its stakeholders and must be open to continuously expanding their horizons and listening carefully to the views and concerns of their colleagues on the executive team. They must also be good leaders in their own right since they generally spend a significant amount of time overseeing a key department, division or business unit in addition to serving on the senior executive team.

§7 Duration of teams

Another question to be addressed is the duration of the team although the nature of the team itself will generally dictate how long it can be expected that the team will be in existence. Distinctions can be made between teams that are short-term, or temporary, and that are intended to become a permanent part of the organizational design. Example of teams that are generally temporary groups with only a finite life include teams that typically can be classified as "parallel" or "project" such as quality improvement teams, project teams and new product development teams. In each case the team has a relatively predictable life cycle and series of tasks and the performance of the team can be evaluated by reference to whether or not the purpose for which it was established has been successfully completed. On the other hand, work teams would generally be permanent teams that could not be dissolved without making a corresponding change in the organizational structure. Work teams would have an ongoing series of tasks, not all of which could be predicted with certainty, and would need to be managed through

regularly scheduled reports, reviews and assessments. As noted above, the goals and objectives for work teams would be tied to their specific products or services.¹⁷

§8 Placement of teams in organizational hierarchy

It is important to understand how the team fits within the permanent hierarchy of authority of the organization. A team may be part of the authority structure or it may be overlaid on that structure. A good example of an overlaid team is when a function-focused organization establishes a new product development team or a quality improvement team composed of members of several different functions. Similarly a product-focused organization creates an overlaid team when it pulls together representatives of the same functional area from each product unit to form a functional specialty group. Overlaid teams face a number of difficult challenges due in large part to the fact that members have dual reporting obligations and are likely to receive conflicting instructions regarding their own time and the way that the team should conduct its activities. In addition, overlaid teams often have to work harder to identify and collect the information and other resources that are controlled by other groups. It is also essential to establish procedures for reaching consensus within the team and ensuring that the decisions made by the team will be recognized and accepted as legitimate by the rest of the organization.¹⁸

§9 Using project teams to change traditional organizational structures

A project team is a good way for a company to overcome some of the drawbacks associated with the traditional practice of using function-based alignments of people and other resources (e.g., sales and marketing, procurement, or manufacturing departments). While using functions as the primary dimension when organizing business activities can be useful in achieving the benefits of task-based specialization and can result in substantial savings through economies of scale, it also can quickly become a hindrance in developing new products and services if a functional department continues to focus on its own goals and ignores the need to cooperate with other departments in order to deliver the new product or service to customers at the lowest price and highest level of quality. For example, the procurement department may decide to purchase the raw materials for a new product from a particular vendor because the vendor provided the lowest price and this fits the specific goals and budget of that department. However, if the materials turn out to be defective that means that the manufacturing and technical service departments will need be forced to “overspend” in relation to their budgets to make up for the poor decision made by the procurement department. At the end of the day the entire project (i.e., development and launch of a new product) may be delayed and over budget even though the procurement department achieved its budget goals.

¹⁷ S.A. Mohrman, “Integrating Roles and Structure in the Lateral Organization”, in J.R. Galbraith, E.E. Lawler, III, and Associates, *Organizing for the Future: The New Logic for Managing Complex Organizations* (San Francisco: Jossey-Bass, 1993), 122.

¹⁸ *Id.* at 123.

The intended beneficiaries of work activities involving multiple functional areas—the customers in the case of a new product development effort—have no interest in whether or not the procurement department meets its budget objectives nor do they care whether other departments had to work overtime in order to overcome problems created by bad decisions elsewhere in the company. All they really care about is whether the output performs in accordance with their requirements and is offered at a price point that suits their own budgetary constraints. In order to satisfy the needs of end users, companies need to bring all departments on to the “same page” and get them to work together rather than zealously guarding their own interests. This is particularly true with respect to developing new products and can be achieved by carefully evaluating and defining the “flow” for the development and commercialization of a new product as it moves throughout the company. The goal is to determine which departments will need to be involved and when decisions that will impact more than one department will need to be made. A cross-functional team can then be created to manage the process as a discrete project and make sure that decisions are made with an eye toward the greater good of the company rather than specific departments. As part of this process, incentives should be created for each department to cooperate and collaborate with other departments as part of the entire process.

Another benefit of using cross-functional project teams for new products is faster product development cycles. For example, it is interesting to compare the number of decision points when a new product moves horizontally from department to department with how decisions are made when management of the development process is turned over to a cross-functional team with representatives of all involved departments working together at the same time. When departmental boundaries remain in play each department follows its own internal decision process and this may cause delays in releasing new products until issues have moved up and down the vertical hierarchy within each department for resolution. Moreover, decisions made exclusively within departments generally do not take into account the interests and concerns of other departments and, in fact, may undermine a decision made by another department earlier in the product flow. However, when cross-functional teams have authority to make decisions about the product the number of decision points is reduced since representatives do not need to go through their regular departmental hierarchy and negotiations about tradeoffs between various departments can occur in “real time” with a shared focus on the requirements of the end user. In addition, companies that create cross-functional project teams enjoy the advantages of accelerated sharing of ideas and an increased capacity for innovation that flows from the interaction that occurs between specialists in different functional and technical areas.

§10 Challenges for collaboration in team activities

A recent and useful research study of collaboration in the context of team activities was conducted by Gratton and Erickson.¹⁹ They noted that companies are increasingly relying on large, diverse teams of specialists, each with substantial education and training

¹⁹ L. Gratton and T.J. Erickson, “8 Ways to Build Collaborative Teams,” *Harvard Business Review* (November 2007), 101-109.

in their specific areas, to take on and complete major strategic initiatives including new product development, completion of acquisitions and integration of the resources acquired in the transaction, implementation of new and complex business processes and information systems and development of new solutions to business problems. In many cases these teams perform many of their activities virtually, using technology tools that permit collaboration and communication among individuals located great distances apart, and that actual face-to-face meetings are becoming increasingly rare. While the researchers believe that these four traits—large size, diversity, virtual participation and high educational levels—are important factors in maximizing the chances for the team to be successful they also found that they may well create significant barriers to the collaboration required for a team to achieve the goals for which it was established.

Beginning with the size of the team, the researchers noted that the common rule of thumb just ten years ago was that teams worked best when they had no more than 20 members. Since then, however, the increasingly complexity of the issues that need to be addressed by teams has pushed companies to try and bring in more and more specialists and the expansion of participation has been facilitated by the availability of technological tools that allow a much larger number of individuals to be linked into team activities. The researchers found that these changes have led larger companies to routinely assemble teams of 100 members or more. The potential advantages from these larger teams include access to a broader reservoir of knowledge and expertise, increased involvement by multiple stakeholders that should increase support for the outputs of the team's activities and the ability to coordinate the activities of a larger number of groups within the company. Unfortunately, the researchers cautioned that once the size of the team goes beyond 20 members there appears to be a natural tendency for the level of cooperation to decrease and, as such, affirmative steps must be taken to avert problems and sustain the appropriate level of collaboration as team size increases.

As for diversity, it is now well accepted that bringing together persons with different backgrounds, formal training and life experience can often be a catalyst for innovation and exciting breakthroughs that would not have been possible from a team composed of like-thinking members with similar views of the environment in which the company is operating. The problem that the researchers found, however, was that as team diversity—measured by the proportion of strangers on the team and the level of diversity of background and experience—increased it became more likely that the members would cut back on their efforts to collaborate and share knowledge. It is not surprising that team members would feel more comfortable working with others that they feel are “a lot like them” and the challenge for companies looking to tap into the value to be derived from diversity is how to bring together teams composed of persons who have never worked together before and who are different on a variety of dimensions including nationality, age, educational level, tenure, organizational roles and the department within the company to which they owe their primary allegiance.

Virtual participation has literally transformed the way that companies carry out activities internally and deal on a day-to-day basis with external stakeholders and projected economic conditions, including the need to reduce and control travel and other expenses

traditionally associated with face-to-face meetings, make it more likely that teams will rely heavily on technology to link in members spread across multiple locations. Within larger companies it is now common to find teams with members in a number of foreign countries and even smaller companies are using technology as the primary method for team members in offices located around the same metropolitan area to share information and coordinate their assigned activities for a particular team project. In fact, the researchers found that within their survey group only 40% of the teams had all of their members in the same location. Based on their survey the researchers confirmed what should be intuitively obvious—the greater the reliance on virtual participation the higher the likelihood that cooperation among the virtual team members will decline unless steps have been taken in advance to promote and support a collaborative culture.

Finally, the trend toward creating teams with members that have increasingly higher levels of education has also threatened the quality of collaboration. There are clearly advantages in recruiting team members with advanced education and training in specialized areas since they presumably can bring to bear the knowledge about trends and cutting-edge research that is necessary to identify and implement innovative solutions. Interestingly, however, the researchers found that as the proportion of “experts” on the team increased the team experienced a decided downturn in performance and efficiency as deliberations often ran aground as members became involved in non-productive conflicts that made it impossible for the entire group to reach a consensus on important decisions relating to the team’s activities.

§11 Guidelines for effective team performance

A number of different approaches have been taken to identifying ways to measure and improve team performance. Among the variables that have been considered are policies and procedures for conducting team activities, alignment of team activities with organizational strategies and goals, team performance metrics, rewards systems and compensation, methods used to select team members and team leadership skills as well as intangible elements such as trust, maturity and social cohesion. A descriptive list of the characteristics of effective teams compiled by Newell included the following²⁰:

- Clear direction, which means the team has clear and distinct goals, whether determined by management or the team itself, and the means for measuring the performance of the team and the outcomes from team activities.
- Clear responsibilities, which means each member of the team understands the expectations of management and other team members regarding his or her participation in team activities and has a role that is clear and interesting to them and valuable to the overall performance of the team.
- Knowledgeable members, which means the team includes people that collectively have all of the skills and knowledge necessary for the team to successfully complete

²⁰ S. Newell (revised by H. Kirkwood), “Teams and Teamwork”, Reference for Business (blog), <http://www.referenceforbusiness.com/management/Str-Ti/Teams-and-Teamwork.html> [accessed July 16, 2015]

its tasks and that those skills are inventoried at the beginning of the process so that appropriate assignments of responsibilities can be made.

- Reasonable operating procedures, which means that the team has a clear set of guidelines that can be relied upon for basic issues such as conducting meetings, making decisions, formulating plans and budgets, dividing up the work and measure progress toward the team's goals and objectives.
- Healthy interpersonal relationships, which means that each member understands and accepts the individual values of other members and embraces the diversity as a means for developing stronger and effective teams.
- Sharing success and failure, which means that team members are able and willing to express appreciation for the efforts of others and deliver criticism in a constructive fashion and that the organization rewards the entire team for success and hold all members of the team responsible for failures.
- Strong external relationships, which means that members of the team are connected to others within the organization who are in positions to assist the team in obtaining the necessary support and resources to achieve the team's goals and objectives.

Of particular interest is the work done by Gratton and Erickson to identify what can be done on a company-wide basis to build the capacity for effective teamwork. In particular, they analyzed overall organizational culture, particularly the degree to which knowledge sharing and collaboration were already recognized and accepted values; practices and processes deployed within the human resources area, including staffing, promotions, training and reward systems; socialization and network-building practices within the company, particularly the scope and type of informal communications within the company; the complexity and design of the task that had been assigned to teams, particularly the level of interdependence between team members and the degree to which members needed to interact with others outside of the team; the styles and skills of the persons chosen as leaders of the teams, particularly their relationship- and task-oriented skills and their ability to establish and enforce collaborative goals; and the behavior of the senior executives of the company and whether or not they were perceived as acting collaboratively by others within the company.²¹ Other researchers have identified best practices for specific categories of teams including parallel, project and work teams.

§12 --Organizational practices

Gratton and Erickson focused their research on the practices and procedures of 55 large teams within 15 multinational business companies and paid particular attention to those teams that seemed to be able to achieve high levels of collaborative behavior while still be able to tap into the advantages of being large, diverse, virtual and highly educated. This research, which included interviews with team members, led them to eight practices that they believed correlated strongly with effective team activities. They segmented these practices into four categories discussed in great detail below—executive support,

²¹ L. Gratton and T.J. Erickson, "8 Ways to Build Collaborative Teams," Harvard Business Review (November 2007), 108.

human resources practices, the strength of the team leader, and the team structure—and summarized them as follows²²:

- Collaborative behavior should be encouraged and celebrated by senior executives through highly visible investments in resources that demonstrate their commitment to collaborative practices (Executive Support).
- Members of the senior executive team should consciously act as role models for collaborative behavior as they interact with one another in ways that can be seen and observed by other managers and employees within the company (Executive Support).
- Mentoring and coaching should be imbedded in the organizational culture, referred to as a “gift culture” by the researchers, to support the development of personal networks that can be tapped into as resources for team members when they are asked to work across organizational boundaries (Executive Support).
- Managers and employees should receive training in the skills and techniques that are necessary for effective collaboration including guidance on how to build and maintain networking relationships, communications skills and conflict resolution (Human Resources).
- Affirmative steps should be taken to build and maintain a sense of community within the company since people that feel they are part of a community are more likely to freely and happily share knowledge and information that can be used by teams to effectively pursue their goals and objectives (Human Resources).
- Teams should be managed by leaders who are both task- and relationship-oriented and these leaders should be trained on when and how tasks or relationships should be emphasized as the work of a team unfolds (Team Leadership).
- When selecting team members the need and desire for diversity should be tempered by building on what the researchers referred to as “heritage relationships,” which means that at least some of the key members of the team should know one another in order to jump start the initial sharing of knowledge and creation of internal team communications (Team Formation and Structure).
- It is useful to clearly define the roles of each team member at the beginning of the team work activities in order to reduce uncertainty and ambiguity; however, in order to promote creativity among team members it is important to cede the team sufficient authority and latitude to decide on its own about the best way to achieve its goals (Team Formation and Structure).

§13 --Parallel teams

The form of parallel team structure that has attracted the greatest attention from researchers is the quality circle and the work in that area can provide insights into the factors that may be most important to the success and value of any type of parallel team. First of all, steps should be taken to ensure that each team has the requisite expertise to address the specific problems that have been assigned to the team. Second, the company should be prepared to provide team members with extensive training designed to make the group problem-solving process effective. In addition, team members should be

²² Id. at 103-109.

provided with sufficient information and business and economic education in order to make recommendations that make business sense in the context of the overall strategy of the company. Third, the company should make an effort to include everyone in some form of parallel team subject of course to the requirement that sufficient expertise be represented on the membership roster of each team. Fourth, since parallel teams typically can only make recommendations, as opposed to final decisions, the company should establish a clear procedure for receiving and evaluation recommendations so that team members know who will be reviewing their work and what review criteria will be used. This is particularly important since team members are rarely offered financial rewards and generally rely on the responsiveness of management to their recommendations as the primary expression of support and gratitude for the time spent on team activities. Fifth, the activities of the team should be closely linked to specific performance goals, preferably the recognized requirements of customers or business units. This issue can be challenging since new metrics must often be developed in order to measure the results associated with the processes that the team is attempting to improve. Finally, in order for a team to be effective it must have a leader who is able to facilitate meetings and other communications between members and build links to other groups to obtain the necessary training and other resources for the team.²³

§14 --Project teams

Experience has led to identification of several guidelines to maximizing the efficiency of project teams. First, given the specific focus of project teams, the composition of the group should be carefully considered to ensure that all of the necessary competencies are represented. Members are drawn from a number of different departments, functions and business units and will be assigned to the team as opposed to relying on volunteerism. Second, while members can be either full-time or part-time it is generally recommended that there be a few core members who are relieved of other responsibilities and allowed to focus all of their efforts on the project. Third, depending on the purpose of the team it may make sense to have all members located in a single location to facilitate meetings and informal communications. Fourth, the project leader should have authority and influence within the company commensurate with the importance of the project and should ensure that the team understands its objectives and has the necessary expertise and resources. The project leader should also build and maintain links to all of the essential stakeholders within and outside of the company. Fifth, the team should have access to all the information necessary to complete its activities. Sixth, given that teams of this type are formed to take on projects that are long-term in nature the team must establish schedules and interim milestones to make sure that it remains on track. Finally, the rewards system within the company should recognize participation on project teams and create incentives for collaboration among team members.²⁴

§15 --Work teams

²³ S.G. Cohen, “New Approaches to Teams and Teamwork”, in J.R. Galbraith, E.E. Lawler, III, and Associates, *Organizing for the Future: The New Logic for Managing Complex Organizations* (San Francisco: Jossey-Bass, 1993), 208-209.

²⁴ *Id.* at 212-214.

As with the other types of teams, clues are available regarding the practices that are mostly likely to make a work team effective. First of all, the team needs sufficient authority of its design and activities including composition, structure, performance goals and rewards. Second, in order for the team to be successful at self-design the members must have sufficient training and experience in diverse areas such as social interaction skills, technical skills and business knowledge and the members should also be provided with cross-training on all of the skills that are relevant to the specific tasks and activities of the team. Third, members of the team must be prepared to assume leadership roles and responsibility for managing and completing the activities assigned to them. A related point is that the nominal manager or leader of the group will act more as a coach and liaison to other team and organizational stakeholders as opposed to performing traditional supervisory functions. Fourth, performance goals and recognition should be based on accomplishment of the activities assigned to the team. In general, rewards should be made to the group as a whole without attempting to differentiate individual performance; however, as the team evolves it may be possible and even desirable to implement some form of peer evaluation that serves as a basis for shifting toward combined group and individual rewards. Fifth, work team need support from the information systems of the company in order to access the specific information necessary for the team to complete its activities. Among other things this means the team should be able to obtain real-time information about and from customers and/or suppliers and should be able to use the information system to quickly analyze the performance of the team and its activities. Finally, the team needs clear access to the organizational stakeholders who are relevant to the team's activities. Since work teams are involved with receiving inputs from suppliers, processing them, and then disseminated finished products or services to customers this means that the team must be closely linked to the appropriate suppliers and customers.²⁵

§16 Executive support

The results of their survey convinced Gratton and Erickson about the importance of the influence of the actual and perceived behavior of the senior executives of the company with respect to supporting collaborative activities. The researchers concluded that teams are more likely to be successful at collaboration when the senior executives have visibly supported the creation and maintenance of social relationships within the company; served as models of collaborative behavior in their own dealings as members of the executive team of the company; and created what the researchers referred to as a “gift culture,” which was defined as an atmosphere in which coaching and mentoring interactions among individuals within the company are perceived as valuable and offered out of a spirit of generosity without expectation of reciprocation.²⁶

There are obviously a number of different ways that companies, through their senior executives, can foster and encourage social relationships among managers and employees

²⁵ Id. at 217-220.

²⁶ L. Gratton and T.J. Erickson, “8 Ways to Build Collaborative Teams,” Harvard Business Review (November 2007), 103.

widely dispersed among departments and locations. The researchers focused specifically, however, on what they referred to as “signature” practices that they found to be particularly memorable, difficult for competitors to replicate and customized to the specific business and cultural environment of the company. For example, the researchers cited the decision by the CEO of the Royal Bank of Scotland to invest substantial sums in constructing a new headquarters that was laid in ways specifically designed to increase the exchange of ideas among employees and build a stronger sense of community. The facility included many offices with an open layout and large areas where employees could go to interact and engage in leisure and recreational activities without having to leave the organizational campus during the day. Employees who were not regularly working at the headquarters facility were encouraged to come and engage in training at an adjoining business school and it was anticipated that while they were taking classes they would enjoy the activities available to headquarters employees and build the foundation for ongoing social relationships with those employees that would continue even after they returned to their remote offices.²⁷

The researchers also cited the policies followed at British Petroleum (BP) with respect to making sure that its employees, most of which are located all around the world with relatively few stationed at the headquarters office, have opportunities to rotate through a diverse array of functional departments, business units and countries as part of the typical career development path. In addition, BP ensured that one of the ways that it increased the effectiveness of integrating new acquisitions was to rotate managers and employees from the acquired firms into other positions within the BP company so that they could learn about the BP culture and build relationships with their new colleagues. Many companies would not go to the effort, and incur the expense, of training so many employees to take on different positions and would instead have their employees focus on developing relatively narrow specialized expertise in a single function, business or geographic region. The program launched by BP improved the skills of its employees in meeting new people and quickly developing personal relationships and also made it more likely that team members had relationship with other members due to previous postings and a clearer understanding of the challenges and issues confronting members from other parts of the organizational structure.²⁸

One of the ways that the senior executive team can serve as a model for collaborative behavior is for the senior executives themselves to have actual experience in leading different functions, business units and geographic areas represented among the members of the executive team. The researchers described how the senior executives of Standard Chartered Bank regularly filled in for one another on various tasks and activities and this practice inevitably leads to each of the executives having a better understanding of the entire business and the capacity to understand the challenges that regularly arise in areas that are outside of their immediate day-to-day responsibilities. Just as important, however, was the way that the senior executives of Standard Chartered showcased their collaborative behavior by regularly traveling as a group to locations where managers and employees could see the executives interacting with each other. Of course, these trips

²⁷ Id. at 103-104.

²⁸ Id. at 104.

also created opportunities for informal communications between the executives and others within the company and the executives could personally coach managers and employees on how they should work together in teams. Senior executives can also take the lead in making sure that managers and other key employees around the company make a point of getting to know one another and keeping in touch on an informal basis before there is an actual need for formal collaboration on a team-related project.²⁹

Finally, the senior executives can promote collaboration and knowledge sharing by making it clear that coaching and mentoring are valuable parts of the company culture and that each individual, particularly managers, is expected to freely offer help and advice as part of their day-to-day activities without expectation of receiving something in return. The researchers referred to this as creating a “gift culture” in contrast to a “tit-for-tat culture” in which sharing was transaction-based and individuals did not offer something unless the recipient was willing to provide something in return. Senior executives should set guidelines that begin on the first day that a new employee joins the company and which require managers and other senior employees to meet with newcomers and identify the persons within the company that they should meet and explain to them why a relationship with those persons may be important. The newcomer is then expected to make appointments with those persons, all of whom know in advance that they should spend time with the new employee and create the foundation for an ongoing informal relationship that will continue throughout the time that he or she is with the company. It is these relationships, as well as the natural acceptance of knowledge sharing, that makes collaboration in the team environment easier to achieve.³⁰

§17 Human resources practices

Gratton and Erickson reviewed a wide range of human resources practices to determine their impact on the productivity of complex teams and the ability of those teams to successfully engage in innovative activities. Specifically, the survey focused on selection of team members, performance management, promotion, rewards and training. While it could reasonably be expected that the reward system would have an important influence over the degree of collaboration the results of the survey indicated that rewards did not appear to have a discernable impact on how well teams performed even when rewards were tied to team performance and/or some measure of collaborative behavior. In fact, there did not appear to be a strong relationship between team performance and most of the formal human resource programs used by companies in the survey; however, the researchers found that human resources can have a positive impact on complex teams by making sure that managers and employees are trained in collaborative behavior skills and that steps are taking to building and maintain informal communities with the company that can be tapped into in order to create networks that facilitate information sharing.

²⁹ Id. at 104-105.

³⁰ Id. at 105.

Selecting Team Members

The structure and composition of a team is an important factor in whether or not the team will be effective and successful and this means that organizations need to carefully select the members of the team using processes that often include questionnaires, interviews with candidates and collection of information from managers and supervisors who have worked with candidates on other projects. Newell argued that the goals of this process needed to extend beyond identifying and measuring technical skills and knowledge to attempting to determine such things as the candidate's motivation with respect to both being a member of the team and the specific tasks and activities that the team will be working on, the individual goals of the candidate and how team membership fits into the candidate's plans for long-term development and career progress, the possibility that the candidate may have problems coping with intragroup relationships, and potential issues that may be raised with relationships of the team with external groups due to the candidate's participation.

Newell provided practical guidelines for the interview process for prospective team members. She suggested that before interviews begin the responsible persons within the organization need to make a preliminary assessment of the desired skills, knowledge and attitudes for team members and the specific work tasks that will need to be covered by the members of the team. This information can be used during the interviews and Newell recommended that questions used during the interviews should be focused on gathering information on the following issues:

- What strengths does the individual bring to the team?
- What is she or he willing to work on improving?
- What problem solving style does the individual employ?
- Can she or he share information in an effective manner?
- Does the individual have good listening skills?
- Can the individual provide constructive feedback?

Research has indicated that diversity matters in team selection and that the most effective teams are those in which membership is not skewed toward one particular personality type. Newell cautioned that the interview process should be structured to remove potential biases that might undermine diversity. Newell also noted that final decisions regarding team membership should take into account additional factors such as years of professional work experience, frequency of team participation, type of team training and how and why the person came to be considered for the team (e.g., volunteered, assigned or requested).

Sources: S. Newell (revised by H. Kirkwood), "Teams and Teamwork", Reference for Business (blog), <http://www.referenceforbusiness.com/management/Str-Ti/Teams-and-Teamwork.html> [accessed July 16, 2015].

The researchers noted that many teams evidenced a collaborative culture and an eagerness to work closely together and cooperate; however, wanting to work together and actually being able to do so effectively are two different things and that teams were only able to capitalize on their openness to cooperation if the members were versed in particular skills such as appreciating the talents and opinions of others, knowing how to initiate and conduct purposeful conversations, effectively resolving conflicts and program management. The human resources department is a logical nexus for providing training for these types of skills and successful teams came from companies that had proactively pursued productive collaboration as one of their core competencies. For example, one company provided extensive formal training in areas such as teamwork, networking, conducting difficult conversations and communicating the company's strategy and values. The skills that are taught can be extended beyond teamwork to other aspects of employee activities such as enhancing the ability of members of the sales team to

communicate with their customers to create and maintain collaborative partnerships with those customers.³¹

The existence of informal communities to support team activities is becoming more and more important as teams are formed with members who are widely dispersed throughout the company, often in two or more countries located in different time zones. Many of the companies that appear to be most successful with respect to the productivity of their teams have taken affirmative steps to support a communal spirit and the creation and maintenance of informal networks that linked individuals and departments from throughout the company. Examples include investing in the technology needed to facilitate long-distance communication and collaboration (e.g., web conferencing and other online communications tools) so that managers and employees with common interests can work together regardless of where they are located; encouraging managers and employees to travel to other offices to work face-to-face with colleagues on projects and forge a basis for ongoing communications once they return and a foundation for easier collaboration on future projects; and holding frequent social events that allows managers and employees to mix informally and discover common interests that could eventually lead to ideas for new products, services and/or processes. Executives and senior managers can also start and encourage informal communications—and reinforce company values—through blogs or unscheduled meetings with small groups of employees.³²

Teams can be a great tool for motivating employees and providing them with a sense that their ideas are valued and appreciated. The time spent working on teams should be valued when the organization establishes compensation programs and rewards to team members should be made available to provide them with an incentive to make the team experience successful. While it is important to make sure that the team includes members with skills identified as essential to the work of the team some organizations benefit from opening up the team concept to allow any employee to join a team that is of interest to them. As long as “open enrollment” does not cause the size of the team to become unwieldy, this can be a great way to inject flexibility into the organizational structure and provide employees with the freedom necessary to be creative and develop innovative solutions.

§18 Team leadership

Leadership clearly makes a difference in whether or not a team working on a complex project will be successful and the researchers sought to determine what leadership skills were necessary in order for a person to effectively oversee a team and manage members in a way that that brought out the best in them. There are two popular schools of thought about the most appropriate style for leading a team. The first one is referred to as relationship-oriented leadership and focuses on how well the leader is able to build trust and goodwill within the team so that members are willing to share information and collaborate. The second one is task-oriented leadership and is based on the belief that an

³¹ Id. at 105-106.

³² Id. at 106.

effective leader is someone who is able to clearly shape and communicate the goals and objectives of the team, create a shared awareness of the steps that need to be taken in order to complete all the tasks associated with the team project, and implement procedures for monitoring the progress of all tasks and providing team members with feedback on their activities and the manner in which they are collaborating with others.³³

Many senior managers and academics have strong preferences for one leadership approach as opposed to the other; however, Gratton and Erickson found that the most successful teams had leaders who were adept at both relationship- and task-oriented leadership. Moreover, the strongest leaders were able to switch their leadership styles as needed during the course of a particular team project. For example, task-oriented leadership is generally appropriate when a project is being defined and launched since this is the time when the goals of the project need to be clearly defined and each team member needs to be given specific roles and responsibilities and make commitments as to when he or she will be able to complete their assigned tasks. Once the project is launched, however, and team members have settled into a rhythm and gotten to know one another enough so that information is shared more freely the effective leader shifts to a more relationship-oriented style to nurture the develop of trust within the team and focus on encouraging team members and identifying and overcoming bottlenecks in the collaborative process.³⁴

The Challenging Roles of Managers in Supporting Teams

Harris explained that as organizations have been shedding middle managers they have also moved toward vesting more autonomy and authority in their teams. As a result, teams have become more and more “self-managed” and team members are being allowed to participate in decisions about how the work assigned to the team should be performed and how goals and rewards should be established. Harris cautioned, however, that while teams have been taking on many of the day-to-day functions traditionally assigned to managers there were still crucial roles for managers to play that would influence the chances that the team would be successful. Specifically, she argued that in effective teams the manager needs to be able and willing to carry out each of the following roles:

- **Internal consultant:** The manager must be prepared to ask the team about obstacles in order to identify problems that may impair the progress of the team.
- **Visionary:** The manager should collect relevant information from the “outside world” and disseminate it among team members so that they have a good understanding of the vision and goals of the organization’s senior executives, the overall business plan of the organization and the needs of internal or external customers.
- **Experimenter:** The manager should be able to assist the team members in their efforts to design the team’s work progress and make changes in that design in order to improve the performance of the team.
- **Coach:** In his or her role as a coach the manager serves as a trainer and observer of team processes and provides constructive feedback to hone team skills and creates and administers meaningful rewards for desired team behaviors and improvements in team performance.
- **Educator:** Once the project is completed the manager should serve as a facilitator of discussions among team members regarding the processes followed to complete the project and assist the team in implementing “lessons learned” in order to strengthen the team’s abilities and skills for future projects.

³³ Id. at 106-107.

³⁴ Id. at 107.

An extension of the manager's "visionary" responsibilities referred to above is the role that the manager plays as the representative of the larger organization to the team and vice versa. In this liaison capacity the manager must simultaneously understand both the philosophical and business objectives of the organization and the needs and objectives of the team and its members. Fulfilling the needs of the team and creating the foundation for effective team performance means giving up control and authority to the team; however, the manager must be sure that while the team is pursuing its own goals and objectives the needs of the organization with respect to the outputs from team activities are also being fulfilled. Harris also noted that executives of the organization who are members of a "senior management team" should model the behaviors that they expect of teams and team members throughout the organizational hierarchy. For example, the senior management team should illustrate for others how to design, implement and follow systematic decision making processes.

Sources: C. Harris, *Characteristics of Effective Managers* (2010), <http://pdfsr.com/pdf/characteristics-of-effective-managers> [accessed June 28, 2015], 6 (citing (S. Mohrman, S. Cohen and A. Mohrman, *Designing Team-Based Organizations* (San Francisco: Jossey-Bass, 1995) and D. Antonioni, "Managerial roles for effective team leadership", *Supervisory Management*, 39(5) (1994), 3).

The human resources department, as well as the values and norms cultivated throughout the company, are important determinants of whether the company can nurture team leaders with the requisite "ambidextrous" leadership skills. For example, managers can be coaxed toward building and maintaining relationship skills by including networking as part of their performance review and required career development. Managers who are tapped as potential team leaders should be coached on how to improve their social relationships and expand their networks within the company. In addition, managers must be taught how networking can help them achieve the goals set by the company. It is not enough that a manager knows a lot of people—he or she must be able to leverage those relationships to do a better job of managing activities and the persons that report to him or her. As for task leadership skills, companies can provide ongoing training in project management and limit team leadership opportunities to persons who have committed the time and effort to complete project management certification programs.³⁵

The appropriate leadership style for a team leader must be accompanied by a systematic approach to managing the activities of the team and working directly with team members as well as supporting necessary relationships between team members. In order to maximize team performance the first thing that a team leader needs to do is create the necessary foundation for successful collaboration and support from other areas of the company. This requires a clear and formal statement of the goals and objectives of the team with a focus on meeting the requirements of the ultimate customer for the outputs from the team activities. In addition, the roles of each of the team members should be outlined in advance and the team leader should check to be sure that each team member fills a recognized skill requirement and has the necessary interpersonal skills to collaborate effectively. The role of the team leader should be carefully defined and team leaders should be selected based on their ability to motivate team members and keep the team activities moving in accordance with the agreed schedule. Each team should have a plan, similar to the project plan described above, that identifies the scope of the work to be performed, the available resources and budget and, most importantly, the key milestones. The plan should take into account the need for communication between team

³⁵ Id.

members and include appropriate tools and activities for exchanging information. In many cases team will be co-located close to one another to support communication. If this is not possible because team members are based in remote locations provision should be made for traveling so that team members have an opportunity to work together face-to-face at critical junctures of the team assignment. Team leaders must also determine how the activities of the team will fit with other projects and business units within the company and make sure that the team has ready access to resources that are not directly allocated to the team at the outset of the project.

The next issue for a team leader is creating and maintaining a sense of trust among team members that will break down barriers to communication and collaboration. Team leaders may kick off activities by conducting a formal “start-up” meeting that allows team members to get to know one another, share information about their background and experience and start building interpersonal relationships. This type of meeting provides an opportunity for all team members to contribute to the planning for the team activities and also allows the team leader to determine whether any needed skills are missing. By involving team members in the planning process the team leader can create a plan and schedule that the members perceive as reasonable and, more importantly, achievable. The team leader should listen intently to what each team member has to say about his or her values and principles and use that information to define their roles and which other members of the team they should work with more closely. In some cases certain team members may be asked to providing mentoring to other members. The meeting should also be used to establish ground rules for open and honest communication within the group and plans should be using appropriate communication tools, particularly when team members are widely dispersed. Finally, in situations where team members come from diverse cultural backgrounds, as is the case with international teams, the initial meeting should be used as a forum for allowing members to begin appreciating cultural differences and learning how these might impact communications and collaboration. When international teams are to remain in place for extended periods provision might be made for allowing team members to travel to foreign countries to personally observe how work is conducted by others with different cultural backgrounds.

Team leaders, working with the company’s human resources department, also need to properly motivate the members of the team to perform their specified activities and devote their full efforts to achieving the goals and objectives of the team. While monetary rewards are certainly important, and consideration needs to give to how the performance of the team and its members will be tied to their individual compensation, team leaders should work closely with each team member to establish personal goals for them that are aligned to their particular personal preferences and skills. Clear performance metrics should be selected so that the team as a whole can measure progress and each team member can track how he or she is doing against their personal goals. Motivation can be also be increased by providing groups of members with autonomy to oversee various activities that are part of the overall work plan for the team. This is a good way to create a sense of “ownership” with regard to these activities that should improve commitment and the quality of the end product of those activities. Team leaders

should also plan on celebrating the achievements of team members and completion of key milestones established in the plan for the team's activities.

Once the team has completed the start-up stage and work has begun the team leader must constantly focus on maintaining and improving the relationships among team members and monitoring the status of all of the team activities. The team leader should communicate the status of team activities to all the members on a regular basis, no less frequently than weekly, and should establish tools that members can use to informally share information. When delivering status reports the team leader should always reinforce the overriding context of the goals and objectives of the team and members should be able to quickly determine how the team is performing in relation to the metrics that should have been established when the team was formed. All relevant information regarding the team activities should be centrally stored so that members can have ready access as necessary for them to continue work on their specific tasks. Periodic face-to-face meetings of all team members are also strongly recommended, even when team members are dispersed in various foreign countries, as the best way to continuously build and reinforce important personal relationships among the members. These meetings are a good opportunity to bring in other stakeholders so that members are reminded of how the team and its activities fit into the broader strategies of the company.

Finally, the team leader needs to pay close attention to various “hands on” management skills that must be used on a day-to-day basis outside of the formal meetings and other communications to the entire group of team members. Team leaders should have frequent informal interactions with team members and continuously inquire about what members are doing, what problems they are confronting and how they are feeling about the team activities in general. Team leaders should diligently look for potential conflicts and act quickly to air and resolve differences among team members. Team leaders should seek training in dispute resolution so that the entire process can be done in a way that does not erode trust and morale within the team. Another area that team leaders need to monitor is the need to make changes in the plan based on feedback received during the communications with team members. As is the case with project management, team management should also contemplate a formal process for making changes in the scope of work, schedule and/or budget. One last thing for team leaders to remember is how important their informal communications can be in reinforcing the goals and objectives of the team and the core values of cooperation, trust and information sharing.

§19 Team composition and structure

It should not be surprising that the composition of a team—the members chosen to serve on the team—and the way in which the members of the team are organized (i.e., the team structure) plays an important role in determining whether the team will successfully achieve the goals and objectives established for it by the organizational leaders and the team members themselves. Composition of the membership of the team is particularly when forming a permanent group. While each relevant department should be represented on the team it is important to be sure that each department assigns employees that have the specific training and background that is necessary for the team to be successful in

achieving its particular goals and objectives. Moreover, team members should have sufficient influence in their own departments to sell the ideas of the team to the leadership of their department so that the department is committed to altering its regular work activities as needed in order to support the decisions made by the team.

Harris noted that how teams are structured, supported and designed are all important influences on the how well teams perform. With regard to structuring, Harris recommended that a conscious effort be made to explicitly establish and affirm the boundaries of the team at the outset of the project. In addition, the tasks for which the members of the team will be collectively responsible should be clearly defined and the team and its members should be given sufficient autonomy to manage their own team processes and relationships with external entities.³⁶ The level and type of support must be consistent with the tasks assigned to the team and the goals that have been established for team performance and Harris listed several areas of concern including creating of a reward system that recognizes team performance, development of an educational system that provides team members with access to the resources they need, establishment of an information system that provides the team with necessary data and, of course, timely deliveries of the basic tools, materials and other resources needed for the team to carry out its day-to-day activities.

As for design, Harris referred to research conducted by Wageman that confirmed that how a team is designed may be more important than coaching with respect to creating effective teams.³⁷ Harris noted that the common wisdom had been that team problems could generally be overcome by a manager who was skilled in improving the skills of team members and the team as a whole; however, Wageman's research cast doubt on whether it was reasonable to expect that a poorly designed team would still perform well if it were led by a high-quality coach-manager. Harris listed several factors relevant to team design including a clear and engaging direction, task interdependence, the delegation of authority to the team to manage its own work, performance goals, both demographic and skill diversity among team members, and team size.³⁸

Staffing and Supporting Smart and Effective Teams

Teams are fundamental elements of organizational design for all companies and team building is generally recognized as an essential role and competence for effective organizational leaders. As such, team composition and structure should not be left to chance and leaders should be mindful of certain tried and true lessons for maximizing the chances that a team will successfully achieve the goals and objectives established for it: members with specific training and background relative to the achievement of particular goals and objectives of the team and influence within their regular departments to sell the ideas of the team and access the department resources required for the team to be

³⁶ J. Hackman, "Why Teams Don't Work", *Leader-to-Leader*, 7 (1998), 24.

³⁷ R. Wageman, "Critical success factors for creating superb self-managed teams", *Organizational Dynamics*, 26(1) (1997), 49.

³⁸ C. Harris, *Characteristics of Effective Managers* (2010), <http://pdfsr.com/pdf/characteristics-of-effective-managers> [accessed June 28, 2015], 6-7.

successful; a material subset of members with preexisting (“heritage”) relationships sufficient to create a foundation for strong collaboration, communication and information sharing; clearly defined roles and responsibilities, tied to specialized expertise, for each team member from the beginning; clear team goals, although the path to be followed to achieve those goals should be left relatively ambiguous in order to promote creativity, collaboration and sharing of ideas; good interpersonal relationships and reasonable operating procedures that promote strong communication, equal participation and shared ownership of both successes and failures arising from the team’s activities; and members with strong abilities to read the emotions of their colleagues and consider and keep track of what they feel, know and believe.

While one of the potential benefits of forming a team to tackle a difficult problem or issue is access to new and divergent views Gratton and Erickson concluded that the need for collaboration among team members dictated that preexisting, or “heritage,” relationships should be taken into account when choosing team members so that there is an initial level of trust and communication within the team that can be used to launch quickly into the tasks that need to be completed. The research produced a useful rule of thumb to be followed when forming a team—strong collaboration from the beginning, which significantly increases the chances for team success, is most likely to occur when at least 20% to 40% of the members are already connected to one another before the team commences its work. When all or most of the members of the team are strangers to one another time must be spent building relationships and breaking down barriers to communication and information sharing. This not only slows the project it also increases the possibility that the team may never be able to achieve the necessary level of collaboration and cooperation.³⁹

Recognizing the importance of heritage relationships to effective team activities companies should establish practices and procedures that create and nurture those relationships so that they can tap into a broad talent pool when creating teams and also take advantage of such relationships in day-to-day communications between business units and departments. One strategy that can be used is investing in technology that facilitates communication across formal boundaries in the organizational structure so that people in different business units and departments can interact with one another on issues of shared interest. Another useful approach is to encourage managers (and employees interested in a management career) to rotate through different business units and departments as they follow their career development path so that they have an opportunity to meet people working in other locations. For example, a US-based marketing specialist might spend a year working with the European product development group. This type of assignment not only leads to personal relationships between the US participant and members of the European unit, which will be useful if they end up on a team together in the future, it also gives the US participant a network of contacts in Europe that can be tapped into for introductions to other European managers and employees who are selected to serve on teams with the US participant.⁴⁰

³⁹ L. Gratton and T.J. Erickson, “8 Ways to Build Collaborative Teams,” Harvard Business Review (November 2007), 107.

⁴⁰ Id.

The value of heritage relationships can also be transferred to a new team by assigning small groups of people from a particular business unit or department to the team rather than just a single individual. For example, when a new product development team is being formed it may include three members who normally work together in a particular department, such as marketing, rather than just one representative from that department. This ensures that each of them has trustworthy colleagues to share ideas with from the beginning of the team activities and also increases the networking possibilities for the department since each of the members may forge personal relationships with different team member that can be used for the overall benefit of the marketing department after the work of the particular team has been completed. Care should be taken, however, not to have too many people from the same business unit or department on the team since this may create an imbalance in power that could trigger conflict within the group and prevent all participants from having their voices heard and their ideas fairly considered.⁴¹

With respect to team structure and company the researchers focused on how much time and effort should be spent on developing a clearly defined approach to achieving the stated goals of the team and how much specificity is appropriate for establishing the roles of individual team members. Based on their survey the researchers concluded that it is important to clearly define the roles of each team member from the beginning. While it was recognized that task ambiguity might encourage team members make creative suggestions about what other team members should be doing there was a real risk that progress might be impeded by the need for team members to negotiate their roles between themselves and the possibility of “turf wars.” The most successful teams in the survey were those in which members were very clear about their roles and the roles of others and the roles that were set allowed the members to contribute their specialized expertise. Clear roles are also important because they allow team members to have a high degree of autonomy over a particular piece of the team project and to work independently at their own pace to meet the deadlines necessary to complete the project on schedule. Interestingly, while it might reasonably be assumed that the preferred strategy is to clearly define the overall approach to achieving the goals of the team the researchers found that collaboration was highest in instances where the path that should be followed in order to achieve the team goals was left relatively ambiguous since the need for team members to be creative in that situation tended to force them to work more closely together and share ideas.⁴²

Ensuring that a team has identified all of the roles and functions necessary to complete the specified tasks and making sure that team members are placed in the most appropriate roles for their skills and personality are important factors for effective team performance. Harris argued that teams should be given sufficient autonomy to manage many of their activities on their own, managers must nonetheless accept responsibility for selecting a group that can carry out all of the required work functions and be available to work with the team and individual team members to promote valuable contributions from everyone involved with the project.

⁴¹ Id. at 107-108.

⁴² Id. at 108.

A helpful process for matching team members with the key functions relevant to a particular team project is the “Work Wheel” model first developed by Margerison and McCann.⁴³ The model is based on the premise that teams must generally perform the following eight functions in order to complete the tasks assigned to the team⁴⁴:

- Advising, which includes collecting information from researching, reading secondary sources and studying “best practices” and then distributing the information to team members in order to facilitate informed decision making
- Innovating, which includes exploration to find new and better ways of doing things
- Promoting, which includes championing ideas, exploiting opportunities and looking for ways to find and acquire adequate resources for the team
- Developing, which includes using analytical skills to evaluate ideas and approaches and mold and shape those ideas into team outputs that address customer needs
- Organizing, which includes establishing goals, taking action and meeting deadlines
- Producing, which includes meeting performance standards by carrying out the task efficiently
- Inspecting, which includes regularly reviewing the work progress and the quality of output and keeping track of team performance against budgets
- Maintaining, which includes keeping track of processes, systems and procedures that are required in order to meet and maintain standards established for team performance

Proponents of the model argue that team performance and effectiveness can be increased when team members are assigned to the functions that fit best with their individual strengths and abilities. Managers have an important role in this process that begins with the selection of team members and continues with acting as the initial “linker”, a ninth factor included in the Work Wheel, to integrate the efforts of team members and ensure that they are all acting in a coordinated manner and sharing their activities and progress with the entire group.

Eyre explained that tools, such as the Team Management Profile developed by Margerison and McCann themselves, are available to measure the aptitudes and personality characteristics of prospective team members to identify their preferences and strengths with regard to the functions in the Work Wheel.⁴⁵ Specifically, individuals can

⁴³ C. Margerison and D. McCann, “Team tasks and management development”, *American Journal of Management Development*, 1(1) (1995), 22-25.

⁴⁴ Based on descriptions appearing in “Margerison-McCann Work Wheel model”, *Team Building Portal* (blog), <http://www.teambuildingportal.com/articles/team-performance/work-wheel-model> [accessed July 16, 2015]. Realizing that all team activities are not the same Margerison and McCann also developed a “Types of Work Profile Questionnaire” that be used to evaluate the relative importance of each of the eight work functions for completion of a particular project.

⁴⁵ E. Eyre, “The Margerison-McCann Team Management Profile: Organizing Teams for Maximum Effectiveness”, *Mind Tools* (blog), http://www.mindtools.com/pages/article/newTMM_58.htm [accessed July 16, 2015]. See also “Team Roles: Margerison-McCann Team Management Profile”, *Manage Team Learn* (blog), <http://www.managetrainlearn.com/page/margerison-mccann-profile> [accessed July 16, 2015]

be asked questions with respect to how much they enjoy relating and communicating with others, gathering and using information, make decisions and organizing themselves and the work of others. Based on their responses, team members can be sorted into four broad categories and assigned to roles that fall within the applicable category:

- Explorers, or creators, include persons who enjoy the activities outlined for the “innovating” and “promoting” functions above:
- Advisers, or reporters, include persons who enjoy the activities outlined for the “advising” functions above
- Controllers, or inspectors, include persons who enjoy the activities outlined for the “producing”, “inspecting” and “maintaining” functions above
- Organizers include persons who enjoy the activities outlined for the “organizing” and “developing” functions

Realizing that organizations typically do not have the resources to allow team members to specialize in a single work function the assessment process facilitated by the Profile identifies a “preferred” role for the individual and two related secondary roles so that each team member can contribute more broadly to the activities of the group while still working on tasks that are most likely to engage and motivate them. Specific responsibilities for each team member on a particular project can be identified and described by matching the individual’s preferences to the results of a Types of Work Profile Questionnaire that management can complete before the team is formed in order to determine which work functions are needed to complete the project and the relative importance of each of the functions.

Obviously enjoying doing something is an important first step toward doing it well; however, organizations need to know that team members have the necessary skills to perform their assigned functions and Eyre recommended that the Team Management Profile should be used with an assessment tools such as the Linking Skills Profile also developed by Margerison and McCann which evaluates competencies of individuals in relevant areas such as decision making, leadership, listening, communicating and delegating. If an individual lacks the requisite competencies to follow his or her passion the team manager and the organization can develop a program to assist him or her in improving individual skills and abilities and create a path for him or her to take on assignments that will personally and professionally satisfying.

Building Smarter Teams

Woolley, Malone and Chabris were involved in several studies aimed at determining whether some teams are smarter than others and, if so, why that might be the case. In their first study, carried out with Pentland and Hashmi and published in 2010, they identified 697 volunteers that were willing to be grouped into teams of two to five members and take on a series of short tasks designed to replicate different types of real world problems that called for a variety of skill sets including logical analysis, brainstorming, coordination, planning and moral reasoning. They were interested to find that, like individuals, certain teams appeared to be “smarter” than others if intelligence could be measured and graded on doing consistently better than

average on use of the various skill sets. The next step, trying to determine which characteristics distinguished the smarter teams from the others, led the researchers to three interesting conclusions: (1) smart teams were not dominated by one or two members but instead enjoyed relatively equal participation from all members in team discussions; (2) members of the smart teams excelled on tests that measured how well they could read complex emotional states from images of faces with only the eyes visible, a so-called “Reading the Mind in the Eyes” test; and (3) teams with more women did better than teams with more men. As to the last conclusion, Woolley, Malone and Chabris pointed out that “diversity” (i.e., having equal numbers of men and women) did not appear to be important—the key was having more women—and that the conclusion was partially related to the second conclusion since women were better than men on the “mindreading” test.

In their second study, published with Engel and Jing in late 2014, Woolley, Malone and Chabris replicated the elements of their first study but added a new wrinkle by having half of the teams meet and work face-to-face like the teams in the first study and the other half engage only in online collaboration without opportunities to see one another in person. The researchers noted that increasingly complex problems were being tackled by teams that were held together by the growing number of technological aids such as Skype, Google Drive and e-mail and wanted to know if these virtual teams were capable of extraordinary collective intelligence. They were excited that their results confirmed their earlier findings that some teams are consistently smarter than others and that this was true regardless of whether the teams collaborated online or off. Particularly interesting was the conclusion that the key characteristics of the smarter teams remained the same no matter how they collaborated: “members who communicated a lot, participated equally and possessed good emotion-reading skills”. Discussing the importance of emotion-reading skills to the success of online teams, Woolley, Malone and Chabris argued that team intelligence likely calls for more than the ability to read facial expressions highlighted in their first study and actually requires a more general ability, referred to as “Theory of Mind”, to “consider and keep track of what other people feel, know and believe”.

Sources: A. Woolley, T. Malone and C. Chabris, “Why Some Teams Are Smarter Than Others”, *New York Times* (January 18, 2015), SR5; A. Woolley, C. Chabris, A. Pentland, N. Hashmi and T. Malone, “Evidence for a Collective Intelligence Factor in the Performance of Human Groups”, *Science*, 330 (6004) (October 29, 2010), 686-688; and D. Engel, A. Woolley, L. Jing, C. Chabris and T. Malone, “Reading the Mind in the Eyes or Reading between the Lines? Theory of Mind Predicts Collective Intelligence Equally Well Online and Face-To-Face”, *PLoS ONE*, 9(12) (December 16, 2014): e115212. doi:10.1371/journal.pone.0115212.

§20 Business systems

Collaboration and communication among the members of any team is essential for the success of the team and these traits are most likely to occur if the members have access to the same information and “speak the same language” with respect to how the company operates and how work flows through the various business units and departments. Companies that take the time to invest in creating and maintaining standardized business systems that are used throughout the company can ease the process of moving and deploying functional specialists to teams that may be formed to take advantage of new business opportunities and resolve unforeseen problems. For example, if the company has the same platform for dealing with finance- or logistics-related transactions specialists from those areas can be temporarily transferred to different product- or market-focused business units and be immediately effective since they do not have to waste time learning new systems or procedures.⁴⁶

⁴⁶ Id.

§21 Team building

Tuckman and Jensen suggested that teams go through five stages of development in order to reach the point where they can be effective and successful⁴⁷:

- Forming, which is the initial stage during which team members first get to know one another and the group focuses on evaluating the tasks assigned to the team and establishing group rules for interacting with one another is the stage when team members become acquainted with one another. In general, interactions during this stage are polite and members show patience with the behaviors of others in an effort to avoid conflict.
- Storming, which emerges once the novelty associated with formation disappears and members begin to jockey for influence over their individual roles and the entire process the team will be following to fulfill task requirements and achieve its goals. Political skirmishing and interpersonal conflicts can be seen at this stage and listening and skillful conflict resolution is essential to determining if the team moves forward stronger and more united or divided with members who have accepted passive roles.
- Norming, which is the stage at which team members focus on identifying and implementing accepted norms and standards of performance with respect to basic yet important questions such as the expected level of quality, the meaning and importance of schedules and deadlines, attendance and participation at meeting and establishment of subgroups within the larger team. Harmony and consensus at this stage positions the team to move forward to actual performance while failure to successfully address and resolve these questions may doom the team to failure and abandonment of the effort.
- Performing, which is the stage at which the team is ready to work on its assigned tasks and become productive. Reaching this stage, and being successful during this stage, is heavily dependent on resolving the issues and challenges that came up during the earlier stages and developing comfortable and acceptable rules and norms for interactions and processes for solving the problems and disputes that will inevitably arise as the team moves closer to achieving its goals.
- Adjourment, which is the point where the activities of the team end for one of several reasons: the tasks assigned to the team have been completed, one or more of the members of the team leave or a decision is made not to move forward any more with pursuit of the assigned tasks. The interest at this stage is on the impact of adjourment on the personal relationships and bonds that have been formed among team members. In some cases, when the team has been successful, there is happiness and satisfaction accompanied by joint celebration and congratulations; however, there is inevitably a disruption to comfortable work relationships and friendships.

⁴⁷ B. Tuckman and M. Jensen, "Stages of Small-Group Development Revisited", *Group and Organizational Studies*, 2(4) (December 1977), 419. Tuckman had first suggested a model of team development several years earlier that included only the first four stages (i.e., forming, storming, norming and performing). See B. Tuckman, "Developmental Sequence in Small Groups", *Psychological Bulletin*, 63(6) (1965), 384. Descriptions in text adapted from S. Newell (revised by H. Kirkwood), "Teams and Teamwork", Reference for Business (blog), <http://www.referenceforbusiness.com/management/Str-Ti/Teams-and-Teamwork.html> [accessed July 16, 2015]

After describing Tuckman and Jensen's "five stages", Abudf used their model to suggest the following list of characteristics of effective and successful teams⁴⁸:

- Clear communication among all members
- Regular brainstorming session with all members participating
- Consensus among team members
- Problem solving done by the group
- Commitment to the project and the other team members
- Regular team meetings are effective and inclusive
- Timely hand off from team members to others to ensure the project keeps moving in the right direction
- Positive, supportive working relationships among all team members

In turn, Abudf argued that teams unable to navigate the suggested stages were likely to display one or more of the following indicators of ineffective collaboration:

- Lack of communication among team members.
- No clear roles and responsibilities for team members.
- Team members "throw work over the wall" to other team members, with lack of concern for timelines or work quality.
- Team members work alone, rarely sharing information and offering assistance.
- Team members blame others for what goes wrong, no one accepts responsibility.
- Team members do not support others on the team.
- Team members are frequently absent thereby causing slippage in the timeline and additional work for their team members.

§22 Monitoring and evaluation

As with any other part of the overall design of the structure of the company teams should be continuously monitored and evaluate to determine if changes are necessary and appropriate. For example, even when a team is originally established as a "permanent" feature of the organizational structure the life cycle of the team and the tenure and composition of its members must be constantly evaluated in light of changes in the environmental conditions that are confronting the entire company. In order for evaluation to be useful the company needs to understand what goes in to making a team effective—clear direction and responsibilities, skilled and knowledgeable members, clear and reasonable procedures for operating the team, good interpersonal relationships between team members, shared interests in the success or failure of the team's activities,

⁴⁸ G. Abudf, "The Five Stages of Project Team Development", The.Project.Management.Hut (blog), <http://www.pmhut.com/the-five-stages-of-project-team-development> [accessed July 19, 2015]. The author not only provided a description of the five stages of the Tuckman-Jensen model but also an interesting and practical illustration of a hypothetical team moving through the five stages. An extensive library of articles and other resources relating to "team building" is available at the Team Building Portal (blog), <http://www.teambuildingportal.com/articles/effective-teams> [accessed July 19, 2015], which includes sections on problems and symptoms, effective teams, systems and approaches and team building games.

and strong and collegial relationships with units outside of the team. The effectiveness of each team, using these factors as measuring sticks, should be regularly monitored by the team itself and by outsiders with no particular vested interest in preserving the power and influence associated with membership on the team. In addition, senior management should review its portfolio of teams to determine whether an issue has become obsolete or whether it is time to shake up the membership of a team in order to avoid “empire building” and/or bring new talent into the mix.

Summing Up

1. Commonly mentioned categories of teams include informal teams, which are usually formed initially for social purposes among persons with a set of common concerns and interests such as improving working conditions or sharing information on specialized topics; “traditional” teams in the organizational structure such groups (e.g., “departments”) formed to oversee and operate in functional areas with a leader (i.e., a supervisor or manager) assigned by the organization who is vested with legitimate power and authority to manage the group; problem-solving teams, which are temporary groups of members drawn from different functional teams who come together to find solutions to issues and problems that cannot be resolved within the standard organizational structure; leadership teams created at the top of the organizational hierarchy to collaborate on the development and implementation of organizational goals (i.e., development and launch of new products) and related strategies; parallel teams that supplement the normal work processes of the company and typically focus on specific activities and functions that cannot otherwise be handled effectively within the regular organizational structure (e.g., quality circles, quality improvement teams, productivity improvement groups and employee participation teams); project teams which are organized to focus on a specific activity with the stated goal of creating a one-time output within a fixed timeframe; and work teams, which are cross-functional and multi-skilled groups vested with responsibility for transforming various inputs into products or services (e.g., production, administrative support, customer sales and service, and professional support).

2. Significant barriers to the collaboration required for a team to achieve the goals for which it was established include large size, diversity and virtual participation. For example, once the size of the team goes beyond 20 members there appears to be a natural tendency for the level of cooperation to decrease and, as such, affirmative steps must be taken to avert problems and sustain the appropriate level of collaboration as team size increases. In addition, as team diversity—measured by the proportion of strangers on the team and the level of diversity of background and experience—increases it becomes more likely that the members would cut back on their efforts to collaborate and share knowledge. Virtual participation allows companies to reduce and control travel and other expenses traditionally associated with face-to-face meetings; however, the greater the reliance on virtual participation the higher the likelihood that cooperation among the virtual team members will decline unless steps have been taken in advance to promote and support a collaborative culture.

3. Researchers have identified characteristics of effective teams including clear direction and responsibilities, knowledgeable members, reasonable operating procedures, healthy interpersonal relationships, which means that each member understands and accepts the individual values of other members and embraces the diversity as a means for developing stronger and effective teams, sharing successes and failures, and strong external relationships.

4. Organizational practices associated with effective team activities include executive support for collaborative behavior and role modeling of collaboration among members of the senior executive team; strongly embedded norms of mentoring and coaching within the organizational culture; training for managers and employees in the skills and techniques that are necessary for effective collaboration including guidance on how to build and maintain networking relationships, communications skills and conflict resolution; fostering of a sense of community within the company that encourages people to freely and happily share knowledge and information that can be used by teams to effectively pursue their goals and objectives; and management of teams by leaders who are both task- and relationship-oriented and who

have been trained on when and how tasks or relationships should be emphasized as the work of a team unfolds.

5. Team composition and structure should not be left to chance and leaders should be mindful of certain tried and true lessons for maximizing the chances that a team will successfully achieve the goals and objectives established for it: members with specific training and background relative to the achievement of particular goals and objectives of the team and influence within their regular departments to sell the ideas of the team and access the department resources required for the team to be successful; a material subset of members with preexisting (“heritage”) relationships sufficient to create a foundation for strong collaboration, communication and information sharing; clearly defined roles and responsibilities, tied to specialized expertise, for each team member from the beginning; clear team goals, although the path to be followed to achieve those goals should be left relatively ambiguous in order to promote creativity, collaboration and sharing of ideas; good interpersonal relationships and reasonable operating procedures that promote strong communication, equal participation and shared ownership of both successes and failures arising from the team’s activities; and members with strong abilities to read the emotions of their colleagues and consider and keep track of what they feel, know and believe.

6. Researchers have argued that teams go through several identifiable stages of development in order to reach the point where they can be effective and successful: forming, which is the initial stage during which team members first get to know one another and the group focuses on evaluating the tasks assigned to the team and establishing group rules for interacting with one another is the stage when team members become acquainted with one another; storming, which emerges once the novelty associated with formation disappears and members begin to jockey for influence over their individual roles and the entire process the team will be following to fulfill task requirements and achieve its goals; norming, which is the stage at which team members focus on identifying and implementing accepted norms and standards of performance with respect to basic yet important questions such as the expected level of quality, the meaning and importance of schedules and deadlines, attendance and participation at meeting and establishment of subgroups within the larger team; performing, which is the stage at which the team is ready to work on its assigned tasks and become productive; and adjournment, which is the point where the activities of the team end for one of several reasons: the tasks assigned to the team have been completed, one or more of the members of the team leave or a decision is made not to move forward any more with pursuit of the assigned tasks.

References and Resources

The Sustainable Entrepreneurship Project’s Library of Resources for Sustainable Entrepreneurs relating to Management is available at <https://seproject.org/management/> and includes materials relating to the subject matters of this Guide including various Project publications such as handbooks, guides, briefings, articles, checklists, forms, forms, videos and audio works and other resources; management tools such as checklists and questionnaires, forms and training materials; books; chapters or articles in books; articles in journals, newspapers and magazines; theses and dissertations; papers; government and other public domain publications; online articles and databases; blogs; websites; and webinars and podcasts. Changes to the Library are made on a continuous basis and notifications of changes, as well as new versions of this Guide, will be provided to readers that enter their names on the Project mailing list by following the procedures on the Project’s website.