



LEADING TEAMS

# The Secrets of Great Teamwork

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FROM THE JUNE 2016 ISSUE

**T**oday's teams are different from the teams of the past: They're far more diverse, dispersed, digital, and dynamic (with frequent changes in membership). But while teams face new hurdles, their success still hinges on a core set of fundamentals for group collaboration.

The basics of team effectiveness were identified by J. Richard Hackman, a pioneer in the field of organizational behavior who began studying teams in the 1970s. In more than 40 years of research, he uncovered a groundbreaking insight: What matters most to collaboration is not the personalities, attitudes, or behavioral styles of team members. Instead, what teams need to thrive are certain “enabling conditions.” In our own studies, we’ve found that three of Hackman’s conditions—a compelling direction, a strong structure, and a supportive context—continue to be particularly critical to team success. In fact, today those three requirements demand more attention than ever. But we’ve also seen that modern teams are vulnerable to two corrosive problems—“us versus them” thinking and incomplete information. Overcoming those pitfalls requires a fourth critical condition: a shared mindset.

## About the Research

Over the past 15 years, we've studied teams and groups in a variety of contemporary settings. We've conducted nine large research projects in global organizations, undertaking more than 300 interviews and 4,200 surveys with team leaders and managers. The teams involved worked on projects in product development, sales, operations, finance, R&D, senior management, and more, in a wide range of industries, including software, professional services, manufacturing, natural resources, and consumer products. In addition, we have conducted executive education sessions on team effectiveness for thousands of team leaders and members; their stories and experiences have also shaped our thinking.

The key takeaway for leaders is this: Though teams face an increasingly complicated set of challenges, a relatively small number of factors have an outsized impact on their success. Managers can achieve big returns if they understand what those factors are and focus on getting them right.

## The Enabling Conditions

Let's explore in greater detail how to create a climate that helps diverse, dispersed, digital, dynamic teams—what we like to call 4-D teams—attain high performance.

### **Compelling direction.**

The foundation of every great team is a direction that energizes, orients, and engages its members. Teams cannot be inspired if they don't know what they're working toward and don't have explicit

goals. Those goals should be challenging (modest ones don't motivate) but not so difficult that the team becomes dispirited. They also must be consequential: People have to care about achieving a goal, whether because they stand to gain extrinsic rewards, like recognition, pay, and promotions; or intrinsic rewards, such as satisfaction and a sense of meaning.

On 4-D teams, direction is especially crucial because it's easy for far-flung members from dissimilar backgrounds to hold different views of the group's purpose. Consider one global team we studied. All the members agreed that serving their client was their goal, but what that meant varied across locations. Members in Norway equated it with providing a product of the absolute highest quality—no matter what the cost. Their colleagues in the UK, however, felt that if the client needed a solution that was only 75% accurate, the less precise solution would better serve that client. Solving this tension required a frank discussion to reach consensus on how the team as a whole defined its objectives.

## **Strong structure.**

Teams also need the right mix and number of members, optimally designed tasks and processes, and norms that discourage destructive behavior and promote positive dynamics.

High-performing teams include members with a balance of skills. Every individual doesn't have to possess superlative technical and social skills, but the team overall needs a healthy dose of both. Diversity in knowledge, views, and perspectives, as well as in age, gender, and race, can help teams be more creative and avoid groupthink.

Team members from diverse backgrounds often interpret a group's goals differently.

This is one area where 4-D teams often have an advantage. In research we conducted at the World Bank, we found that teams benefited from having a blend of cosmopolitan and local members—that is, people who have lived in multiple countries and speak multiple languages, and people with deep roots in the area they're working in. Cosmopolitan members bring technical knowledge and skills and expertise that apply in many situations, while locals bring country knowledge and insight into an area's politics, culture, and tastes. In one of the bank's teams, this combination proved critical to the success of a project upgrading an urban slum in West Africa. A local member pointed out that a microcredit scheme might be necessary to help residents pay for the new water and sanitation services planned by the team, while a cosmopolitan member shared valuable information about problems faced in trying to implement such programs in other countries. Taking both perspectives into account, the team came up with a more sustainable design for its project.

Adding members is of course one way to ensure that a team has the requisite skills and diversity, but increased size comes with costs. Larger teams are more vulnerable to poor communication, fragmentation, and free riding (due to a lack of accountability). In the executive sessions we lead, we frequently hear managers lament that teams become bloated as global experts are pulled in and more members are recruited to increase buy-in from different locations, divisions, or functions. Team leaders must be vigilant about adding members only when necessary. The aim should be to include the minimum number—and no more. One manager told us that anytime she receives a request to add a team member, she asks what unique value that person will bring to the group and, in cases where the team is already at capacity, which current member will be released.

Team assignments should be designed with equal care. Not every task has to be highly creative or inspiring; many require a certain amount of drudgery. But leaders can make any task more motivating by ensuring that the team is responsible for a significant piece of work from beginning to end, that the team members have a lot of autonomy in managing that work, and that the team receives performance feedback on it.

With 4-D teams, people in different locations often handle different components of a task, which raises challenges. Consider a software design team based in Santa Clara, California, that sends chunks of code to its counterparts in Bangalore, India, to revise overnight. Such 24/7 development is common as firms seek to use time zone differences to their advantage. But in one such team we spoke with, that division of labor was demotivating, because it left the Indian team members with a poor sense of how the pieces of code fit together and with little control over what they did and how. Moreover, the developers in Bangalore got feedback only when what they sent back didn't fit. Repartitioning the work to give them ownership over an entire module dramatically increased their motivation and engagement and improved the quality, quantity, and efficiency of their work.

Destructive dynamics can also undermine collaborative efforts. We've all seen team members withhold information, pressure people to conform, avoid responsibility, cast blame, and so on. Teams can reduce the potential for dysfunction by establishing clear norms—rules that spell out a small number of things members must always do (such as arrive at meetings on time and give everyone a turn to speak) and a small number they must never do (such as interrupt). Instilling such norms is especially important when team members operate across different national, regional, or organizational cultures (and may not share the same view of, for example, the importance of punctuality). And in teams whose membership is fluid, explicitly reiterating norms at regular intervals is key.

### **Supportive context.**

Having the right support is the third condition that enables team effectiveness. This includes maintaining a reward system that reinforces good performance, an information system that provides access to the data needed for the work, and an educational system that offers training, and last—but not least—securing the material resources required to do the job, such as funding and technological assistance. While no team ever gets everything it wants, leaders can head off a lot of problems by taking the time to get the essential pieces in place from the start.

Ensuring a supportive context is often difficult for teams that are geographically distributed and digitally dependent, because the resources available to members may vary a lot. Consider the experience of Jim, who led a new product-development team at General Mills that focused on consumer goods for the Mexican market. While Jim was based in the United States, in Minnesota, some members of his team were part of a wholly owned subsidiary in Mexico. The team struggled to meet its deadlines, which caused friction. But when Jim had the opportunity to visit his Mexican team members, he realized how poor their IT was and how strapped they were for both capital and people—particularly in comparison with the headquarters staff. In that one visit Jim’s frustration turned to admiration for how much his Mexican colleagues were able to accomplish with so little, and he realized that the problems he’d assumed were due to a clash between cultures were actually the result of differences in resources.

### **Shared mindset.**

Establishing the first three enabling conditions will pave the way for team success, as Hackman and his colleagues showed. But our research indicates that today’s teams need something more. Distance and diversity, as well as digital communication and changing membership, make them especially prone to the problems of “us versus them” thinking and incomplete information. The solution to both is developing a shared mindset among team members—something team leaders can do by fostering a common identity and common understanding.

In the past teams typically consisted of a stable set of fairly homogeneous members who worked face-to-face and tended to have a similar mindset. But that’s no longer the case, and teams now often perceive themselves not as one cohesive group but as several smaller subgroups. This is a natural human response: Our brains use cognitive shortcuts to make sense of our increasingly complicated world, and one way to deal with the complexity of a 4-D team is to lump people into categories. But we also are inclined to view our own subgroup—whether it’s our function, our unit, our region, or our culture—more positively than others, and that habit often creates tension and hinders collaboration.

The team’s problems were due to differences in resources, not to a cultural clash.

This was the challenge facing Alec, the manager of an engineering team at ITT tasked with providing software solutions for high-end radio communications. His team was split between Texas and New Jersey, and the two groups viewed each other with skepticism and apprehension. Differing time zones, regional cultures, and even accents all reinforced their dissimilarities, and Alec struggled to keep all members up to speed on strategies, priorities, and roles. The situation got so bad that during a team visit to a customer, members from the two offices even opted to stay in separate hotels. In an effort to unite the team, Alec took everyone out to dinner, only to find the two groups sitting at opposite ends of the table.

Incomplete information is likewise more prevalent in 4-D teams. Very often, certain team members have important information that others do not, because they are experts in specialized areas or because members are geographically dispersed, new, or both. That information won't provide much value if it isn't communicated to the rest of the team. After all, shared knowledge is the cornerstone of effective collaboration; it gives a group a frame of reference, allows the group to interpret situations and decisions correctly, helps people understand one another better, and greatly increases efficiency.

Digital dependence often impedes information exchange, however. In face-to-face teams, participants can rely on nonverbal and contextual cues to provide insight into what's going on. When we walk into an in-person meeting, for example, we can immediately sense the individual and collective moods of the people in the room—information that we use (consciously or not) to tailor subsequent interactions. Having to rely on digital communication erodes the transmission of this crucial type of intelligence.

Some effects of incomplete information came to light during a recent executive education session at Takeda Pharmaceuticals in Japan. The audience was split roughly 50/50 between employees based in Japan and those based in the United States. One of the U.S. managers took the opportunity to ask about something that had puzzled him. Takeda's "share the pain" strategy for dealing with time zone differences alternated the scheduling of conference calls between late nights in America and late nights in Asia, and he wondered why his Japanese colleagues seemed to take their late-night calls in the office, while he and his U.S. colleagues always took them at home. His Japanese colleagues' responses revealed a variety of motivations for this choice—desire for work/life separation, a need to run language questions by coworkers, and the lack of home office space in a

typical Osaka apartment. But the result was the same: Though Takeda executives had intended to “share the pain,” they had not. The Americans left the office at a normal hour, had dinner with their families, and held calls in the comfort of their homes, while their Japanese colleagues stayed in the office, missed time with their families, and hoped calls ended before the last train home. In this case, however, the incomplete information wasn’t about the task; it was about something equally critical: how the Japanese members of the team experienced their work and their relationships with distant team members.

Fortunately, there are many ways team leaders can actively foster a shared identity and shared understanding and break down the barriers to cooperation and information exchange. One powerful approach is to ensure that each subgroup feels valued for its contributions toward the team’s overall goals.

Returning to Alec, the manager of the team whose subgroups booked separate hotels: While his dinner started with the Texas colleagues at one end of the table and the New Jersey colleagues at the other, by its close signs had emerged that the team was chipping away at its internal wall. Over the following weeks, Alec stressed the important roles members from the two offices played in achieving the team’s exciting and engaging goal—designing new software for remotely monitoring hardware. He emphasized that both subteams contributed necessary skills and pointed out that they depended on each other for success. To build more bridges, he brought the whole team together several more times over the next few months, creating shared experiences and common reference points and stories. Because of his persistent efforts, team members started to view the team not as “us and them” but as “we.”

You can prime teams for success by focusing on the four fundamentals.

Many participants in our field research and executive education sessions promote shared understanding through a practice called “structured unstructured time”—that is, time blocked off in the schedule to talk about matters not directly related to the task at hand. Often this is done by reserving the first 10 minutes of teamwide meetings for open discussion. The idea is to provide an opportunity for members to converse about whatever aspects of work or daily life they choose, such as office politics or family or personal events. This helps people develop a more complete picture of

distant colleagues, their work, and their environment. However, team leaders must make the discussion's purpose and norms clear or else face 10 minutes of awkwardness as everyone waits for someone to speak.

One team we came across had a related tactic: Its members initially “met” over desktop video and gave one another virtual tours of their workspaces. By simply panning the camera around the room, they were able to show their remote colleagues their work environment—including things that were likely to distract or disrupt them, such as closely seated coworkers in an open-plan space or a nearby photocopier. After the tours the team members found that they were better able to interpret and understand distant colleagues' attitudes and behaviors.

## Evaluating Your Team

Together the four enabling conditions form a recipe for building an effective team from scratch. But even if you inherit an existing team, you can set the stage for its success by focusing on the four fundamentals.

How will you know if your efforts are working? Hackman proposed evaluating team effectiveness on three criteria: output, collaborative ability, and members' individual development. We have found that these criteria apply as well as ever and advise that leaders use them to calibrate their teams over time. The ideal approach combines regular light-touch monitoring for preventive maintenance and less frequent but deeper checks when problems arise.

For ongoing monitoring, we recommend a simple and quick temperature check: Every few months, rate your team on each of the four enabling conditions and also on the three criteria of team effectiveness. Look in particular at the lowest-scored condition and lowest-scored effectiveness criteria, and consider how they're connected. The results will show where your team is on track as well as where problems may be brewing.

### **Does Your Team Measure Up?**

To see how your team is doing, evaluate it on the three classic criteria of team effectiveness. Then look at how well it meets the four conditions that drive the

If you need a deeper diagnosis—perhaps in the face of poor performance or a crisis—block out an hour or more to conduct an intervention assessment. Carefully examine the links between the lowest-rated conditions and team



success of teams in a diverse, dispersed, digital, dynamic business. Underperformance on the criteria and weaknesses in the conditions are usually linked. Understanding the connections between them can help your team identify ways to improve.

**On a scale of 1 (worst) to 5 (best), rate your team on these criteria:**

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**OUTPUT**

Are our customers happy with our output—with its quality, quantity, and delivery?

**COLLABORATIVE ABILITY**

Do our team's dynamics help us work well together?

**INDIVIDUAL DEVELOPMENT**

Are individual team members improving their knowledge, skills, and abilities?

**Then score your team on the following aspects of the conditions for effectiveness:**

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**COMPELLING DIRECTION**

Do we have a common goal that is clear, challenging (but not impossible), and consequential?

**STRONG STRUCTURE**

Do we have the right number and mix of members?

Are people responsible for tasks from beginning to end?

Do we have clear norms for acceptable conduct?

**SUPPORTIVE CONTEXT**

Do we have the resources, information, and training we need?

Are there appropriate rewards for success?

**SHARED MINDSET**

Do the team members have a strong common identity?

effectiveness criteria; managers who do this usually discover clear relationships between them, which suggest a path forward.

You can conduct both the quick check and the deeper intervention on your own or assess overall alignment by having all team members assign ratings separately. For a team-based check, you should compare results across the group. For a team-based intervention, you can increase the impact by holding a full-scale workshop, where all the members get together to discuss and compare results. Not only does this give you more-complete data—shining a light on potential blind spots—but it also reveals differences among viewpoints and opens up areas for discussion. We have found that it is frequently through the process of comparing assessments—a leader's with the team's, and the team members' with their peers'—that the deepest insights arise.

Teamwork has never been easy—but in recent years it has become much more complex. And the trends that make it more difficult seem likely to continue, as teams become increasingly global, virtual, and project-driven. Taking a systematic approach to analyzing how well your team is set up to succeed—and identifying where improvements are needed—can make all the difference.

A version of this article appeared in the June 2016 issue (pp.70–76) of *Harvard Business Review*.

Do we readily share information with one another and understand one another's constraints and context?

This assessment draws on the seminal research of the organizational-behavior expert J. Richard Hackman. You can find more of his insights in *Leading Teams: Setting the Stage for Great Performance* (Harvard Business School Publishing, 2002).



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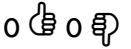
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