Introduction

The 6 team fundamentals:
1. Small number (generally fewer than 12) of team members is most effective.
2. No team performs without the complementary skills required for success.
3. Teams must have a common purpose.
4. Teams must have a common set of specific performance goals.
5. Teams must have a commonly agreed upon working approach.
6. Teams must hold one another mutually accountable for their performance.

- Performance outcomes and results are the primary objective.
- The team leader is seldom the primary determinant of performance.
- A strong and balanced performance ethic makes the difference.

CLIMBING THE "Y" OF GROUP PERFORMANCE

"Single-leader Unit"
DISCIPLINE

1. Individual goals add up to group's purpose (performance outcome)
2. Members work mostly on individual tasks that match their skills
3. Work products (outcomes) are mostly individual
4. Rigorous working approach driven by leader
5. Strong individual accountability

performance units

"Real-team"
DISCIPLINE

1. Compelling "performance purpose"—exceeds sum of individual goals
2. Members work jointly to integrate complementary talents and skills
3. Work products (outcomes) are mostly collective or joint efforts
4. Adaptable working approach shaped and enforced by members
5. Mutual plus individual accountability

1. Understandable charter
2. Good communication
3. Clear member roles
4. Time-efficient process
5. Reasonable accountability

"Working Group"
FUNDAMENTALS

The base of the "Y" describes the elements of effective group work, not performance units. The left branch defines the discipline required to elevate effective groups to single-leader performance units (characterized by speed and efficiency, leadership clarity, and individual accountability). The right branch defines the discipline required to elevate effective groups to real-team performance units (characterized by collective work products, shifting leadership roles, and mutual accountability). The choice of branch depends on the performance situation.

Common Sense findings:
1. A demanding performance challenge tends to create a team.
2. The disciplined application of "team basics" is often overlooked.
3. Teams at the top are most difficult (time demands, individualism)
4. Organizations prefer individual over group accountability

Un-common Sense findings:
1. Strong performance standards spawn more real teams
2. High-performance teams are extremely rare
3. Teams naturally integrate learning and performance

Team Basics consist of:
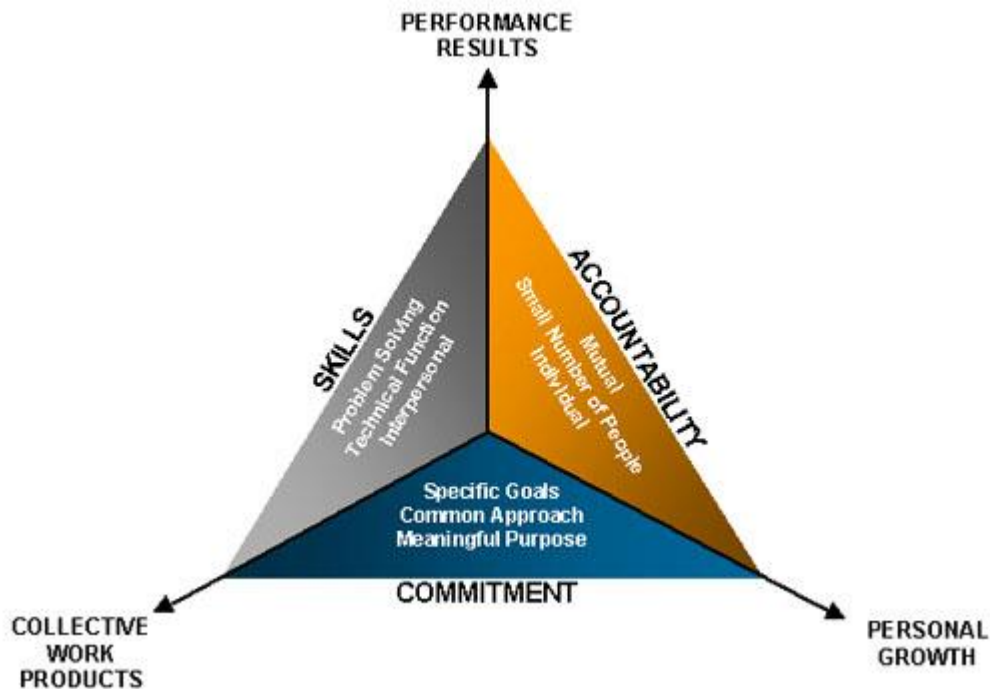
Chapter 1: Why Teams?

Lessons Learned

"As we explored the use of teams, it became increasingly clear that the potential impact of single teams, as well as the collective impact of many teams, on the performance of large organizations is woefully underexploited."

Executives, already recognize the value in teams. Demanding schedules, work habits, and unwarranted assumptions, however, prevent them from taking full advantage of team opportunities.

Most people simply do not apply what they already know about teams in any disciplined way and thereby miss the performance potential within existing teams; much less seek out new potential team opportunities.

1. **Significant performance challenges energize teams regardless of where they are in the organization** . . . Performance, however, is the primary objective *while a team remains the means, not the end*.

2. **Organizational leaders can foster team performance best by building a strong performance ethic rather than by establishing a team-promoting environment alone** . . . many executives fall into the trap of appearing to promote teams for the sake of teams. They talk about entire organizations becoming a "team" and thereby equate teams with teamwork.

3. **Biases toward individualism exist but need not get in the way of team performance** . . . Self-preservation and individual accountability, however, can work two ways. Left unattended, they can preclude or destroy potential teams. But recognized and addressed for what they are, especially if done with reference to how to meet a performance challenge, individual concerns and differences become a source of collective strength. Teams are not antithetical to individual performance. Real teams always find ways for each individual to contribute and thereby gain distinction.

4. **Discipline—both within the team and across the organization—creates the conditions for team performance** . . . We think of the team definition not as a series of elements characterizing teams but as a discipline, that, if followed rigorously, will produce the conditions for team performance.

The Need for Teams

"Teams invariably contribute significant achievements in business, charity, schools, government, communities, and the military."

Teams invariably contribute significant achievements in business, charity, schools, government, communities, and the military. Motorola, acclaimed for surpassing its Japanese competition in producing the world's lightest, smallest, and highest-quality cellular phones with only a few hundred parts versus over a thousand for the competition, relied heavily on teams to do it. So did Ford, which became America's most profitable car company in 1990 on the strength of its Taurus model. At 3M, teams are critical to meeting the company's well-known goal of producing half of each year's revenues from product innovations created in the prior five years. General Electric has made self-managing worker teams a centerpiece of its new organization approach.

Why Teams Perform Well

"Overcoming barriers to performance is how groups become teams."

Several well-known phenomena explain why teams perform well. First, they bring together complementary skills and experiences that, by definition, exceed those of any individual on the team . . . Second, *in jointly developing clear goals and approaches, teams establish communications that support real-time problem solving and initiative*.

Third, teams provide a unique social dimension that enhances the economic and administrative aspects of work . . . Overcoming barriers to performance is how groups become teams. Both the meaning of work and the effort brought to bear upon it deepen, until team performance eventually becomes its own reward.

Finally, teams have more fun. This is not a trivial point because the kind of fun they have is integral to their performance.

Behavioral Change
"Teams can make hierarchy responsive without weakening it, energize processes across organizational boundaries, and bring multiple capabilities to bear on difficult issues."

Behavioral change occurs more readily in the team context. Because of their collective commitment, teams are not as threatened by change as are individuals left to fend for themselves. And, because of their flexibility and willingness to enlarge their goals & deliverables, teams offer people more room for growth and change than do groups with more narrowly defined task assignments associated with hierarchical "job" assignments.

They are also the most practical way to develop a shared sense of direction among people throughout an organization. Teams can make hierarchy responsive without weakening it, energize processes across organizational boundaries, and bring multiple capabilities to bear on difficult issues.

In fact, most models of the "organization of the future" that we have heard about—"networked," "clustered," "nonhierarchical," "horizontal," and so forth—are premised on *teams surpassing individuals as the primary performance unit in the company*.

Resistance to Teams
"Most people remain unclear over what makes a real team. A team is not just any group working together."

Three primary sources for people's reluctance about teams stand out:

1. Lack of conviction. Some people do not believe that teams, except in unusual or unpredictable circumstances, really do perform better than individuals.

Most people remain unclear over what makes a real team. A team is not just any group working together.

Teams are discrete units of performance, not a positive set of values . . . A team is a small group of people (typically fewer than twenty) with complementary skills committed to a common purpose and set of specific performance goals. Its members are committed to working with each other to achieve the team's purpose and hold each other fully and jointly accountable for the team's results.

2. Personal discomfort and risk.

Some people are uncomfortable about speaking up, participating, or being otherwise conspicuous in group settings. Some are afraid of making commitments that they might not be able to keep. And many people just do not like the idea of having to depend on others, having to listen or agree to contrary points of view, or having to suffer the consequences of other people's mistakes. These concerns particularly afflict managers who find it difficult to be part of a team when they are not the leader.

3. Weak organizational performance ethics . . . There is a built-in expectation that any decision of consequence must be made at the top or, at a minimum, be approved by enough other layers that the implementer of that decision is well-covered. Politics displace performance as the daily focus.

And, inevitably, those politics play on individual insecurities that, in turn further erode the conviction and courage to invest in a team approach.

Modifying the strong natural emphasis on individual accountability will, of course, be necessary as teams become more important. Yet *replacing individually focused management structures and approaches with team-oriented designs will matter little, or even do damage, unless the organization has a robust performance ethic*.

Chapter 2: Case Study

Intermodal Team, Burlington Northern

Chapter 3: Team Basics: A Working Definition and Discipline

<u>Complementary Skills</u>
"Teams must develop the right mix of skills, that is, each of the complementary skills necessary to do the team's job."

Teams must develop the right mix of skills, that is, each of the complementary skills necessary to do the team's job. These team skill requirements fall into three categories:

- **Technical or functional expertise.**
- **Problem-solving and decision-making skills.**
- **Interpersonal skills.**

A team cannot get started without some minimum complement of skills, especially technical and functional ones. And no team can achieve its purpose without developing all the skill levels required.

Interestingly, however, an equally common error is to *overemphasize* skills in team selection. Much of the popular literature on teams, for example, stresses skill mix as a prerequisite to selection, particularly for interpersonal skills. Yet, in our research, we did not meet a single team that had all the needed skills at the outset. We did discover, however, the power of teams as vehicles for personal learning and development.

<u>Common Purpose and Performance Goals</u>
"A common, meaningful purpose sets the tone and aspiration."

Figure 3-1
Initiative Team Charter

Mission:	Launch XYZ new product by March 5, 2004
Basis for interest:	(Consumer, customer, competitive, cost, etc.)
Input targets:	(Product design and reliability, cost, product cube, pricing capital, etc.)
Output targets:	(Revenue, volume, consumer preference, start-up time and cost, etc.)

Team members:
Team process:
Sponsors:

Key Milestones	Timing	Throwaway ($)	Data Availability
• Capital initiation • Start of construction • Start of production • Start of shipments			

Key Challenges	How to Overcome
• Different equipment in each plant • Reducing color changeover time • Availability of critical raw material • Ensuring rapid distribution with minimal obsolete inventories	

Figure 3- 1

The team's near-term performance goals must always relate directly to its overall purpose; otherwise, team members become confused, pull apart, and revert to mediocre performance behaviors.

Most teams shape their purposes in response to a demand or opportunity put in their path, usually by management.

Direction from management helps teams get started by broadly framing the performance requirements of the company. This is what Bob Waterman and Tom Peters call "solution space"; that is, defining the boundaries and scope of authority clearly enough to indicate direction, but flexibly enough to allow the modification required for commitment to develop. Figure 3-1 is one of the best illustrations we found of a management guideline for teams. It was developed at Procter & Gamble during its impressive major change and performance turnaround between 1985 and 1991. It makes clear the charter, the rationale, and the performance challenge for the team, but leaves plenty of solution space for the team to set specific goals, timing and approach.

"Purposing" Activity
"The better teams often treat their purpose like an offspring in need of constant nurturing and care."

The best teams invest a tremendous amount of time and effort exploring, shaping, and agreeing on a purpose that belongs to them both collectively and individually. In fact, real teams never stop this "purposing" activity because of its value in clarifying implications for members.

The better teams often treat their purpose like an offspring in need of constant nurturing and care. Naturally, they spend relatively more time in the beginning shaping their purpose; but, even after the team is operative, the members periodically revisit the purpose to clarify its implications for action. They continue such "purposing" activity indefinitely.

Scores of scenarios get painted about customer requirements, and external as well as internal constraints. Consequently, when challenges arise, team members can respond, confident that they have the trust and support of their teammates—so long as the actions taken make sense in light of the team purpose. In other words, risks that otherwise might not be taken get done as a matter of course.

Performance Goals
"We urge you to think about each of the six elements of teams when you assess your group's current situation."

Focusing on performance—not chemistry or togetherness or good communications or good feelings—shapes teams more than anything else.

As a starting point, we urge you to think about each of the six elements of teams when you assess your group's current situation:

1) Are you small enough in number?

2) Do you have adequate levels of complementary skills and skill potential in all three categories necessary for team performance?

3) Do you have a broader, meaningful purpose that all members aspire to?

4) Do you have a specific set of performance goals agreed upon by all?

5) Is the working approach clearly understood and commonly agreed upon? and

6) Do you hold yourselves individually and mutually accountable for the group's results?

# Chapter 4: High Performance Teams: Very Useful Models

Ideas culled from several cast studies:

- Behind high-performance teams lies a story of commitment.
- Strong personal commitments to one another's growth and success is evident.
- The more ambitious the goals, the higher the performance.
- Teams learn new skills to accomplish their goals. Skills become interchangeable among members.
- They are unreasonable.
- Members know each others' strengths & weaknesses
- Leadership is shared.

Chapter 5: The Team Performance Curve

Team Performance Curve

"The team performance curve illustrates that how well any small group of people performs depends on the basic approach it takes and how effectively it implements that approach."
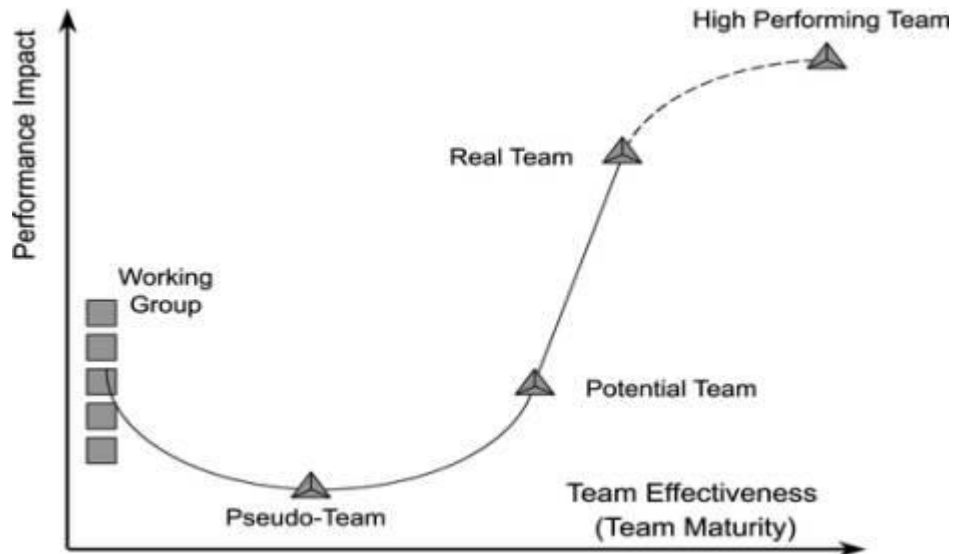
The "team performance curve" . . . illustrates that how well any small group of people performs depends on the basic approach it takes and how effectively it implements that approach. Unlike teams, working groups rely on the sum of "individual bests" for their performance. They pursue no collective work products requiring joint effort. By choosing the team path instead of the working group, people commit to take the risks of conflict, joint work-products, and collective action necessary to build a common purpose, set of goals, approach, and mutual accountability. People who call themselves teams but take no such risks are at best pseudo-teams.

Team Performance Curve Framework

"To help understand the choice confronting groups, as well as the risks and performance potential involved, we find it useful to apply a simple framework we call the team performance curve."

To help understand the choice confronting groups . . . as well as the risks and performance potential involved, we find it useful to apply a simple framework we call the "team performance curve."

1. **Working group:** This is a group for which there is *no significant incremental performance need* or opportunity that would require it to become a team.

2. **Pseudo-team:** This is a group for which there could be a significant, incremental performance need or opportunity, but *it has not focused on collective performance and is not really trying to achieve it*.

3. **Potential team:** This is a group for which there is a significant, incremental performance need, and *that really is trying to improve its performance impact*.

4. **Real team:** This is a small number of people with complementary skills who are *equally committed to a common purpose, goals, and working approach for which they hold themselves mutually accountable*.

5. **High-performance team:** This is a group that meets all the conditions of real teams, and has *members who are also deeply committed to one another's personal growth and success*.

<u>What Will It Take?</u>
"What will it take for us to achieve significant performance results?"

By asking the series of questions . . . about small number, complementary skills, common purpose, performance goals, working approach, and mutual accountability, most groups can figure out whether they are operating like working groups, pseudo-teams, potential teams, or real teams.

In addition, however, we have observed a second set of five vital signs that are helpful to monitor. These include:

1. **Themes and identity:** Teams inevitable rally around a favorite set of themes that convey meaning about their basic purpose and identity.

2. **Enthusiasm and energy level:** Teams work hard and enthusiastically.

3. **Event-driven histories:** As teams evolve, their stories often progress through a series of galvanizing events—often unplanned and sometimes "failures"—that propel team performance.

4. **Personal commitment:** As illustrated in the case studies, members' strong personal commitment to one another's growth and success is what distinguishes a high-performance team.

5. **Performance results:** In the final analysis, performance is both the cause and effect of teams.

Chapter 6: Moving up the Curve: From Individual to Team Performance

<u>The Risks of Teams</u>
"Not all potential teams become real teams."

Dealing with the issues of trust, interdependence, and conflict requires hard work that, because it might not bear fruit, poses yet another risk. Not all potential teams become real teams. Individual differences, threats of being personally disadvantaged, actions that destroy instead of build mutual trust and interdependence, unconstructive conflict, the inertia of business as usual—these and other forces can block team performance and can even produce pseudo-teams with worsening performance. When this happens, anyone who has worked hard to invest in the team suffers lost time and disappointment.

<u>Approaches to Building Team Performance</u>
"We found a variety of common approaches that can help potential teams take the risks necessary to move the team up the performance curve."

We found a variety of common approaches that can help potential teams take the risks necessary to move the team up the performance curve.

1. **Establish urgency and direction.**
2. **Select members based on skills and skill potential.**
3. **Pay particular attention to first meetings and actions.**
4. **Set some clear rules of behavior.**
5. **Set and seize upon a few immediate performance-oriented tasks and goals.**
6. **Challenge the group regularly with fresh facts and information.**
7. **Spend lots of time together.**
8. **Exploit the power of feedback.**

The eight "best practices" . . . can facilitate the risks teams need to take. But each of the eight—like any team-building approach you or others might try—will only add value if it is employed in the pursuit of performance.

Chapter 7: Team Leaders

Team Leaders
"Team leaders know or discover when their own action can hinder the team, and how their patience can energize it."

The belief that "only the team can fail" begins with the leaders. Team leaders act to clarify purpose and goals, build commitment and self-confidence, strengthen the team's collective skills and approach, remove externally imposed obstacles, and create opportunities for others. Most important, like all members of the team, *team leaders do real work themselves*. Yet, in each of these aspects, team leaders know or discover when their own action can hinder the team, and how their patience can energize it.

In this too, attitude is the key. Team leaders genuinely believe that they do *not* have all the answers—so they do not insist on providing them. They believe they do *not* need to make all key decisions—so they do not do so. They believe they *cannot* succeed without the combined contributions of all the other members of the team to a common end—and so they avoid any action that might constrain inputs or intimidate anyone on the team. Ego is *not* their predominant concern.

Individual Leaders Are Rare
"Individuals with all the required capabilities to create and sustain high-performing organizations are as rare as they are admired."

As the record shows, individuals with all the required capabilities to create and sustain high-performing organizations are as rare as they are admired. The odds of finding good team leaders, by contrast, are substantially better. Most people can be effective team leaders. Certainly, in our research, we found good team leaders in frontline jobs, supervisor and foreman positions, middle management spots, and within the ranks of top executives. Accordingly, we think managers and others ought to worry much less about picking the ideal team leaders than about helping them to

succeeded afterwards—which means paying lots of attention to whether *specific* team leaders are in fact doing and not doing whatever *their* teams need in order to perform.

What Team Leaders Do and Do Not Do
"Managers and others often should pay more attention to helping team leaders perform than selecting them."

Keeping the team performing requires the leader's constant attention if he or she is to build commitment and confidence, strengthen the mix and level of skills, manage relationships with outsiders, remove obstacles, and still do real work within the team. Because each team differs in its performance challenge, composition, and approach, the job of the leader needs to change over time. Hence, team leaders always need to grow after they are selected.

Accordingly, managers and others often should pay more attention to helping team leaders perform than selecting them.

Neither the team leader nor those he or she leads should expect the leader to make all the decisions about directions taken, how resources get deployed, and how individuals are performing. Instead, the leader must show—in everything he or she does and does not do—a belief in the team's purpose and in the people who, individually and together, make up the team.

1. **Keep the purpose, goals, and approach relevant and meaningful** . . . While a leader must be a full working member of the team who can and should contribute to these, he or she also stands apart from the team by virtue of his or her selection as leader. Teams expect their leaders to use that perspective and distance to help the teams clarify and commit to their mission, goals, and approach.

2. **Build commitment and confidence** . . . the leader must keep both the individual and the team in mind as he or she tries to provide positive, constructive reinforcement while avoiding intimidation.

3. **Strengthen the mix and level of skills** . . . Their goal is clear: ultimately, the most flexible and top-performing teams consist of people with all the technical, functional, problem-solving, decision-making, interpersonal, and teamwork skills the team needs to perform. To get there, team leaders encourage people to take the risks needed for growth and development.

4. **Manage relationships with outsiders, including removing obstacles** . . . This calls on team leaders to communicate effectively the teams purpose, goals, and approach to anyone who might help or hinder it. They also must have the courage to intercede on the team's behalf when obstacles that might cripple or demoralize the team get placed in their way.

5. **Create opportunities for others**…Team performance is not possible if the leader takes all the best opportunities, assignments, and credit for him or herself.

6. **Do real work.**

There are, however, two critical things real team leaders *never* do: *they do not blame or allow specific individuals to fail, and they never excuse away shortfalls in team performance*.

Chapter 8: Teams, Obstacles, and Endings: Getting Unstuck

Obstacles and Endings

"There is no way to completely avoid stuck teams; obstacles really are a fact of life for teams and sometimes they will be insurmountable."

Obstacles are a continual fact of life for teams. They occur from the moment a potential team gathers until the team comes to an end.

Endings are also a fact of life for teams. They are one of the most critical obstacles that teams must face in achieving their performance potential. Moreover, specific ending situations can be as different as teams and obstacles. Some endings are planned, others spontaneous; some are abrupt, others are drawn out; some are traumatic, others a relief; some perpetuate performance, others erode it. Despite these differences, however, most endings come down to one or two basic kinds of transitions that matter in terms of performance. Either the team must convey a continuing purpose and set of ongoing tasks to another group or team (as is the case with most teams that run, make, or do things), or the team must ensure that its final recommendations are carried out by others who will implement them. In either case, unless the ending is a well-handled transition, valuable performance can be lost.

There is no way to completely avoid stuck teams—obstacles really are a fact of life for teams and sometimes they will be insurmountable.

Teams can get unstuck as long as they address barriers that relate to their specific performance challenge.

By now the critical link to performance may seem obvious, but many business managers behave otherwise. For example, typical responses to stuck teams include replacing the leader, changing one or more team members, disbanding the team altogether, or helping clear the air with team building, training exercises, or a facilitator. More often than not, how any of these steps relate to team performance is left unstated.

Approaches to Getting Unstuck

"Assuming that the team approach really is the best option, the key to getting unstuck lies in addressing the particular obstacles confronting the team with a strong performance focus."

Assuming, however, that the team approach really is the best option, the key to getting unstuck lies in addressing the particular obstacles confronting the team with a strong performance focus. We have seen five approaches work well, often in some combination.

1. Revisit the basics . . . All teams-and certainly, stuck teams—benefit from going back to ground zero and spending the time to uncover all hidden assumptions and differences of opinion that, when assessed by the full team, might provide the foundation for clarifying the team's mission and how to accomplish it.

2. Go for small wins. Nothing galvanizes a stuck team as well as performance itself. Even the act of setting a clear and specific goal can lift a team out of the morass of interpersonal conflict and despair.

3. Inject new information and approaches.

Competitive benchmarks, internal case histories, best practices, front-line work measures, customer interviews—these and other sources of insight can provide stuck teams with the fresh perspective needed to reshape their purpose, approach, and performance goals.

4. Take advantage of facilitators or training.

5. Change the team's membership, including the leader.

The key to whether a new leader, like a new member, will help the team get unstuck lies in whether such moves enable the team to circumvent the obstacles blocking team performance.

Transition to a New Team Leader
"The most critical transition for a real team or a high-performance team is when a new leader, especially one from outside the team, gets appointed."

The most critical transition for a real team or a high-performance team is when a new leader, especially one from outside the team, gets appointed.

Almost always, new leaders want to put their personal stamp on the team. Since they have the formal authority, and are expected to do so, they pose an inevitable threat to the team's purpose, goals, approach, and sense of mutual accountability. There is no easy way to deal with this except to reform the team around a new set of team basics . . . The leader's role—especially how he or she balances action and patience—shifts as the team progresses up the performance curve. Expecting a new leader who is unfamiliar with the team to accept and slide into such arrangements is like expecting a historical event to occur without the preceding history.

Thus, it is more useful to think about the arrival of a new team leader—from beyond the team—as an ending of the team. By doing this, the people involved are far more likely to return to team basics, including the performance-driven choice between team and working group.

Given the realities associated with new leadership, it seems to us that managers should think far more cautiously than they often do when considering the appointment of a complete outsider.

Chapter 9: Teams and Performance: The Reinforcing Cycle

Additional Case Studies

Motorola example: a wallet-sized card carried by its employees that reads: "Our Fundamental Objective (Everyone's Overriding Responsibility) is Total Customer Satisfaction."

Chapter 10: Teams and Major Change: An Inevitable Combination

Do You Face Major Change?

"We believe that four fairly straightforward questions, two about magnitude and two about readiness, can help companies determine the degree to which they face major change."

We believe that four fairly straightforward questions—two about magnitude and two about readiness—can help companies determine the degree to which they face major change:

1. Does the organization have to get very good at one or more basic things it is not very good at now (e.g., new skills and values)? Yes = major change.

2. Do large numbers of people throughout the entire organization have to change specific behaviors (i.e., do things differently)? Yes = major change.

3. Does the organization have a track record of success in changes of this type? No = major change.

4. Do people throughout the organization understand the implications of the change for their own behaviors and urgently believe that the time to act is now? No = major change.

Riding the Raft of Change

"You try to get the right people in the raft and do the best you can to steer it. But you never know what's just around the bend."

In comparing the management of major versus normal change, one top executive said, "It used to be like I-75. You'd lay it out from Toledo to Tampa. Now it's more like a whitewater raft ride. You try to get the right people in the raft and do the best you can to steer it. But you never know what's just around the bend."

During this "raft ride," integration and coordination across the functions and activities of a company are critical. Part of this coordination comes from the top-down vision and direction. Effective change managers and champions pay maniacal attention to focusing on a few, well-chosen themes of change: "Six Sigma" at Motorola, "speed, simplicity, and self-confidence" at GE, "world-class manufacturing" at Sealed Air, "innovation" at 3M, "superior client service" at DH&S, "quality" at Ford—all are examples of enduring change themes that have been thoroughly communicated for years.

In addition to such top-down focus and communication, much of the required integration comes in how well companies redesign the cross-functional and cross-cutting processes necessary to their change efforts.

Chapter 11: Team Performance at the Top: A Difficult Challenge

Working Group Performance
"There is no incremental performance expectation beyond that provided by individual executives working within their formal areas of responsibility."

Many successful large corporations today are run by effective working groups, an option that makes good business sense and often represents the most realistic approach given the people involved. Senior executives are more comfortable operating in working groups. In the typical senior working group, individual roles and responsibilities are the primary focal points. There is no incremental performance expectation beyond that provided by individual executives working within their formal areas of responsibility. The performance contract is between each executive and the leader as opposed to mutual accountability among all members of the group. The dominant group activities are sharing information, reinforcing performance standards and expectations, strengthening basic values, and making critical decisions. Most of each executive's time and attention is spent outside the working group with people in his or her part of the organization. Finally, the group performance ethic revolves around total company and individual (as opposed to team) success and failure.

The more open, constructive, and supportive the members of these groups are, the more effectively they share useful information and insights as well as help motivate one another.

Why Teams Are Tougher to Form at the Top
"We do believe there are five popular yet misguided beliefs about how executives are expected to act at the top that bedevil the formation of real teams."

Based on empirical evidence alone, teams at the top are tougher to form.

We cannot explain all of the reasons for this. But we do believe there are five popular yet misguided beliefs about how executives are expected to act at the top that bedevil the formation of real teams.

1. **"The purpose of the team at the top is identical to the purpose of the company."**
2. **"The whole top group has to be 'on the team.'"**
3. **"The role and contribution of team members, including the leader, are defined by their hierarchical and functional position."**
4. **"Spending extra team time is inefficient."**
5. **"Team effectiveness depends only on communications and openness."**

In combination, these five assumptions drive executive groups to the working group approach without any consciousness that a choice is being made.

Working Group or Team
"By choosing a working group mode, groups at the top avoid the risks of making the leap and failing."

The subtle and difficult choice between working group and team is not a one-time event nor does it apply to the whole top group as "single team or non-team." Top groups need to periodically re-examine whether their chosen mode of operation best fits the changing performance challenges they

face. By choosing a working group mode, groups at the top avoid the risks of making the leap and failing. Team performance requires an investment of time that must come out of already tight executive schedules; thus, team efforts can lead to neglect of individual responsibilities. A failed team attempt at the top breeds skepticism about teams generally, and can even cause the group to fall into pseudo-team attitudes and behaviors that are debilitating and difficult to break. These downsides pose a high price, especially if the group at the top remains uncertain about the benefits of a team.

On the other hand, when specific performance challenges require the real-time contributions of people with different skills and experiences, choosing a team approach promises significant performance potential and offers important benefits over a working group, some of which cannot be measured—for example, the higher degree of commitment in a team. In addition, of course, there is the tangible benefit of incremental gain that comes when team performance goals and work-products are achieved. Team performance possibilities at the top are not trivial, nor can the choice be dismissed lightly.

Chapter 12: Top Management's Role: Leading to the High-Performance Organization

The Key to Top Management's Evolving Role
"It is useful for management to distinguish among teams that run things, teams that make or do things, and teams that recommend things."

The key to top management's evolving role regarding teams lies in focusing its attention as well as company policies and resources on the teams that matter most to performance. By policies we mean the actual practices that people throughout the company look at to judge how important teams really are to top management and why. Only if certain key policies favor team formation and performance will the organization at large consider team opportunities positively.

To identify where teams matter most as well as the issues unique to different kinds of teams, it is useful for management to distinguish among teams that run things, teams that make or do things, and teams that recommend things.

Teams that Recommend Things
"The two critical issues unique to teams that recommend things are getting off to a fast and constructive start, and dealing with the inevitable handoff required to get their recommendations implemented."

Unlike most teams that run, make, or do things, teams that recommend things typically have predetermined completion dates, although a few, like plant-level safety teams, might be ongoing. If top management asks such a group to address issues of performance as opposed to administration (e.g., organizing the annual sales conference), then almost by definition the group "matters."

The two critical issues unique to teams that recommend things are getting off to a fast and constructive start, and dealing with the inevitable "handoff" required to get their recommendations implemented.

Top Management Turning to Teams

"Contrary to some popular opinion, teams do not imply the destruction of hierarchy. Indeed, quite the reverse."

We believe that top management is turning increasingly to teams for three compelling reasons.

First, teams strengthen the performance capability of individuals, hierarchies, and management processes.

Contrary to some popular opinion, teams do not imply the destruction of hierarchy. Indeed, quite the reverse. Teams and hierarchy make each other perform better because structure and hierarchy generate performance within well-defined boundaries that teams, in turn, productively bridge in order to deliver yet more and higher performance.

Second, teams are practical . . . Teams thrive on performance challenges; teams have leaders; teams demand discipline. Yes, there are important counterintuitive lessons about teams. But the vast majority of executives can rely on their common sense and current skills to make teams work.

And, third, of course, teams get results . . . Real teams almost always perform better than any similarly situated set of individuals acting either separately or in a working group.

Epilogue: A Call to Action

If you are not convinced that teams make a significant different in performance, seek out the real teams that undoubtedly work within Hyperion: find them, watch them in action, and check their results. Talk to them about what works, what doesn't, and why. Think of the team that put together project Broadway (common demo) or a sales "deal team."

Start making team performance happen. Start with any group you are part of that has potential to become a team.

Give some attention to the skills and attitudes in the group, rather than the styles and personalities. Support those with skill deficiencies.

Demand performance from the team.

Go to extra lengths to celebrate the victories of the team.