

Best Practices of Team-Based Organizations

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The effective implementation of teams can provide a powerful competitive advantage. Organizations worldwide are using teams as a business strategy to increase quality and customer service, improve productivity, and decrease costs. In addition, these organizations are also reporting improved morale as employees realize opportunities to participate in decision making, learn different job skills, take on new responsibilities, and increase their value to the organization and in the marketplace.

Unfortunately, many organizations that use teams fail to realize the objectives for which the teams have been implemented. In helping hundreds of organizations achieve success with teams, Development Dimensions International (DDI) has identified five *Organizational Effectiveness Factors* that work either as *drivers* for or *barriers* to successful teams. The best team-based organizations directly and comprehensively address these factors as a part of their overall teams strategy.

Organizational Effectiveness Factors

Organizational Support

One important factor in building high-performance teams is the level of support for a team-based approach that exists throughout the organization—starting with senior managers. Success with teams increases greatly when senior managers actively and visibly support the move to teams and can be counted on to provide necessary resources. If senior management support for teams wavers or results do not come as quickly as expected, teams will be seen throughout the organization as just a phase that will soon pass. In addition, senior managers need to model the values of teamwork and empowerment, because others in the organization will be looking to see if they “walk the talk.”

Managers and supervisors—those in first and second levels of supervision who have significant day-to-day contact with frontline employees—must also be committed to the move to teams. However, gaining the support of managers and supervisors for teams can be challenging. Not only does the nature of their jobs change dramatically, but often the number of managers decreases as responsibilities they once held are taken on by teams. “Displaced” managers might have meaningful roles in a team-based structure (i.e., peer coaches, special project leaders, or team facilitators), but fear of change often compromises the support that managers give to a team-based approach.

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Support from frontline employees is obviously crucial, because team success revolves around maximizing the contributions of all employees by empowering them with information and authority. When frontline employees do not clearly understand the business reasons for moving to teams or see what's in it for them, their lack of enthusiasm can compromise success. That is why partnership with and involvement of frontline employees (and union leadership, if applicable) are essential elements to gaining widespread organizational support for the move to teams.

Process Focus

In order for teams to succeed, the organization's structure and people must be oriented to support core business processes. Often when an organization's structure is built around traditional functions or departments, and work group members have narrowly defined skills, problems that occur in one area are passed on to others and no one "owns" the overall process. Customer satisfaction ultimately suffers. That is why expected gains are seldom realized when the departments or work groups in a functionally oriented organization are merely renamed "teams." Success is more likely when teams include people with multiple skills who share responsibility for all or at least a significant portion of the overall business process.

However, even when the organizational *structure* has been reoriented around processes (usually through reengineering or redesign), *people* in the organization need to adopt a process and customer focus. If people continue to be more concerned about the best interests of their work group instead of the best interests of the process, customer, and overall organization, even an

organization that has reengineered around processes can have only limited success. In the best team-based organizations, both the organizational *structure* and the *people* are process focused.

Role Clarity

Role clarity is one of the most crucial factors related to success with teams. As an organization and its people are transformed from a traditional to a team-based approach, roles change dramatically. When roles and responsibilities of team members and managers are unclear, confusion and discouragement often follow. Some things might be done several times because several people assume it is their responsibility, while other things might never be done because no one sees it as their responsibility!

Clarity begins with making sure that every team member understands the purpose of the team and how that purpose fits in with the overall organizational vision and objectives. But even with clarity of purpose, confusion commonly arises between teams and their immediate managers when they try to move toward the general goal of empowerment or high involvement without specific targets and parameters.

The best team-based organizations determine a "how far/how fast" plan that specifies which responsibilities will be assumed by teams and at what pace. The plan also specifies which team members will take on different categories of responsibilities once held by managers. Managers are also given a set of expectations about their roles, including new responsibilities that will replace the ones they have passed along to teams. Finally, both teams and managers are held accountable for the transfer of responsibilities according to the organizational timetable.

Continuous Learning

An increasing number of progressive organizations are realizing that a commitment to continuous learning by the workforce dramatically impacts team success. New roles demand new levels of skills (i.e., technical, business, team, interpersonal, and leadership skills). A commitment to being a “learning organization”—where continuous learning and skill development are expected and encouraged—is critical.

Team members who are asked to become cross-trained in other skills must be given the time and reinforcement to learn and use those skills. Team members who now are spending more time in meetings, making collaborative decisions, and resolving conflicts need to have access to specialized training to develop these skills. Managers who now need to effectively delegate, coach, manage change, and build trust need training to help them explore, practice, and apply these skills. They also need access to “just-in-time” training for topics that are specific to their personal needs.

Trying to drive organizational success with teams through training alone will bring only modest results. Nonetheless, training is an important factor in the overall picture. One thing is clear: Organizations with the most successful high-performance teams are organizations committed to continuous learning.

Systems Alignment

The fifth factor directly related to team success is systems alignment. Often lagging behind any major organizational change are old systems—ones that were designed to support a very different organization than the one being created. This is especially true when moving to teams. To assess the status of their systems, organizations might ask themselves a few pertinent questions. Is the performance management system driving team behaviors and objectives or just individual behaviors and objectives? Is the selection system bringing employees and managers into the organization who will thrive in a team environment? Does the compensation system reward teamwork or just individual accomplishments? Are people promoted and recognized just for technical and business achievements—or must they also display effective team behaviors? Is there a communication strategy that ensures the availability of accurate and timely information throughout the organization?

Even though systems alignment is often the last thing that organizations address in a teams implementation, it is nevertheless a hallmark of organizations that have long-term success with teams. When systems are working against you, team members are paddling upstream and the journey is much more difficult.

Complete the survey at the end of this article to help you determine which of these five Organizational Effectiveness Factors are working for teams success in your organization and which are working against teams success. The questions are taken from a comprehensive 75-item DDI survey (The High Involvement Success Indicator) that is used to predict success for organizations considering implementing teams and to measure progress for organizations considering implementing teams and to measure progress for organizations that have already moved to a team-based culture.

Strategies for Success with Teams

Organizations that have these Organizational Effectiveness Factors working for them have employed the following strategies that help to provide a competitive advantage with teams.

Communicating business objectives

Implementing teams is not a social experiment but a strategy to reach business objectives. Yet it is remarkable how many organizations embark on the painful and costly journey to teams without identifying the return that they expect on the investment. While it is known that the primary reasons given for starting team initiatives are to increase quality, increase productivity, and reduce operating costs, many organizations do not quantify or communicate these expectations. Improved employee relations, improved morale, and increased job satisfaction are important objectives when moving to teams, but they should not be communicated as the primary reasons for implementing teams unless they really *are* the primary reasons. When employees conclude that bottom-line results are not the driving reason for teams, it is difficult to gain necessary focus on team performance objectives.

By effectively communicating a clear and compelling business case for teams, organizations mobilize support for teams from every level in the organization. Also, roles become clearer when teams build their performance plans around overall organizational goals.

Implementing solutions quickly

Effective team solutions need to be implemented in a timely manner. In today's rapidly changing environment, there is no time to implement teams at a leisurely pace. With so many organizations using teams as a strategy, waiting will compromise an organization's ability to attain or maintain a competitive advantage through teams. In addition, the people within the organization—even those who are excited when the team concept is introduced—will lose their focus and enthusiasm if change is delayed.

Teams should generally be implemented within six months of the announcement of the change. Even though the implementation will be ongoing, the actual launch of the new organizational design should take place within this time frame. This takes strong organizational commitment during the design phase, but that commitment will pay off.

When teams have already been implemented and an intervention is announced to increase their effectiveness, that intervention should also be implemented as quickly as possible. With the proper planning, timeliness does not need to be sacrificed for quality.

Building internal expertise

Companies that effectively implement teams almost always utilize some external consulting expertise. However, long-term success is dependent on whether that expertise is successfully transferred to internal consultants. Consulting firms that implement teams without transferring their experience and technology to internal people build a “consultant-dependent” mentality that ultimately compromises the overall effectiveness of the teams themselves.

The alternative is for the organization to identify one or more internal “teams consultants” who shadow and learn from external consultants. These internal consultants, using the proven teams technology and know-how learned from external consultants and other sources, become the key internal resource for assessing and planning for success with teams.

Involving key stakeholders

A simple formula can predict success with teams:

$S = QC$ <p>Success of a teams implementation</p> <p>=</p> <p>Quality of the team design and overall plan</p> <p>X</p> <p>Commitment of the workforce to make it work</p>

Some of the best team designs and plans fail because of workforce resistance. The people who will be most impacted by the change must be involved in both the design and implementation of teams in order to gain workforce commitment and increase the chances of success. This includes involving union leadership, if applicable, early in the planning process. It also includes involving a wide variety of employees throughout the organization during the entire process.

Applying integrated solutions

The only proven strategy for implementing teams successfully is one that is both planned and comprehensive. It should directly address the five Organizational Effectiveness Factors—organizational support, process focus, role clarity, continuous learning, and systems alignment. When organizations try to drive teams success through just one avenue, such as process reengineering or team training, results often fall short of expectations. Success requires a multifaceted approach, despite the necessary investment of time and resources. Author Ann Howard writes, “Rapid and radical organizational change . . . cannot be piecemeal. A planned, comprehensive strategy, though energy depleting and painful, is the only reliable road to sustainable change.”

Teams have become an integral part of the overall business strategy of leading organizations. However, it is not an easy strategy to implement effectively. The chances of success dramatically increase when business objectives are communicated, solutions are expedited, internal expertise is built, key stakeholders are involved, and integrated solutions are applied.

Organizational Effectiveness Factors

- Organizational Support
- Process Focus
- Role Clarity
- Continuous Learning
- Systems Alignment

To find out where your organization stands, please turn to the following survey.

The High Involvement Success Indicator Organizational Effectiveness Factors (Abbreviated Survey)

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
1. Senior managers actively and visibly support high involvement and can be counted on to provide the resources needed for success.	1	2	3	4	5
2. Managers believe that frontline employees can and should make many of the day-to-day decisions that relate to how they do their work.	1	2	3	4	5
3. Employees are willing to take on new responsibilities that once were held by managers.	1	2	3	4	5
4. People throughout the organization understand the business reasons for high involvement and how this approach will improve organizational performance.	1	2	3	4	5

Organizational Support

$$\boxed{} \div 4 = \boxed{}$$

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
1. Work groups are responsible and accountable for major parts of the work process—not just small pieces.	1	2	3	4	5
2. Employees have broad job responsibilities requiring multiple skills—not just one or two specialized skills.	1	2	3	4	5
3. Work groups effectively communicate and cooperate with other work groups/departments/shifts when problems need to be solved.	1	2	3	4	5
4. The organizational structure is flexible (agile), and the makeup and membership of work groups can be easily changed to best support process effectiveness.	1	2	3	4	5

Process Focus

$$\boxed{} \div 4 = \boxed{}$$

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
1. Employees have clear and specific performance goals and objectives that are tied to organizational goals and objectives.	1	2	3	4	5
2. Employees clearly understand their roles and responsibilities, including which decisions they have the authority to make.	1	2	3	4	5
3. Managers clearly understand their roles and responsibilities—both current roles and expected future roles.	1	2	3	4	5
4. A clear timetable or schedule has been communicated regarding which responsibilities employees will be assuming and how fast they will be assuming those responsibilities.	1	2	3	4	5

Role Clarity

$$\boxed{} \div 4 = \boxed{}$$

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
1. Employees have the interpersonal skills (for example, communicating, participating in meetings, reaching consensus, resolving conflicts) needed to meet organizational goals and objectives.	1	2	3	4	5
2. Employees have the business skills (for example, understanding financial reports, budgeting, planning) needed to meet organizational goals and objectives.	1	2	3	4	5
3. Managers have the leadership skills (for example, listening, coaching, letting go, giving feedback) needed to reach organizational objectives.	1	2	3	4	5
4. This is a “learning organization” in which continuous learning and skill development are expected and encouraged.	1	2	3	4	5

Continuous Learning

$$\boxed{} \div 4 = \boxed{}$$

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
1. The performance management system focuses on empowering behaviors and work group performance—not just individual performance.	1	2	3	4	5
2. The selection system ensures that new hires will work effectively in a high-involvement organization.	1	2	3	4	5
3. The compensation system is effective at rewarding and encouraging high-involvement teamwork—not just individual achievement.	1	2	3	4	5
4. There is widespread willingness for and commitment to the timely change of organizational systems to support this new way of doing business.	1	2	3	4	5

Systems Alignment

÷ 4 =

below 3.00	Barrier to success
3.00 to 3.50	Potential barrier to success
3.51 to 4.00	Driver of success
above 4.00	Significant driver of success

