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LEADING TEAMS

Why Some Teams Succeed (and So Many Don't)

by Harvard Management Update

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Workplace teams have been studied to death in recent years, and the verdicts are in. They're a success—and a disaster. They lead to big productivity improvements—and they peter out ineffectively. People love 'em. People hate 'em.

In fact, says psychology professor J. Richard Hackman of Harvard University, researchers find that work teams cluster at opposite ends of the success continuum. Many function beautifully; many others fail miserably. Few are in the middle.

The good news is that teams have been so well studied and that people at so many companies have worked in teams for many years. All this research and experience have produced new insights into what distinguishes the successes from the failures. What matters most, it turns out, is how teams are managed—and whether the organizations they're part of provide them with the support they need.

The balancing act

Managers responsible for team performance often fall into one of two traps. Some continue to act like traditional bosses, telling the team what to do and how to do it. Others think they're "empowering" the team by maintaining a hands-off policy. Neither approach works. The manager's job, writes Hackman in a study on teamwork, is to "maintain an appropriate balance of authority" between himself and the team.

What does that mean in practice? On the one hand, managers have to spell out the team's objectives unambiguously and unapologetically. That keeps teams from spinning their wheels over what they should be doing. "To authoritatively set a clear, engaging direction for a team," says Hackman, "is to empower, not de-power, it." On the other hand, decision-making authority over the means to those ends should rest with the team itself. Team members can act as a team only if they have real responsibility—such as determining how to achieve their goals.

Practical experience has taught another lesson about teams' authority: the scope of their freedom of action can and should change over time. "What we encourage [managers] to do is start off very slowly and keep the boundaries pretty tight," says Tom Ruddy, a former manager at Xerox Worldwide Customer Services. "As the team starts to grow and expand, and take on responsibility, start moving those boundaries out." Even with successful teams, Ruddy says, a manager needs to be involved. Even though a team may have a lot of decision-making authority, there needs to be a manager scanning the horizon to determine which direction the team should head next.

Learning team skills

Teams must be trained in teamwork: members often need help in skills such as listening, communicating with different kinds of people, and staying focused on the task. This is not news. But companies have learned—often the hard way—that the common approach of

“train first and ‘team’ later” isn’t effective.

A better alternative: Periodic training. “We used to bring [team members] into a room and take them through an intensive training,” says Ruddy. But team members didn’t know what they needed to learn. So Xerox spread the training out: a session aimed at developing norms of behavior, for example, is followed by a few weeks on the job and then another session to revise the norms. “It’s on-the job training, rather than just ‘inoculating’ them all at once.”

Experience also shows that nothing teaches teamwork like working on teams over a period of years. Members don’t just have to learn new skills; they must also unlearn traditional roles. Linda Savadge of the Educational Testing Service in Princeton, N.J., has served on several teams. “It took a couple of years serving on different teams before the hierarchy within the team started to disappear,” she says. At Xerox, members of one team realized they were so dependent on their manager that they had to take drastic action. “We told the manager he wasn’t allowed to come to any meetings” until the team functioned better on its own, says Rick Crumrine, a customer-service engineer.

Goals and metrics

Researchers have long known that any successful team is focused on performance. The team has a well-defined set of goals and agreed-upon methods for achieving them. What’s more, members hold one another accountable for the performance of the whole group. These characteristics distinguish a true team from a conventional department or work unit. “A team,” wrote Jon R. Katzenbach and Douglas K. Smith in a classic *Harvard Business Review* article, “is a small number of people with complementary skills who are committed to a common purpose, set of performance goals, and approach for which they hold themselves mutually accountable” (“The Discipline of Teams,” March-April 1993, #4428).

But goals and accountability require metrics allowing teams to assess their progress. One mark of a successful team is that members understand this fact and design their own measurements. Crumrine's team, for example, noticed some performance problems and created in-process measurements that allowed members to evaluate their work day-to-day. "Instead of waiting for Xerox to send us information on how we'd done, we could check any time during the month and see where we were."

The latest insight on performance measurement: Metrics need to be related to business goals, not just operational goals. Rather than pursuing a goal of better on-time delivery, say, teams need to focus on both the on-time rate and its business payoff—customer satisfaction, customer retention, and the like. "Teams need to understand the business ingredient of what they're doing and how they can affect that," says John Spencer, former director of the Camera Technical Center at Eastman Kodak (Rochester, N.Y.).

Watching the bigger picture helps members balance multiple and sometimes conflicting objectives. It also helps them understand when it's time to declare victory—or defeat—and move on. "We have no problem saying, 'We're going to cancel this,'" says Spencer, since the teams at Kodak know the business reasons behind the decision and can "refocus around something that does make [business] sense."

Company support

When teams first became popular, many companies established them—and promptly forgot about them. Since then, researchers and practitioners have learned that successful teams require ongoing support from the whole company or unit. That support may involve extensive changes. Orientation and training, for example, must be geared toward teamwork. Managers may need to be assigned to work on teams so they have firsthand experience with team-related issues. Joseph Reres, a partner with Potomac Consulting in Great Falls, Va.,

recommends setting up a “steering committee” to monitor the work of teams—and to ensure managers are helping rather than hindering teamwork. Companies are now beginning to grapple with other forms of support, and not all have done so successfully.

Two key areas:

- **Evaluation and compensation.** “One of the hardest things for a company is to recognize that if they have installed teams, they need to reward based on teams,” says Fritz Mehrrens, a leadership consultant in Irvine, Calif. “Companies say, well, we have an annual performance review, and we give [individual] bonuses, promotions, and whatever based on that review. That tends to destroy the team—and it’s a key part of the support structure that the company needs to change.”

- **Information systems—and access.** Teams can’t function unless they get good information. IT departments, for example, may need to create systems that deliver team-specific data. And senior management must stand ready to give teams needed information. “That means the CEO shouldn’t be upset if a team member walks into his or her office and says, ‘I hear you said such-and-such, and I need to know more about that,’” says Mehrrens. “The company needs to develop an open culture that allows team members to communicate wherever they want to.”

On the face of it, says Harvard’s Hackman, “the conditions that foster team effectiveness are simple and seemingly straightforward to put in place.” Yet what’s required for success can be a wrenching organizational change, threatening the turf and interests of powerful people inside the company. Indeed, setting up the conditions that make for successful teams is “more a revolutionary than an evolutionary undertaking.”

That isn't an argument against team-based organization, which can have huge payoffs. But it is an argument for taking teams seriously, evaluating whether they can work, and doing what needs to be done to help them succeed. Left to their own devices, they won't make it.

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