

WHY MOST TEAMS FAIL & HOW YOURS CAN SUCCEED

by Sean M. Gallagher and Charles Leddy



Executive Summary

From the C-suite to the shop floor, work teams are the primary creators of business value. For leaders to succeed, their teams must succeed. Tragically, research shows that 80 percent of leadership teams perform at a level that's either "poor" (37 percent) or "mediocre" (42 percent). That's means eight out of ten leadership teams are under achieving! When we look at cross-functional teams, it's similar — three out of four of those critically-important teams are dysfunctional.

The costs we pay for failing, dysfunctional teams are massive, not just in failed projects and lost revenues but also in terms of disengaged talent, wasted resources and damage to promising careers.

The good news? After decades of data-driven research and testing in thousands of teams from across the globe, we know how to build effective work teams, whether they're leadership teams, cross-functional teams, or teams of any kind.

You don't need to pay the heavy costs of failed teams. The conditions that create team success are known. Getting these six conditions right and your team will have up to an 80% greater opportunity to succeed.

6 Conditions for Team Effectiveness

1. A Real Team

Any real team needs four basic elements: (1) a task; (2) clear boundaries; (3) clearly specified authority to manage its own work processes; and (4) membership stability over time.

2. A Compelling Team Direction

A clear, compelling direction helps you in several critical areas. It is the beginning of a map for collective success and enables teams to make a detailed plan for the journey ahead. Just as importantly, it also gives you a vital tool to motivate team members.

3. The Right People

You will, of course, need to select team members who have the skills and experience necessary to perform the required tasks the team will be undertaking. You should also look for team members who model the behavioral norms that lead to team success — listening skills, open-mindedness, empathy, and comfort navigating diversity.

4. A Sound Team Structure

To ensure solid communication and social cohesion, the team shouldn't be too big. The team will also structure itself around productive behavioral norms which serve as ground rules for collective behavior and offer team members the psychological safety/comfort to move forward instead of constantly renegotiating the rules of the road.

5. A Supportive Organizational Context

Teams nurture themselves but also need support from the organization as a whole. Recognition by leadership for team achievement is one area where the organization can help. Other areas where the organization can positively impact team performance are (1) rewards, (2) information, (3) education/training, and (4) resources. When these areas are aligned with team goals, you have a rich soil that will nurture teams.

6. Team Coaching

Coaching can come from someone inside the team or someone outside the team, and can focus on any number of areas — motivation, skills, and interpersonal behavior. Coaches model best practices, and communicate the how and the why of best practices. They are crucial supporters of individual and team development, and key advocates of the team's behavioral norms.

The six conditions listed above present an evidence-based, practical, measurable framework for building effective teams. They can easily be benchmarked in any team, to identify strengths and weaknesses and to then develop and implement an action-plan for team improvement.

As a leader, you want to create the conditions for team success. We know what they are and can help you and your teams succeed.

Teams Drive Organizational Success

Business biographies and the news media regularly celebrate the “heroic achievements” of CEOs and other C-level executives, comparing these business leaders to sports superstars or famous military strategists. But even the most talented and successful CEO knows that they’re only as successful as their teams. Former General Electric CEO Jack Welch expressed it perfectly: “When you were made a leader, you weren’t given a crown,” he said, “you were given the responsibility to bring out the best in others.”

Today, collaboration is the key driver of organizational success. According to a 2016 Harvard Business Review article, “Collaboration is taking over the workplace. As business becomes increasingly global and cross-functional, silos are breaking down, connectivity is increasing, and teamwork is seen as” all-important.¹

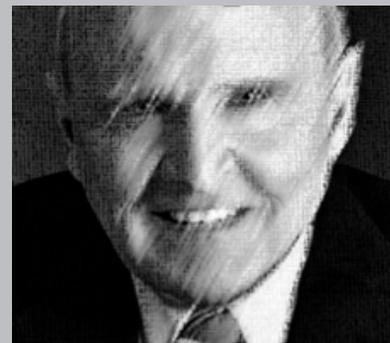
This same HBR article detailed the time invested in various activities by managers and employees over the past two decades, finding that “the time spent by managers and employees in collaborative activities has ballooned by 50%,” and that trend toward collaboration will only continue to accelerate.

Teams perform so many core business functions: they solve strategic problems, drive innovation, serve the needs of customers, impact your bottom line every single day, and most importantly, offer competitive advantage against your rivals.

A 2016 New York Times Sunday Magazine article, What Google Learned From Its Quest to Build the Perfect Team, explains that effective teamwork is a win-win for employees and organizations alike: “people working in teams tend to

“When you were made a leader, you weren’t given a crown, you were given the responsibility to bring out the best in others.”

Jack Welch
CEO (retired) GE



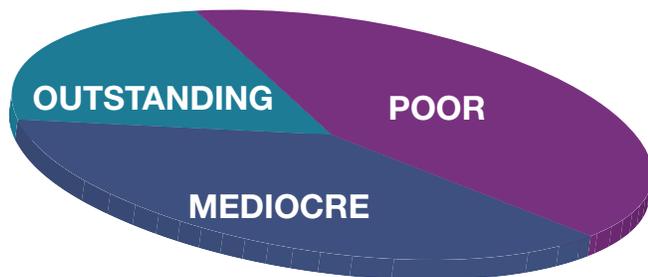
achieve better results and report higher job satisfaction,” while “profitability increases when workers are persuaded to collaborate more.”² So, good teams make your employees happier and make more profits for your organization.

The point here is simple: teamwork matters, a lot — for your people and your profits and your success as an organization. When your teams do well, you do too. And when they don’t? Well, read on ...

Team Failure is the Rule, Not the Exception

With business leaders growing increasingly aware of the value of effective teams, with all the evidence-based research and front-page business news emerging every day that confirms the connection between effective teamwork and revenue growth, our teams should be performing at all-time high levels, right? Alas, not so. In fact, failure is often the norm for teams, and the cost of these failures to organizations and employees is breathtakingly large.

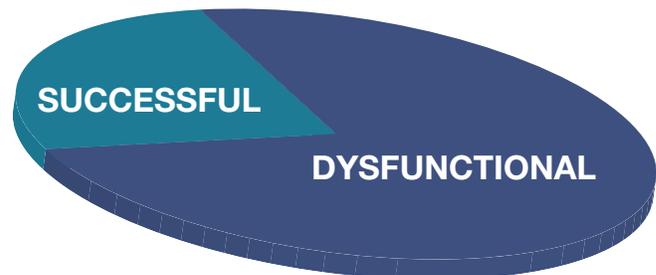
Let's look at two distinct categories of teams to get a sense of how teams are doing in general. The pioneering organizational psychologists who wrote the book, *Senior Leadership Teams: What It Takes to Make Them Great*, studied the performance of 120 senior leadership teams from companies of all sizes around the globe.³ An eye-popping four out of five of those senior leadership teams performed at levels that were described as either "poor" (42 percent) or "mediocre" (37 percent). That's an unacceptably high rate (about 80 percent) of failure, assuming that we're looking for teams to perform better than "mediocre."



And don't forget that members of the se-

nior leadership teams are typically leading their own teams. If leadership starts from the top, as it does in so many of the best organizations, an 80 percent failure rate can't be setting a good tone for the entire organization. How do you create a culture of excellence, one that justifiably prioritizes the importance of effective workplace collaboration, when your leadership team is, at best, "mediocre"?

Now let's look at cross-functional teams, which are often created to drive innovation, solve key business problems, or otherwise meet customer needs. Stanford Professor Behnam Tabrizi, an expert in organizational transformation, studied cross-functional teams for three years in several industries, including software, re-



tail, pharmaceuticals, financial services, and more. He published his research findings in a 2015 *Harvard Business Review* article whose very title tells the depressing story: 75% of Cross-Functional Teams are Dysfunctional.⁴

The many ways in which cross-functional teams failed, as described by Tabrizi's research, is equally disconcerting. They failed by going over budget, by delivering projects late or failing to deliver them at all, by failing to deliver on quality standards, by failing to meet customer expectations, and by failing to align their projects with

stated company goals. It got so bad, according to Tabrizi, that some cross-functional teams couldn't even agree upon a common language or methodology to even discuss their many problems. When you can't even find a way to talk about the problems on the team, then, "Houston, we have a problem!"

"These [cross-functional] teams are like arteries, connecting parts of the body" and promoting the cross-pollination of ideas, writes Tabrizi. But when cross-functional teams don't work, as they don't in three out of four cases he studied, those arteries harden and the blood of great ideas can't flow throughout the organization, with obvious bad results.

Team Failure Comes at a High Cost

Effective teams happen by design, not by chance. Google, obsessively data-driven in building its teams, thought that simply putting smart people together in the same room would make for an effective team. Not so, as shown by What Google Learned From Its Quest to Build the Perfect Team.⁵ Google also thought putting people together who liked each other outside of work would create an effective team. Wrong again. Google even tried putting introverts to-

gether on the same team, figuring everyone would listen and be sensitive to each other. Surprise, that didn't work either.

We actually know what works, and it's not luck or chance or putting "nice people" or geniuses together. So many things can go wrong on a team. People fight for control. Someone monopolizes too much speaking time. Roles and goals are ill-defined and nobody seeks to define them. Bullying and a lack of respect for differing viewpoints becomes normalized. Some people do all the work, while others "fly below the radar." Nobody cares and the team becomes an exercise in "career damage control." People pass the buck and do as little as possible.

In a dysfunctional team, the work doesn't get done, the blame-game starts and nev-

"Teams are like arteries, connecting parts of the body, enabling the whole organism to renew itself. That's why it's so important for leaders to pay attention to the way cross-functional teams are set up and how well they work: when they don't function, the organization's arteries harden."

Behnam Tabrizi
Professor-Stanford University



er ends, and your most talented people leave for greener pastures. Bad teams are part of the current "crisis" in employ-

ee engagement across the U.S. economy. Polling firm Gallup finds that the vast majority of employees are not engaged with the work they do, and ineffective teams trigger much of that employee disengagement. In fact, Gallup finds that 70 percent of employees are not engaged, and they estimate that this costs the U.S. economy \$450 to \$550 billion (with a “b”) annually.⁶

The business costs associated with failed teams and disengaged employees are simply too high to either ignore or keep paying, and there’s no reason to. While dysfunctional teams can break down for a million reasons, we actually know from the available data why effective teams are effective.

The Solution: The Six Conditions for Team Success

After decades of research conducted by organizational psychologists and other behavioral scientists from around the globe, we now know precisely why teams succeed and fail. The conditions and behavioral norms that drive team effectiveness are identifiable, measurable, and benchmarkable. Evidence-based research has now given us proven, data-driven tools to make good teams great and to make dysfunctional teams better. We only have to use the tools we have.

You no longer need to put teams together and hope for the best, expecting the worst. While no CEO or business executive can personally make a team great, we

do know that leaders can put in place certain conditions that measurably increase the chances for team success. We know exactly what these conditions are. There are six of them, and let’s examine each in depth (note: the descriptions of the following six conditions for team success are based upon two trailblazing books in the field of team effectiveness: (1) *Senior Leadership Teams: What It Takes to Make Them Great*, by Ruth Wageman, Debra A. Nunes, James A. Burruss, and J. Richard Hackman and (2) *Leading Teams: Setting the Stage for Great Performances*, by J. Richard Hackman. See Bibliography)

1. A Real Team

Any real team needs four basic elements: (1) a task; (2) clear boundaries; (3) clearly specified authority to manage its own work processes; and (4) membership stability over time.

When people work side-by-side, but their work doesn’t depend upon each other, they are not a real team (even if they share a manager). Teams must work together, interacting with each other to achieve a common task for which they are collectively accountable.

Clear boundaries must be established so roles aren’t as amorphous as Jell-O, enabling team members to know what their roles are (and are not) so efforts are not overlapping. The team also needs sufficient authority to discuss and decide how it wishes to manage its collective workload. Finally, teams need continuity in their makeup to develop any sort of team dynamic. So, changing the team leader-

ship or membership constantly will disrupt any sense of ongoing team cohesion.

2. A Compelling Team Direction

When you begin any journey, it's of course essential to have a clear destination in mind. Saying you're "going to visit somewhere" in Asia or Europe raises more questions than it answers. Defining your destination helps you get there, as opposed to everyone running in different directions at once. Albert Einstein once said that if he had an hour to save the world, he'd spend the first 59 minutes defining the problem, and the last minute solving it. The basic idea is the same: begin by defining the end you seek, and then you'll know "what success looks like" when you get there.

A clear, compelling direction helps you in several critical areas. It is the beginning of a map for collective success and enables teams to make a detailed plan for the journey ahead. Just as importantly, it also gives you a vital tool to motivate team members. People are energized by important journeys and inspiring challenges. The idea of getting to the end, reaching that mountaintop, will energize individuals and the team to keep pushing forward when unexpected obstacles arise.

3. The Right People

Be careful about the composition of the team, because it matters a lot. You don't want a team of like-minded individuals who simply confirm each other's opinions and unspoken biases. Teams succeed when members constructively challenge

one another, sharing views openly, listening with respect and a willingness to learn, and moving collectively toward the best solutions.

Functional, demographic, and other forms of diversity can add great value to your teams, as long as members have a real appreciation for the value of the different perspectives each member brings with them. You want deep, conceptual thinkers, but also pragmatic "doers." You want fresh eyes, but also veterans who've seen (and solved) most problems in the proverbial book.

Diversity can add tremendous value, but can also create rifts and "discomfort" that may need bridging. When differing perspectives are not appreciated and listened to, which happens all too often, for example, in cross-functional teams, you have a recipe for collective dysfunction.

You will, of course, need to select team members who have the skills and experience necessary to perform the required tasks the team will be undertaking. You can't put a drummer in a string quartet. You should also look for team members who model the behavioral norms that lead to team success — listening skills, open-mindedness, empathy, and comfort navigating diversity. An effective team has the requisite "hard" skills to do the job, but also the "soft" skills and emotional intelligence to build trust, challenge constructively, and communicate with respect.

Equally important, you may need to deal with the wrong people by getting them off the team. Those who seek to derail collective success by refusing to adapt to the

team's healthy behavioral norms are not "team players," but "team derailers." Those who seek to dominate discussion can destroy any chance for the open exchange of opinions. Those who communicate in a way that devalues and diminishes others can ruin team cohesion. Every team needs a mechanism for dealing with such people.

4. A Sound Team Structure

As teams get larger, social cohesion and communication structures begin breaking down. Sometimes, and if all else fails, the best way to improve a large but underperforming team may be to simply split it in half. Amazon founder Jeff Bezos is famous for his "two pizza rule": he believes the team should be small enough to share two large pizzas for lunch. Teams sized in the single digits seems to work best.

As author and productivity expert Laura Stack explains the two pizza rule: "A small group eating two pizzas around a conference table epitomizes coziness and close social interaction. Since recent studies suggest smaller teams tend to be more productive than larger ones, and that teams whose members have more face time and social contact often prove more productive,"⁷ the two-pizza rule is a good rule of thumb for sizing teams.

In larger teams, you run the risk of having team members becoming disengaged and flying below the radar while doing as

little as possible (i.e., freeriders). In general, accountability and social cohesion can be more of a challenge when the team is overcrowded.

As J. Richard Hackman explains in "Leading Teams," what brings an effective team together are the group norms it develops. These norms are defined and enforced by collective behaviors. For instance, group norms "specify what behaviors are acceptable — and unacceptable — in a group," notes Hackman. Acceptable behaviors are reinforced, while unacceptable behaviors are sanctioned either formally or informally. So if a team norm holds that members must arrive on time for meetings and should not interrupt someone who is speaking, then late arrivers and interrupt-

Amazon founder Jeff Bezos is famous for his "two pizza rule": he believes the team should be small enough to share two large pizzas for lunch



ers will be sanctioned with raised eyebrows, head-shaking, or perhaps other, more formalized correctives against these "inappropriate" behaviors.

Behavioral norms around punctuality, communication, and dispute resolution serve as the ground rules for collective behavior, and allow team members to comfortably move forward instead of constantly renegotiating and revisiting the rules of the road. For example, it's much better if drivers know the posted speed

limit than simply decide for themselves how fast or slow they wish to go. It's also good that the highway has guardrails at its outside edges so drivers can't easily drive into a ditch. Behavioral norms perform a similar "psychological safety" and "rules of the road" function for successful teams, Hackman explains.

5. A Supportive Organizational Context

Although teams are fairly cohesive units, they do operate within a larger organizational context. Hackman likens a team to a tree with many branches, but compares the organization to the soil in which the tree grows. That soil needs to provide nutrition and space for the tree (multiple trees, actually) to thrive. Hackman's "teams as trees" metaphor is particularly appropriate because it shows that multiple teams (trees) may be competing for the same resources (nutrition, sunlight) and can crowd each other out. Part of the organizational support needed is to simply remove barriers and obstacles the team may face, thus opening up space for growth.

Recognition by leadership for team achievement is one area where the organization can "nurture" team effectiveness. In "Leading Teams," Hackman emphasizes three other areas where the organization can positively impact team performance: rewards, information, and education/training. When these three areas are aligned with team goals, you have a rich soil that will nurture teams. When supportive organizational systems are lacking, the growth and effectiveness of the team is inhibited or crowded out as

it struggles to gain the rewards/recognition, information, and training it needs to thrive.

6. Team Coaching

Great teams have star players and star coaches too. Think of the perennially-winning New England Patriots football team and Head Coach Bill Belichick. The Patriots have long benefitted from having great players like quarterback Tom Brady and tight end Rob Gronkowski, but coach Bill Belichick consistently creates the conditions for team success. He's created a team culture of "do your job."⁸ What does this three-word dictate, so often repeated by Patriots players, actually mean? It requires that team members focus on the small details that drive success, don't get sidetracked by gossip/drama/politics in the media or in the locker room, and most of all trust that their teammates are being held to the same high standards they are.

Coach Belichick's "do your job" mantra can work for any team, because it prioritizes personal accountability and builds trust in collective action (i.e., if we all do our jobs and trust in each other, we'll win). Belichick has created a slew of behavioral norms that his team has bought into, both superstars and role players alike. Everybody on the team goes about their work with quiet humility, refusing to be drawn into personal drama, and gives credit to the collective. It's a "no superstars" culture even if it has superstars (Brady, for one). And the results speak for themselves in the form of consistent excellence on the playing field.

Coaching can come from someone inside the team or someone outside the team, and can focus on any number of areas — motivation (‘you can do better if you put in more sustained effort’), skills (“let me offer some feedback on your presentation”), and behavior (‘when you raise your voice in anger, you may think everyone will listen, but the opposite happens’). Coaches model best practices, and also communicate the how and the why of best practices. They are crucial supporters of individual and team development, and key advocates of the team’s behavioral norms. In short, whether it’s done formally or informally, coaching helps the team develop and grow to its full potential.

Diagnosing Your Team

After nearly a half-century of research and study on team effectiveness, we can now diagnose specific teams to identify their strengths and weaknesses in relation to the six conditions for team success. Once a diagnosis has been completed, in the form of a Team Diagnostic Survey (TDS) and one-on-one interviews with team members, the team’s results can be measured and benchmarked. As management guru Peter Drucker was so fond of saying, “that which gets measured, gets done.”

Why Most Teams Fail & How Yours Can Succeed

Endnotes

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