

# A team-centred approach to organisational performance

Ten years ago, the CEOs and HRDs who approached us with organisational leadership problems wanted one thing: collaboration. That was important and still is but something else has been on their minds for the last few years. It is something that is by its very nature a challenge that is hard to overcome and that challenges all the norms that many leaders have been raised on. That challenge is how to lead in complexity. How can our leaders understand a world that makes little sense, that they have never seen before and that – when they do understand it – morphs again?

As is often the case, it's the question that's wrong. This paper will set out why it is teams, not individual leaders that will help the organisation to thrive in this new world and it is the active membership of those teams that will solve the workplace loneliness issues that have, sadly, become prevalent as teams have fragmented. It will also set out a pragmatic approach – Team Acceleration – to make that happen.



## Teams: the unsung heroes

Our work over 25 years with hundreds of organisations around the globe and nearly one million professionals has enabled us to codify the conditions required for the success of teams. What we observe is that there are three levels of performance within organisations and they need to be aligned and balanced to deliver outstanding business results. These are individual, team and organisation.

Typically, we find that businesses have great metrics for performance, customer satisfaction and employee wellbeing at the 'system' level and no shortage of companywide initiatives to boost outcomes. These measures are often cascaded to clear KPIs and engagement metrics, supported by training for the individual. But where is most of the work done? In teams – the **missing middle** of most leadership models. Teams might have clear objectives but do they have a way to optimise their performance together? To really accelerate **how** they get work done?

We also know that teams are underperforming<sup>1</sup> – almost 59% rising to 75% for cross-functional teams<sup>2</sup> so something needs to be done. According to the Centre for High Performance<sup>3</sup>, of 90% of teams that claimed to be high performing, only 17% met the high-performance criteria (which included bringing new product or services to market or making long-term increasing returns.) So, not only do many teams underperform, they are under the false impression they are doing well.

<sup>1</sup> 59% teams underperforming – Thinkwise impact of team performance survey 2015

<sup>2</sup> 75% cross-functional teams are dysfunctional: HBR: Behnam Tabrizi 2015

<sup>3</sup> Contagious success, Susan Annunzio (over estimated performance)



## What does the research tell us about accelerating teams?



Research showed the use of Ola led to sustained motivation and increased autonomy in teams



3/5 Americans classify themselves as lonely, up 7% since the previous year

### 1. Creating the conditions for team success

Team performance relies on a broad set of conditions to be in place. A simple way to organise these conditions is in three categories known as the 3Cs: Clarity (what the team is trying to achieve and why as well as how it will achieve it); Climate (including the 'hard climate' such as resources and processes and the 'soft climate' including culture and stakeholder relationships) and Competence (the skills, knowledge, behaviour and attitude of the team members).

Research by the London School of Economics<sup>4</sup> showed that these conditions all correlate with self-reported team performance. The telling additional finding was that of the three conditions, it is Clarity and Climate that actually drive performance. This research backs the belief that a 'star team beats a team of stars': for performance, our focus should be on the collective, not the individual. Further research by the University of Sydney showed the use of the Organisational Leadership Architecture that is based on the 3Cs, led to sustained motivation and increased autonomy in teams.

Capable teams have the opportunity to align themselves to the organisational intent while setting up the exact conditions that they require in their own specific context: their task, environment, team members etc.

A final key element of creating these conditions is the support the team receives. This can be from a manager, a mentor or a coach but the key here – as for development described below – is that this coaching is as an intact team. The 'executive coaching' of a team leader is expensive and relies on that team leader taking the learning from their sessions back to the team. Sports teams would not neglect group training in favour of coaching individuals and expect to win. Why do we expect that of teams in the workplace?

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### 2. Connect to perform

There's another advantage of teams too: With more people than ever working remotely, we are seeing new challenges of isolation and disconnection.

The global health insurance company, Cigna, issues a Loneliness in the Workplace report each year. They use the UCLA loneliness scale which is one of the most referenced and acknowledged academic measures of loneliness. Their 2019 report<sup>5</sup> found 3/5 Americans classify themselves on this scale as lonely, up 7% since the previous year (and this is a pre-COVID study). In particular, 58% respondents say they sometimes or always feel like no one knows them well at work.

Teams can step into this void – strong teams connect people together in a shared task, provide mutual support and a learning community.

Self-Determination Theory<sup>6</sup> tells us that people are motivated to work well when three needs are met::

- 1 Autonomy** – control over their own work and decisions
- 2 Mastery** – the skills and knowledge to do their work well
- 3 Relatedness** – a sense of a shared objective and connection with others

This last need, relatedness, is particularly relevant for teams which might have been dislocated by Covid-19.

Recent research by Gartner<sup>7</sup> found that employees who felt well connected to their teams were 25% more productive than disconnected colleagues.

Yet data from Squadify<sup>8</sup> shows that the element most commonly rated lowest in importance for team performance is 'strong personal connections'. This insight reveals a worrying lack of awareness among people across all organisations and sectors of this critical element in our work lives. Now more than ever, connection is key for both personal performance and for teams to overcome the distances they must work across. Safeguarding the mental health of its employees is not only the duty of the organisation, but an opportunity.

Healthy, happy, connected employees will repay this investment in engagement and performance.<sup>9</sup>

Why not leverage the power of teams to meet these needs?

<sup>4</sup> Research Findings for '3 conditions' – London School of Economics and Political Science

<sup>5</sup> Loneliness and the workplace 2020 report, Cigna

<sup>6</sup> Self-Determination Theory – Deci, E. L., & Ryan, R. M. (1985). Intrinsic motivation and individual-determination in human behaviour. New York: Plenum

<sup>7</sup> Gartner research on productivity

<sup>8</sup> Squadify research October 2020 on 801 teams, 5373 respondents

<sup>9</sup> Gallup Workplace Insights Q12 items – May 1999



**The closer a team's mental model, the better their team performance**



**Highly data-driven organisations are three times more likely to report significant improvements in decision making**

### 3. Learn together, perform together

Team mental models are a way of describing the degree to which team members have a shared understanding of different team tasks and processes. The concept was defined in the early 1990s and has become a powerful measure of how effectively a team works together.

Research<sup>10, 11</sup> shows that the closer a team's mental model, the better the team performs. The team mental model captures both the what (vision, objectives, KPIs) and the how (processes, behaviours, culture) for the team.

Team mental models are not in conflict with diversity. Diversity is key to teams to ensure ideas are challenged and different perspectives are brought to business challenges in order to arrive at the best solution. Shared team mental models enable teams to determine what success looks like and then to agree processes, activities and behaviours to get there together.

Research by a team from the London School of Economics Masters in HR & Organisations program<sup>12</sup> found that teams who focused on creating the right conditions for their success and used Squadify (a platform that provides the same data to all members on team conditions) to measure their progress over time strengthened their shared mental models which in turn, drives performance.

#### Case study

##### Senior leadership team, Pharma

###### The team

HRBP of a global pharmaceutical company sees an opportunity to drive up performance by learning from the best performing teams in the business.

###### Then they followed a team acceleration process

10 senior teams focused on key areas that drive performance and used Squadify to track their progress. Team leaders were coached and supported in their development and worked together to identify strengths of each team and share best practice.

###### The result

- Overall Squadify scores went up **7%** with team alignment increasing by **50%**.
- HR overview enables targeted development for team leaders.
- Achieved **113%** of target.

### 4. Focus on data-driven development

Research by PwC<sup>13</sup> found that highly data-driven organisations are three times more likely to report significant improvements in decision making compared with other organisations. HBR takes this a step further by defining two clear benefits for leaders of data driven decision making – confidence and the ability to be more proactive.<sup>14</sup>

The Cynefin framework<sup>15</sup> defined by an ex IBM-er, Dave Snowden, is helpful in making sense of an ever changing world. In this framework, many new challenges are not easily defined so teams need to take an experimental approach to try out strategies and solutions quickly and learn or pivot when appropriate. In these situations,

data is the only certainty and provides an anchor for experiments and a solid basis for decision making. Our experience is that team conditions change frequently with Tuckman's Forming, Storming, Norming, Performing steps happening simultaneously and repeatedly. Frequent data collection is the key to understanding the bewilderingly dynamic situation.

However, data alone is not the answer. It is an enabler to inspire effective dialogue to help the team learn. Team members need to understand and agree to a clear set of activities in order to build the optimum environment:

- 1 Shared mental models
- 2 Competence in having high quality conversations
- 3 Fact-based decision-making
- 4 Performance enhancing habits

**“Team learning is vital because teams, not individuals, are the fundamental learning unit in modern organisations. This is where ‘the rubber meets the road’; unless teams can learn, the organisation cannot learn.”**

Peter Senge

<sup>10</sup> Cannon-Bowers, J. A., Salas, E., & Converse, S. A. (1993). Shared mental models in expert team decision making. In N. J. Castellan (Ed.), *Individual and group decision making* (pp. 221- 246). Hillsdale, NJ: Lawrence Erlbaum

<sup>11</sup> Mathieu, J. E., Heffner, T. S., Goodwin, G. F., Salas, E., & Cannon-Bowers, J. A. (2000). The influence of shared mental models on team process and performance. *Journal of applied psychology*, 85(2), 273

<sup>12</sup> LSE report reference (TBP)

<sup>13</sup> PwC's Global Data and Analytics Survey 2016 Big Decisions

<sup>14</sup> The advantages of data-driven decision-making, Tim Stobierski

<sup>15</sup> Snowden, David J.; Boone, Mary E. (2007). "A Leader's Framework for Decision Making". *Harvard Business Review*. 85 (11): 68–76



A 'network of teams' is how many successful companies are already working

## Building a team-based organisation

In 2004 General McChrystal<sup>16</sup> was the commander of the US Joint Special Operations Task force to address the growing threat of Al Qaeda in Iraq. Traditional warfare couldn't compete against the unstructured operations of Al Qaeda and the highly complex environments. It was forced to change the way it operated from a hierarchical structured model to a networked team of teams approach. Creating shared meaning, connection and a broad understanding of the bigger picture accelerated empowered execution and the ability to achieve success in a challenging context.

This approach – called 'team of teams' or a 'network of teams' is how many successful companies are already working, even if they look like hierarchical or matrix structures.

In this approach, teams share the common overarching goal and proactively connect in achieving it, changing course together as needed.

The old way was to build an organisation of functions and then devote energy to break down those same silos. The new way is to build organisations of teams, supported by function as required.

### Case study

#### Top team in a multinational

##### In the beginning...

Executive team in a global multi-national facing market challenges and not making their numbers. Team was disparate, lacked energy and direction to turn things around.

##### Then they focused on the team

The team worked on their conditions over a year to get on the same page, build a plan and collaborate on developing their dynamics and behaviours, using Squadify on an ongoing basis to highlight the areas that needed attention to become a high performing team.

##### The result so far

- Turned around flat revenue growth to deliver **double digit growth 2 years running**.
- Improved retention and engagement.
- Squadify scores improved **29%**.
- Team alignment improved **48%**.



Performance is delivered by 'star teams' more than 'teams of stars'

## Individuals in a team-based world

While the focus for many years has been on individual talent, research shows that performance is delivered by 'star teams' more than 'teams of stars'. This means that when selecting, promoting and developing people, our focus should now be on their ability to contribute to teams.

Beyond the tired requirement to be a 'team player', organisations should be seeking a specific set of capabilities.

Research by Dave Winsborough and Tomas Chamorro-Premuzic<sup>17</sup> revealed that the key attributes for team members are to be:

- Results-oriented
- Relationship-focused
- Process and rule followers
- Innovative and disruptive thinkers
- Pragmatic

To put it even more simply, team members should be able to contribute to the team's conditions of success: create and maintain Clarity; build a supportive Climate for all and demonstrate the behaviours that are required to further the collective effort and the best way for them to learn to do this is by proactively practicing while they do real work, together.

At the heart of this is the shift from 'me to we'. What is the primary viewpoint of the individual: themselves or the group around them?

**A seismic shift is happening in society and in our workplaces that will require a new way of seeing the most important asset we have: our people. Not solely from an individual or organisational perspective but through the lens of the unit that we operate in everyday and that delivers value in complex times: the team.**

<sup>16</sup> Team of Teams: New Rules of Engagement for a Complex World, General Stanley McChrystal

<sup>17</sup> Great Teams Are About Personalities, Not Just Skills – Dave Winsborough and Tomas Chamorro-Premuzic

## Team Acceleration Program

The key for organisations is to build teams that have the capability to continuously accelerate in any environment. This led us to create the Team Acceleration Program, a data-driven development process for teams. The program builds teams' conditions for success and helps them to connect to perform, quickly upskilling team members to take ownership of their own team development and ongoing acceleration reducing the need for external support over time.

The process is continuous with a focus on learning by doing - the team creates a rhythm of constant experimentation with new approaches – paying attention to five specific areas:



## What can YOU do?



### Business leaders

Build an organisation around the units that deliver value – teams. Senior leaders need to set overall direction and then build autonomy in a network of teams to connect and execute.

Creating the processes and culture around constantly accelerating those teams through data, dialogue and development.



### HR professionals

Every HR professional has two new opportunities. First, to use data to help the organisation see themselves as an integrated network of teams and understand where to focus development effort. Second, to increase ROI by aligning resources and solutions around teams rather than individuals.



### Team leaders

Yours is the most crucial role in today's organisation. Start to see that as your primary role and connect with others to build a community of practice. Connect openly with your team and other teams around you to create the conditions for team success and use data to inform dialogue and drive performance.



### Coaches

Teams offer an opportunity for coaches to deliver exceptional value to organisations. Not only are teams the drivers of performance but team coaching is more efficient than working with individuals so affordability goes up and the reach to more junior leaders becomes possible. Use data to underpin team coaching and development.

## LIW: data-driven team solutions

LIW is a specialist in accelerating organisations through teams to deliver consistent results in complex times. They support their global clients to build team-based organisations, accelerate those teams and develop individual competence for team working. Driven by data at the organisation, team and individual level, the solutions are scalable and delivered virtually through innovative formats. At the heart of the approach is 'learning by doing' – focusing on supporting teams and individuals to immediately apply learning to real work to get real outcomes.

Do you want to build a team-based organisation and accelerate your performance?  
Contact [info@liw3.com](mailto:info@liw3.com) to get started today.