To create dream teams, allow 'a thousand flowers to bloom'



Teams are the fundamental building blocks of modern organisations, as team-based structures have grown from less than 20 per cent in 1980 to 50 per cent in 1990, to over <u>80 per cent</u> in 2000, and by 2010 <u>nearly all</u> organisations had adopted formal team structures. Business success today depends not on how people work but how effectively people work together. A successful team can deliver results far outperforming a collection of even the most talented individuals.

However, despite over 50 years of research and practice, most organisations are still notoriously inconsistent in creating high performance teams. The COVID-19 pandemic has forced many teams to go digital and dispersed overnight. What could business leaders do to create dream teams to ride out the corona storm and lay the foundation for success in the post-pandemic world?

Why are businesses so inconsistent in creating high performance teams?

There is no shortage of advice and guidelines on how to create the dream team. However, traditional checklist approaches, taught in business schools and practised by consultants, have not worked. Successful teams often display contrasting features in member composition, power structure, decision-making process and resource level; and identical teams often deliver vastly different results. Following a checklist to create teams with certain desirable characteristics offers no guarantee for success.

The COVID-19 pandemic has forced many organisations to adopt full-time remote working, turning countless teams into virtual teams overnight. This has created significant new challenges for managing team cohesion, time-zone difference, cultural diversity and technological support. "Always-on" connections can exhaust employees, sap productivity, hamper creativity and deprive members of undistracted time for cognitively demanding tasks. Some emergency measures adopted during the crisis will become permanent fixtures of modern life. As leadership focus shifts from making *ad hoc* responses to the pandemic to laying the groundwork for success in the post-pandemic world, an organisation's ability to create and sustain high performance teams has become an important source of competitive advantage. What could business leaders do to improve the consistency of team success?

What do we already know about (virtual) team working?

We already know a great deal about teams and virtual teams. A search on *Web of Science (1970-2020)*, the academic portal for comprehensive citation data from different academic disciplines, returned 245,481 papers with the keyword "teams" or "teams" in their subjects. Many new papers have been published each year, exceeding 20,000 per annum since 2017. Similar search on Google Scholar returned 6,030,000 items.

Management researchers have studied the structural features (e.g. task scope, complexity and structure, technology and virtuality), compositional features (e.g. member ability, diversity and churn) and mediating mechanisms (e.g. motivation, conflict, trust, creativity, cohesion and decision-making) for teams and their effect on team performance, but no *consistent* patterns have been identified on what features make a team successful.

Psychologists and sociologists examined the effect of group norms and team dynamics on performance, but once again, contrasting features – such as consensus-based decision making versus encouraging vigorous arguments amongst members – have been found in equally successful teams. The norms of one successful team often diverge sharply from those of others.

Leading businesses have also studied dream teams. Google, for example, conducted an extensive study of over 200 teams but it failed to identify any *consistent* features for team success. Team composition made no difference to performance; and the norms of one successful team often contrasted sharply with another equally successful team. The study did find that successful teams shared five essential team dynamics around psychological safety, dependability, structure and clarity, meaning of work, and impact of work. However, addressing these issues offers no guarantee for team success.

Despite all the efforts, the "secret sauce" for creating the dream team remains elusive today. New approaches are urgently needed.

Team to market (T2M)

Dream teams can be observed in organisations of all sizes and sectors all over the world. Many iconic global businesses – from Apple, Microsoft, Amazon and Google, to HP, Dell, Virgin and Disney – were started by small founding teams in garages. Their remarkable success has given rise to the notion of Team to Market (T2M), which can significantly increase the chance for creating dream teams.

Team to Market (T2M) should be distinguished from "Time to Market" (TtM), which refers to the length of time it takes from a product being conceived until its being available for sale. Time to Market is important in industries where products are outmoded quickly or for first-of-a-kind products. However, by treating time as the "north star metric" to drive performance, other important metrics – such as quality, cost, customer experience – are often compromised. After all, time is only an arbitrary measure which needs to be balanced with other metrics. In contrast, Team to Market empowers the team to balance multiple metrics holistically based on changing circumstances and emerging intelligence in order to maximise results and business impact.

Instead of following a checklist approach to create teams of particular features, T2M encapsulates the willingness of senior leaders to set broad parameters for their teams, and then empower those teams to perform within those parameters. These may include autonomy to recruit and retire members, establish rules and protocols, resolve conflicts and synchronise energy, deploy technologies, manage resources, and recalibrate team strategies and objectives in response to changing internal or external demands. Each team often displays unique – and diverse – characteristics even within the same organisation, but our research has shown that such results-driven teams are far more likely to deliver exceptional performance than following the traditional checklist approaches.

T2M is not limited to the founding teams of iconic companies or successful new product teams. Other internal and external facing teams that deliver exceptional performance in customer services, production and distribution, sales and marketing, R&D, strategy and planning, and administrative support are also included. Such teams have inspired Hollywood movies, where underdogs defeated much stronger opponents against all odds, armed only with near spiritual aspiration, unshakable trust in one another, extreme hard work and unwavering determination to succeed. Workplace collaboration technologies – from Zoom and Slack to Google Meet and Microsoft Teams – have made successes like these more accessible to teams of all sizes and sectors in a wide variety of digital and physical settings.

Different from the traditional checklist approaches where teams are expected to adopt certain desirable features, T2M encourages a team to evolve over different stages of a project or product development, rather than adhering to pre-conceived features and styles. For example, during conception, the team may encourage vigorous debates to stimulate idea generation and foster creativity, which call for fluid structures and collective decision making. However, as a project evolves to execution, other performance measures such as efficiency, compliance and discipline become important, so a clear hierarchy and centralised decision-making may become more appropriate. As a senior business leader remarked: "Some teams had a bunch of smart people who figured out how to break up the work evenly. Other groups had pretty average members, but they came up with ways to take advantage of everyone's relative strengths. Some groups had one strong leader. Others were more fluid, and everyone took a leadership role." By allowing "a thousand flowers to bloom", the odds for creating dream teams in an organisation can be significantly increased.

Leading high-performance teams in the post-pandemic world

Different from traditional checklist approaches for team creation, T2M encourages an outcome-driven culture in empowered teams. The leadership responsibility is to set broad parameters around common purposes, team objectives, resource levels and expectations, and then allow the team to create and experiment with its own structures, rules and protocols for decision-making, team technologies and channels of communications. The styles and features that each team develops often differ from one another, but all teams are authorised to evolve and recalibrate according to changing internal or external circumstances within the broad parameters set for the team and the overall direction for the wider organisation. New collaboration technologies enable teams to form and evolve with greater fluidity and experiment with new ways of working frequently and inexpensively.

The COVID-19 pandemic has forced many services – from education and administration, banking, journalism and government, to yoga and gym classes, concerts and medical consultations – to replace face-to-face meetings with video conferencing. The scale of the shift towards virtual teams is unprecedented and will leave a lasting impression on the way people live and work for many years to come. Our collective jump from physical to virtual is not limited to business activities, as families and friends also have been forced to learn the techniques of remote communications *en masse*. This will significantly improve general levels of digital literacy in society. When the pandemic is over, many people are likely to continue to work flexibly from dispersed locations across multiple teams, both out of necessity and as a lifestyle choice. Some leading businesses – from tech firms in Silicon Valley and Beijing to banks in London and Paris – have already announced policies to allow employees to work from home permanently. Our experience during the pandemic has demonstrated that workplace collaboration technologies allow teams to form, evolve and dissolve with far greater fluidity than we had imagined, while communication patterns, cognitive load and bottlenecks are effectively managed through a suite of technological tools. This experience will help overcome long standing resistance to the introduction of digitally enabled new work practices in the future.

Furthermore, as has been shown during the pandemic, many traditional constraints for virtual teams, such as time zone differences, cultural diversity and geographical separation, are not just barriers to overcome, but also new resources to exploit for creativity and competitive advantage. As Xero, a cloud-based accounting firm from New Zealand, has shown, customer service team members located in different time zones around the world can take turns to support global customers around the clock. A British engineering firm has significantly shortened design lead time when work-in-progress is passed around the globe between team members located on different continents. Such exemplars are likely to stimulate new creativity and imagination in the way teams work using new collaboration technologies.

Although virtual teams have been with us for decades, we have never been forced to develop a set of best practices for leading remote teams at the capacity that has been brought on by this crisis. Our collective learning is profound. Whatever the future holds, the new normal is going to be significantly different from what we were used to before the pandemic. T2M enables organisations to create high performance teams through an outcome-driven culture, an experimental approach and a greater level of diversity. Since high performance teams are a main source of competitive advantage, businesses that can consistently create and sustain high performance teams will thrive. Those failing to do so may perish and some may never recover.



Notes:

- This blog post is based on <u>"Team to Market"</u>: <u>Creating High Performance Teams in the Digital Age</u>, 2020, commissioned by Slack Technologies, Inc.
- The post expresses the views of its author(s), not the position of LSE Business Review or the London School of Economics.
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