

Part One

**THE FOUR Cs OF  
TEAM DEVELOPMENT**

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## THE SEARCH FOR THE HIGH-PERFORMING TEAM

“Fired?” John Smith, president of DigiCorp, couldn’t believe it (all names have been disguised): he had just come from a meeting with Peter Davis, chairman of the board, who had asked for John’s resignation.

A few days earlier, several members of John’s executive management team had met privately with Davis to air their grievances about John and demand that he be fired. The executives reported that he was unable to create an “effective team atmosphere” for them to work in. Team meetings were unproductive, they said, and led to confusion rather than clarity for team members, in part because consensus about decisions was rarely reached. John imposed top-down decisions when many members of the executive team felt capable of sharing the decision-making responsibility. The team was afflicted with interpersonal conflict, not only between a small subgroup of team members but also between John and a couple of key team members. He had taken no action to address or resolve those conflicts. Moreover, they called John “untrustworthy” because he often said one thing and did another, and thus he had slowly lost the support of his team. Team morale, motivation, and productivity had been dropping for several weeks. In the end, the team had had enough: either John would have to leave or they would.

A panicked John phoned us, since he knew we were team consultants, and explained his situation. “What should I do?” he inquired. “Can I save my job? What did I do wrong? What should

I do now?” After we asked John several questions, it became clear to us that at the heart of John’s problem was his lack of knowledge regarding how to create and lead a high-performing team. Moreover, he lacked the fundamentals in diagnosing team problems as well as developing team-building skills that could have been used to solve the team’s problems before they spiraled out of control.

John Smith’s case illustrates some of the more serious problems that we have seen in teams that we have worked with over the years, but his situation is, unfortunately, not all that unusual. Many, maybe most, teams function far below their potential. The reasons for poor team performance are many: the team may not have clear goals or performance metrics; the team may be composed of the wrong people with the wrong set of skills for the task at hand; the team’s dynamics may not foster creativity and good decision making; or the team may not know how to solve its own problems and improve performance. Our experience is that poor team performance is largely due to a team’s inability to systematically engage in team-building activities—team processes for evaluating team performance and engaging in problem-solving activities that lead to improved team performance.

Poor team performance is a major concern because most of the work performed today is done in a team environment—research teams, product development teams, production teams, sales and marketing teams, cross-functional problem-solving teams, and top management teams. One reason that work is done more by teams now is that products and services have become increasingly complex, requiring a wide range of skills and technologies. No single person is capable of developing, manufacturing, and selling increasingly complex products, which means that teams of individuals with complementary knowledge must coordinate effectively in order to be successful. This requires teamwork. A second reason is that in a global economy, individuals must collaborate across cultural, organizational, and geographical

boundaries to accomplish their goals. Hence, the need for cross-cultural, virtual, and alliance teams (teams collaborating across organizational boundaries) has increased in recent years. Thus, to be a high-performing company in today's competitive landscape essentially requires high-performing work teams. The two unavoidably go hand in hand.

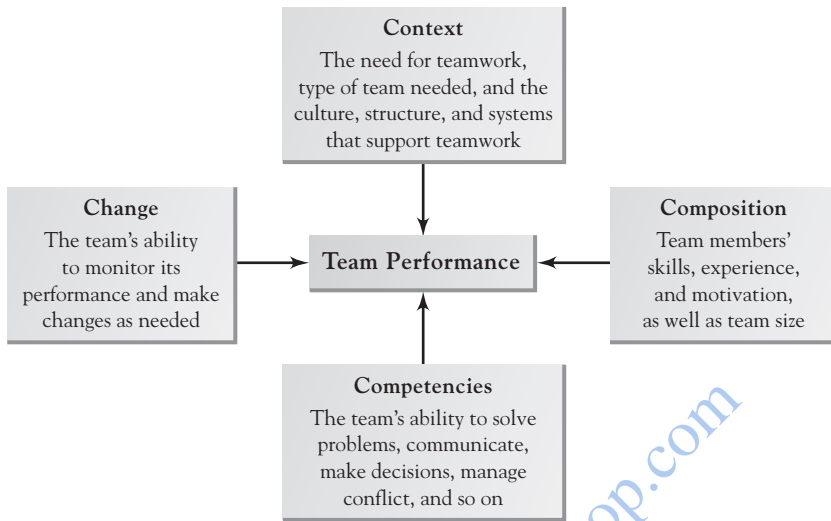
High-performing teams are those with members whose skills, attitudes, and competencies enable them to achieve team goals. These team members set goals, make decisions, communicate, manage conflict, and solve problems in a supportive, trusting atmosphere in order to accomplish their objectives. Moreover, they are aware of their own strengths and weaknesses and have the ability to make changes when they need to improve their performance.

The purpose of this book is to give managers, team leaders, team members, and team consultants specific guidance on how to improve team performance. Although the team-building activities we propose may be particularly well suited for poorly performing or dysfunctional teams, they also can transform average or even good teams into great teams.

### **Determinants of High-Performing Teams: The Four Cs**

Over the past several decades, as we have consulted with teams and conducted research on team performance, we have come to the conclusion that four factors—the Four Cs—must be understood and managed for teams to achieve superior performance (figure 1.1):

1. The context for the team
2. The composition of the team
3. The competencies of the team
4. The change management skills of the team

**Figure 1.1 The Four Cs of Team Performance**

We describe each of these factors briefly here and discuss them in more depth in the following chapters in Part One.

### Context for the Team

Team context refers to the organizational environment in which the team must work. Understanding context and how it influences team performance requires an understanding of the answers to two questions:

1. Is effective teamwork critical to accomplishing organizational goals? If so, are there measurable team performance goals around which we can organize a team?
2. Do my organization's senior managers, reward systems, information systems, human resource practices, structure, and culture support teamwork?

Experience has shown that the teamwork required to achieve high performance is much more important when the team must complete a complex task characterized by a high degree of interdependence. In addition, we have found that some organizations deploy formal organization structures or reward systems that become barriers to effective teamwork. For example, reward systems that provide strong individual incentives often create strong disincentives to engage in cooperative behavior within a team. Unfortunately, many organizations, while paying lip-service to the importance of teamwork, do little to encourage and support those who work on teams. Thus, they do not foster a culture in which teams can succeed.

High-performing teams manage context effectively by (1) establishing measurable team performance goals that are clear and compelling, (2) ensuring that team members understand that effective teamwork is critical to meeting those goals, (3) establishing reward systems that reward team performance (more than individual performance), (4) eliminating roadblocks to teamwork that formal organization structures might create, (5) establishing an organizational culture that supports teamwork-oriented processes and behaviors (e.g., everyone in the organization understands that success is predicated on effective collaboration; consequently, informal norms and processes support team-oriented behavior), (6) creating information systems to provide the team with needed information to make decisions, and (7) establishing human resource systems to provide training, team member selection, methods, and so on to support teamwork.

### **Composition of the Team**

The composition of the team concerns the skills and attitudes of team members. You have to have the “right people on the bus” to make things happen as a team and achieve top performance.<sup>1</sup> To effectively manage the composition of the team, team leaders

must understand that team leadership and processes differ depending on the answers to the following questions:

- Do individual team members have the technical skills required to complete the task?
- Do they have the interpersonal and communication skills required to coordinate their work with others?
- Are individual team members committed to the team and motivated to complete the task?
- Is the team the right size to complete the task successfully?

Teams saddled with members who are not motivated to accomplish the task or lack the skills to achieve team goals are doomed to failure from the outset. Of course, team composition also refers to assembling a group of individuals with complementary skills. High-performing teams use the diverse skills and abilities of each team member in a synergistic way to achieve high performance. The members of high-performing teams clearly understand their roles and assignments and carry them out with commitment.

Team size also plays a significant role in team effectiveness. A team that is too large may be unwieldy and cause team members to lose interest due to a lack of individual involvement. Having too few team members may place unnecessary burdens on individual team members, and the team may not have the resources needed to accomplish its goals.

High-performing teams effectively manage team composition by (1) establishing processes to select individuals for the team who are both skilled and motivated, (2) establishing processes that develop the technical and interpersonal skills of team members as well as their commitment to achieving team goals, (3) cutting loose individuals who lack skills or motivation, (4) managing the team according to the skills and motivation of team members, and (5) ensuring that the team is

the right size, that is, neither too large nor too small to accomplish the task.

### **Competencies of the Team**

We have found that successful teams have certain competencies that exist independent of any single member of the team but are embedded in the team's formal and informal processes—its way of functioning. High-performing teams have developed processes that allow the team to:

- Clearly articulate their goals and the metrics for achieving those goals
- Clearly articulate the means required to achieve the goals, ensuring that individuals understand their assignments and how their work contributes to team goals
- Make effective decisions
- Effectively communicate, including giving and receiving feedback
- Build trust and commitment to the team and its goals
- Resolve disputes or disagreements
- Encourage risk taking and innovation

Thus, while the context and composition of the team set the stage, these competencies propel it to high performance. If the team hopes to be extraordinary, it must develop competencies for goal setting, decision making, communicating, trust building, and dispute resolution. In chapter 4, we discuss these and other key competencies in greater detail.

### **Change Management Skills of the Team**

High-performing teams must change and adapt to new conditions to be effective over time. Factors related to team context,

composition, and competencies may need to change for the team to succeed in reaching a new goal. A team that is able to monitor its performance and understand its strengths and weaknesses can generate insights needed to develop a plan of action to continuously improve. Toyota, a company that we've researched extensively, uses the *kaizen*, or continuous-improvement, philosophy to help its teams identify the bottlenecks they are facing and then develop strategies to eliminate the bottlenecks.<sup>2</sup> Toyota's managers are never fully satisfied with their team's performance because once they've fixed one problem, they know that continuous improvement requires that they find and fix the next one. We have found that teams in most companies, unlike Toyota, are oblivious to their weaknesses. And even when they do recognize them, they do not have the ability to manage change effectively to overcome those weaknesses. It is possible to view change management skills as just another team competency, but this meta-competency—what we call team-building skills—is so important that it deserves special attention.

High-performing teams have developed the ability to change by (1) establishing team-building processes that result in the regular evaluation of team context, team composition, and team competencies with the explicit objective of initiating needed changes in order to better achieve the desired team goals and (2) establishing a philosophy among team members that regular change is necessary in order to meet the demands of a constantly changing world.

### **What Happened to John Smith?**

You might be wondering what happened to John Smith, the CEO in trouble at DigiCorp. After John called us, we were engaged to conduct several team-building sessions with his team. The board of directors agreed to suspend John's firing until the team's problems, and John's role in those problems, could be

more fully explored. Initially we conducted interviews and gathered data from team members and members of the board of directors to diagnose the team's problems. John's team then met with us in a team-building session designed to clear the air and develop a plan of action to improve team performance.

The problems were serious: trust had been lost, and the team had significant philosophical differences with John regarding how team decisions should be made and what the priorities of the company should be. However, the company was facing its busiest time of the year, and to avoid a total collapse, the team members needed to figure out a way to work together effectively to serve the company's clients—at least for the next three months, until the busy season passed.

In the team-building sessions, team members agreed to set aside their differences and work cooperatively so they could function effectively in the short run. Moreover, the board of directors agreed to give John the opportunity to turn things around. After the initial data-gathering and team-building sessions, our role as consultants was to meet periodically with the team to monitor its performance. The results: the team did work together successfully during the busy season and served the company's clients well. But at the end of the busy season, most of the team members decided to leave the organization: the damage had been done and couldn't be fully repaired. They lacked confidence in John's ability to develop important team competencies such as how to establish consensual decision-making processes, resolve interpersonal conflicts, and make changes in team composition and team processes when necessary. The resignation of most of John's team gave him the opportunity to create a new, more effective team. He apparently learned from his previous team failure by hiring the right people with the right skills and motivation. Moreover, he created the appropriate context to strengthen his team and developed greater competencies in the team. Today John remains the CEO of a highly successful organization.

**In Summary**

To avoid the problems that John encountered with his team, team leaders must create the appropriate context to support teamwork. Team members should also have the requisite knowledge, skills, and motivation to do their individual jobs, while working in a team environment. Team competencies in areas such as decision making, meeting management, and conflict management need to be developed by the team. And effective teams should be able to monitor their performance and take corrective action when needed. By paying attention to the Four Cs, teams can truly become high performing.

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