

MANAGING TEAMS FOR HIGH PERFORMANCE



Managing Teams for High Performance

Building Team Trust and Cohesiveness

- 5 Why Some Teams Succeed (and So Many Don't)
- 9 How Will You Make Your Team a *Team*?
- 11 Make Your Good Team Great
- 13 Team Camaraderie: Can You Have Too Much?
- 17 Are You Rewarding Solo Performance at the Team's Expense?

Managing Dispersed and Cross-Functional Teams

- 23 Trust Makes the Team Go 'Round
- 27 Building Effective Teams in Real Time
- 31 Are Your Global Team Members Miles Apart?
- 35 Give Your Team a Challenge They Can't Resist

Powering Up Team Creativity and Effectiveness

- 41 Five Questions About How Leaders Influence Creativity
- 43 The Monday Morning Meeting: Best-Practice Communication for Executive Teams
- 47 How to Get the Best Solutions from Your Team
- 51 Creative Leadership: Be Your Team's Chief Innovation Officer

Building Team Trust and Cohesiveness

Why Some Teams Succeed (and So Many Don't)

The key is how they're managed—and whether your company *really* supports teamwork.

Workplace teams have been studied to death in recent years, and the verdicts are in. They're a success—and a disaster. They lead to big productivity improvements—and they peter out ineffectively. People love 'em. People hate 'em.

In fact, says psychology professor J. Richard Hackman of Harvard University, researchers find that work teams cluster at opposite ends of the success continuum. Many function beautifully; many others fail miserably. Few are in the middle.

The good news is that teams *have* been so well studied and that people at so many companies have worked in teams for many years. All this research and experience have produced new insights into what distinguishes the successes from the failures. What matters most, it turns out, is how teams are managed—and whether the organizations they're part of provide them with the support they need.

THE BALANCING ACT

Managers responsible for team performance often fall into one of two traps. Some continue to act like traditional bosses, telling the team what to do and how to do it. Others think they're "empowering" the team by maintaining a hands-off policy. Neither approach works. The manager's job, writes Hackman in a study on teamwork, is to "maintain an appropriate balance of authority" between himself and the team.

What does that mean in practice? On the one hand, managers have to spell out the team's objectives unambiguously and unapologetically. That keeps teams from spinning their wheels over what they should be doing. "To authoritatively set a clear, engaging direction for a team," says Hackman, "is to empower, not depower, it." On the other hand, decision-making authority over the means to those ends should rest with the team itself. Team members can act as a team only if they have real responsibility—such as determining how to achieve their goals.

Practical experience has taught another lesson about teams' authority: the scope of their freedom of action can and should change over time. "What we encourage [managers] to do is start off very slowly and keep the boundaries pretty tight," says Tom Ruddy, a former

manager at Xerox Worldwide Customer Services. "As the team starts to grow and expand, and take on responsibility, start moving those boundaries out." Even with successful teams, Ruddy says, a manager needs to be involved. Even though a team may have a lot of decision-making authority, there needs to be a manager scanning the horizon to determine which direction the team should head next.

LEARNING TEAM SKILLS

Teams must be trained in teamwork: members often need help in skills such as listening, communicating with different kinds of people, and staying focused on the task. This is not news. But companies have learned—often the hard way—that the common approach of "train first and 'team' later" isn't effective.

A better alternative: Periodic training. "We used to bring [team members] into a room and take them through an intensive training," says Ruddy. But team members didn't know what they needed to learn. So Xerox spread the training out: a session aimed at developing norms of behavior, for example, is followed by a few weeks on the job and then another session to revise the norms. "It's on-the-job training, rather than just 'inoculating' them all at once."

Experience also shows that nothing teaches teamwork like working on teams over a period of years. Members don't just have to learn new skills; they must also unlearn traditional roles. Linda Savadge of the Educational Testing Service in Princeton, N.J., has served on several teams. "It took a couple of years serving on different teams before the hierarchy within the team started to disappear," she says. At Xerox, members of one team realized they were so dependent on their manager that they had to take drastic action. "We told the manager he wasn't allowed to come to any meetings" until the team functioned better on its own, says Rick Crumrine, a customer-service engineer.

GOALS AND METRICS

Researchers have long known that any successful team is focused on performance. The team has a well-defined set of goals and agreed-upon methods for achieving them. What's more, members hold one another accountable for the performance of the whole group. These characteristics distinguish a true team from a conventional department

or work unit. “A team,” wrote Jon R. Katzenbach and Douglas K. Smith in a classic *Harvard Business Review* article, “is a small number of people with complementary skills who are committed to a common purpose, set of performance goals, and approach for which they hold themselves mutually accountable” (“The Discipline of Teams,” March–April 1993, #4428).

But goals and accountability require metrics allowing teams to assess their progress. One mark of a successful team is that members understand this fact and design their own measurements. Crumrine’s team, for example, noticed some performance problems and created in-process measurements that allowed members to evaluate their work day-to-day. “Instead of waiting for Xerox to send us information on how we’d done, we could check any time during the month and see where we were.”

The latest insight on performance measurement: Metrics need to be related to business goals, not just operational goals. Rather than pursuing a goal of better on-time delivery, say, teams need to focus on both the on-time rate and its business payoff—customer satisfaction, customer retention, and the like. “Teams need to understand the business ingredient of what they’re doing and how they can affect that,” says John Spencer, former director of the Camera Technical Center

at Eastman Kodak (Rochester, N.Y.). Watching the bigger picture helps members balance multiple and sometimes conflicting objectives. It also helps them understand when it’s time to declare victory—or defeat—and move on. “We have no problem saying, ‘We’re going to cancel this,’” says Spencer, since the teams at Kodak know the business reasons behind the decision and can “refocus around something that does make [business] sense.”

COMPANY SUPPORT

When teams first became popular, many companies established them—and promptly forgot about them. Since then, researchers and practitioners have learned that successful teams require ongoing support from the whole company or unit. That support may involve extensive changes. Orientation and training, for example, must be geared toward teamwork. Managers may need to be assigned to work on teams so they have firsthand experience with team-related issues. Joseph Reres, a partner with Potomac Consulting in Great Falls, Va., recommends setting up a “steering committee” to monitor the work of teams—and to ensure managers are helping rather than hindering teamwork.

Companies are now beginning to grapple with other forms of support, and not all have done so successfully. Two key areas:

SIX FACTORS OF SUCCESSFUL TEAMS

What makes workplace teams work? Researchers and practitioners identify six factors:

1. A clear set of objectives, spelled out unambiguously by management.
2. Metrics allowing team members to assess their performance—and showing the connection between the team’s work and key business indicators.
3. Ongoing training—not a one-shot deal—in communication, group leadership, and other team skills.
4. Decision-making authority over how to reach goals. But managers may need to start slowly and expand teams’ scope of authority over time.
5. Team-based rewards and evaluation, not individual incentives.
6. An open culture, with easy access to team-specific information and to senior management.

▪ **Evaluation and compensation.** “One of the hardest things for a company is to recognize that if they have installed teams, they need to reward based on teams,” says Fritz Mehrstens, a leadership consultant in Irvine, Calif. “Companies say, well, we have an annual performance review, and we give [individual] bonuses, promotions, and whatever based on that review. That tends to destroy the team—and it’s a key part of the support structure that the company needs to change.”

▪ **Information systems—and access.** Teams can’t function unless they get good information. IT departments, for example, may need to create systems that deliver team-specific data. And senior management must stand ready to give teams needed information. “That means the CEO shouldn’t be upset if a team member walks into his or her office and says, ‘I hear you said such-and-such, and I need to know more about that,’” says Mehrstens. “The company needs to develop an open culture that allows team members to communicate wherever they want to.”

On the face of it, says Harvard’s Hackman, “the conditions that foster team effectiveness are simple and

Why Some Teams Succeed *continued*

seemingly straightforward to put in place.” Yet what’s required for success can be a wrenching organizational change, threatening the turf and interests of powerful people inside the company. Indeed, setting up the conditions that make for successful teams is “more a revolutionary than an evolutionary undertaking.”

That isn’t an argument against team-based organization, which can have huge payoffs. But it is an argument for taking teams seriously, evaluating whether they can work, and doing what needs to be done to help them succeed. Left to their own devices, they won’t make it. ♦

Reprint # U0610D: To order a reprint of this article, call 800-668-6705 or 617-783-7474.

How Will You Make Your Team a *Team*?

by Paul Michelman

What do you do when the whole of the team you're leading appears to be less than the sum of its parts? Everything seems to be in place: solid people, a demanding but ultimately reasonable plan, sufficient resources. Yet there's still something missing from the effort, and finding a solution to this problem falls squarely on your shoulders. No, leaders can't single-handedly boost performance, but they can guide the tone, the tempo, and the mechanisms that create the opportunity for better things.

Begin by considering this seemingly simple question: Does the group you have assembled view itself as a team? Often, executives "have recruited and promoted a number of executives, all with specific goals and objectives," says Rodger Stotz, vice president of Maritz, a St. Louis-based performance improvement company. "Whether these individuals see themselves as a team is another thing." Perhaps they have "noncomplementary goals and are encouraged to compete with each other for resources and recognition."

So a leader's first step is often to declare that a team exists and to support that assertion with "clarity as to how the participants are to interact and support each other," says Stotz. While leaders must encourage trust and support, they should also provide an environment that promotes disagreement, says Patrick Lencioni of the San Francisco-based management consulting firm The Table Group. "Healthy conflict enables teams to bring all team knowledge and opinions to the surface, which leads to better decisions."

Performance expectations—and the accountability measures that should ride shotgun with them—must be as clear as those governing behavior. This applies both to the team as a whole and to the individuals who make it up, says Hellen Davis, CEO of the Philadelphia-based consultancy Indaba Training Specialists. "Each person should know the stakes and clearly grasp how others will determine whether they meet expectations, fail to deliver, or exceed expectations." Says Lencioni, "Teams that cannot hold one another accountable are susceptible to allowing individual and department priorities to supersede the goals of the team."

The expectations you set as a leader become building blocks for the shared vision held by the most effective teams. "Most people have an idea of what they are trying to achieve," says Marcia Reynolds, author of *How*

to Outsmart Your Brain (Covisioning, 2001), "but their picture of what this destination looks like varies, causing differing goals, priorities, and needs. Visions need to be visual and specific, then negotiated so everyone is focused on the same path." The development of a shared vision might begin with a discussion of how the team builds value.

A compelling vision, based on clear goals and expectations, is only as effective as the communications strategy put in place to support it. Again, it's up to you to set the pace. Steve Farber, author of *The Radical Leap: A Personal Lesson in Extreme Leadership* (Dearborn Financial Publishing, 2004), suggests seeking "extreme feedback on your own performance. Put your own ego directly at risk and ask, How am I doing?" A leader's willingness to hear criticism establishes the model for others in the group to follow, while creating "a strong human connection that engenders commitment and loyalty," he notes.

Effective communication is more than simply the currency of interpersonal commitment. Managers in IBM's Engineering and Technology Services group who were surveyed for this column say it is the core of a team's operational effectiveness. To exploit opportunities that arise, team members must "communicate constantly—so they understand direction changes, updates, and key issues" as they evolve, says IBM's Cary Ziter. This is essential to the process of building value. As an example, he notes, "if the Research Group [at IBM] has just earned a patent on an important technical innovation, can the design engineers leverage that intellectual property in a current or near-term client engagement?" This is possible only if project managers continually convey their knowledge of what's going on to other parts of the company.

To support this kind of behavior, Bill Treasurer, author of *Right Risk: 10 Powerful Principles for Taking Leaps with Your Life* (Berrett-Koehler, 2003), suggests that leaders establish systems that "reward team members who give others the heads-up on changing circumstances, updated information, or potential risks.

"The best team members," he continues, "anticipate the needs of one another." ♦

Reprint # U0405D: To order a reprint of this article, call 800-668-6705 or 617-783-7474.

Make Your Good Team Great

Increase group emotional intelligence to increase group results.

by Judith A. Ross

High-functioning teams are what make high-performing companies click. Whether the task is to create an innovative service or implement a new system, groups rather than individuals are shouldering more of the burden than ever before. The ideal team merges individual talents and skills into one superperforming whole with capabilities that surpass those of even its most talented member.

Yet, in reality, many teams fail to get close to that utopian ideal. Members do not work together as seamlessly as they could. People disengage, information goes unshared, wires get crossed, and time and money are wasted.

What distinguishes top teams from the rest? High-performing teams aren't the result of happy accident, research shows. They achieve superior levels of participation, cooperation, and collaboration because their members trust one another, share a strong sense of group identity, and have confidence in their effectiveness as a team. In other words, such teams possess high levels of group emotional intelligence (EI).

Like individual EI, group EI has to do with an awareness of emotions and the ability to manage them in a healthy, productive manner, says Vanessa Urch Druskat, an associate professor at the University of New Hampshire and a pioneer of the concept. A two-year study in which Druskat and Steven B. Wolff, a research consultant at Hay Group (Philadelphia), examined cross-functional drug-development teams at Johnson & Johnson revealed that group EI was the biggest predictor of team success.

Building an emotionally intelligent team requires developing emotional competence for the group as a whole. A team, like any social group, is governed by shared attitudinal and behavioral norms, which, though sometimes unspoken, are understood within the group. Teams that enjoy high levels of group EI, Druskat and Wolff say, have established norms that strengthen trust, group identity, and group efficacy. As a result, their members cooperate more fully with one another and collaborate more creatively in furthering the team's work.

"When you create a climate of trust and the sense that 'We are better together than we are apart,'" says Druskat, "it leads to greater effectiveness."

Implementing the following three practices will get

your efforts to build your team's EI off to a solid start, say Druskat, Wolff, and other experts:

1. MAKE TIME FOR TEAM MEMBERS TO APPRECIATE EACH OTHER'S SKILLS

Interpersonal understanding is critical to trust, which, in turn, is critical for the flow of ideas and information. The group must be aware of each member's skills and personality. When a group is first formed, it's smart to hold a launch meeting that has time built in for introductions and socializing. Members can get acquainted with one another as they start hammering out team goals and creating a shared vision of success.

Once a team is established, taking five minutes at the beginning of regular meetings for members to share work progress and personal reflections helps fortify the group's understanding of each individual and how together they all contribute to a common goal. "People on teams where people knew one another better were more efficient and got more work done," Druskat says.

Some teams, such as the accounting team at Xerox Canada in North York, Ontario, tasked with achieving year-one adherence to Sarbanes-Oxley Act accounting and disclosure rules with new leadership and only six months remaining to obtain compliance, use more formal mechanisms. To showcase their skills and experiences, members took turns at a weekly meeting sharing a past success or crucial lesson. One member, whom others had discounted because she lacked a finance background, described how in a previous role she had managed the push and pull of providing customers with specific services by persuading internal people—people over whom she had no formal authority—to do the work required to deliver those services.

Her presentation opened her teammates' eyes to the value she could provide, says Denise Holmes, manager of internal control at Xerox Canada. Achieving compliance meant a lot of additional work on business owners' behalf and thus her experience, closely related to this task, increased other members' trust in her and enhanced the group's emerging sense of itself as a talented, capable collective that would be able to meet the formidable challenges that lay ahead.

2. SURFACE AND MANAGE EMOTIONAL ISSUES THAT CAN HELP OR HINDER THE TEAM'S PROGRESS

It's important to establish comfortable, group-sanctioned ways to express the inevitable anger, tension, and frustration that arise in a team endeavor and to positively redirect that energy. "Inevitably, a team member will indulge in behavior that crosses the line, and the team must feel comfortable calling the foul," Druskat and Wolff write in their *Harvard Business Review* article, "Building the Emotional Intelligence of Groups" (Reprint # R0103E).

Both humor and playfulness can be helpful tools in defusing conflict and relieving tension. One team at the worldwide innovation consultancy Ideo (Palo Alto, Calif.), says Druskat, tossed soft toys over cubicle walls when feelings ran high. Besides lightening the mood, this action served as a reminder that the group had established norms for expressing difficult emotions, thereby making them feel less threatening to individuals and to the group as a whole.

In another approach, the Xerox team members wrote down their gripes, clipped them to play money in denominations from \$1 to \$100 depending on how serious they felt the issue to be, and dropped them into an "opportunities" jar. Their gripes were discussed at meetings, starting with problems attached to larger denominations.

The process enhanced the group's emotional competence in several ways. First, it increased trust by fostering openness and decreasing the temptation for members to express their frustration in destructive ways. "Setting up a place where people can deposit something that bothers them allows them to get it off their chest and continue with their day," says Linda Lopeke, president and CEO of Lexicorp Services in Mississauga, Ontario, who coached the Xerox team.

Second, those with complaints saw them dealt with fairly and positively. In response to a complaint that an overly gregarious (and unnamed) team member was a distraction, the group developed a good-natured solution: small placards for the backs of their chairs reading "The doctor is in" or "The doctor is out." Holmes explains that when the doctor was "in," visiting was OK; when the doctor was "out," it wasn't.

Third, the jar truly did offer opportunities by enabling members to expand skills while helping forward the team's work. For example, the jar revealed that members were unable to get past the Xerox firewall when working offsite. The individual who volunteered to troubleshoot was not an IT specialist but had enough computer knowledge, curiosity, and persistence to find and eliminate the glitch.

3. CELEBRATE SUCCESS

Building the EI of a team also requires the expression of positive emotions, such as gratitude for going the extra mile or pride in a job well done. Recognizing individual and group achievements not only strengthens a team's identity, but it also spotlights its effectiveness and fuels its collective passion for excellence. For instance, Xerox Canada created a "Wall of Fame" to honor members of the Sarbanes-Oxley team.

"Celebrating positive emotions is very easy to do," says Druskat. Giving each other high fives, toasting one another at dinners, or simply clapping for someone in a meeting—it's amazing, she says, what such simple acts "can do for building a sense of solidarity, efficacy, and identity."

AN ADDED BONUS

Xerox Canada's Sarbanes-Oxley team achieved its objective of 2004 compliance, attracting positive attention from the entire organization in the process. Its celebration of its members' accomplishments, its recognition of other teams' contributions, and—above all—its success at meeting a very challenging goal gained it such widespread attention within the company that it is now inundated with applications when a job is posted.

This is not surprising, says Druskat. "People want to belong to something that they think is effective." ♦

Judith A. Ross is a freelance business writer based in Concord, Mass. She can be reached at MUOpinion@hbsp.harvard.edu.

Reprint # U0612C: To order a reprint of this article, call 800-668-6705 or 617-783-7474.

Team Camaraderie: Can You Have Too Much?

Fostering closer relationships can help boost performance.
But too much affiliation can drag you down.

by Judith A. Ross

In business, as in sports, winning teams have a well-honed sense of camaraderie that helps team members read one another's signals, move as one, and watch each other's backs. In management circles, this sense of commitment and connection often is referred to as affiliation, and many experts consider it an essential component of effective teams. The more people value their relationships with one another, the thinking goes, the better they will perform for one another and, thus, for the organization. But can you have too much of a good thing?

According to a new study of 20 executive leadership teams from Fortune 500 companies conducted by the Philadelphia-based Hay Group, you can. While confirming that affiliation is a crucial component of effective teamwork, the study also showed that too much emphasis on positive relationships, especially by the team leader, can actually hamper performance. While leaders must foster conditions that promote trust, cooperation, and commitment, they cannot allow relationships to come before work. Instead, they should set well-defined boundaries that allow them to make the kind of clear-eyed business decisions that will put their teams in the best position to succeed.

The goal for managers of all levels is to find the right balance: cultivate enough affiliation so that team members feel a shared sense of commitment, but don't place so much emphasis on the value of relationships that your ability to make tough decisions becomes imperiled. Leaders need to be careful to set the right tone within their own teams, and they need to keep a keen eye on how managers who report to them are striking their own balances.

WHEN LEADERS GET TOO CLOSE

Leaders who place too high a premium on affiliation will work to maintain smooth team relations at the expense of team performance. For example, they may prevent or shut down important discussions because they view even respectful disagreement as a threat to team harmony. Trying to be part of the gang may also leave them unable to make dispassionate decisions for the good of the team—such as who gets to play and who gets benched.

“A leader can't value harmonious relationships more than putting the conditions in place that will allow the team to do well,” explains J. Richard Hackman, professor of psychology at Harvard University. “If you are a team leader, you don't want to have the group turn into a nice, comfortable, happy, collegial setting if sharp decisions need to be made—such as who is on or off, or difficult choices around power issues.” (For more of Hackman's ideas, see “How to Be the Best Coach for Your Team,” reprint # U0511B.) And yet the desire to work in a comfortable setting is powerful and can lead managers to bend over backward to avoid direct conflict occurring within the team.

But closing down uncomfortable discussions can lead to business problems. Take, for example, a team rolling out a new product. At the launch a decision was made to change the company's signature color from red to blue to distinguish it from the competition's. TV spots, coupons, and advertisements at sporting events all heralded the arrival of the new product. When it was time for the launch, the product was still in the old red package.

Why? Because when the operations manager got hot under the collar while questioning how he would budget the new packaging, the president cut off the conversation, and the issue was never resolved. “Without robust discussion, people will make assumptions that they know what the decision is when, in fact, they don't,” says Mary Fontaine, Hay Group's vice president and general manager.

FACILITATING HONEST CONVERSATION

Encouraging truly open debate doesn't come easily to all managers, especially those who value relationships the most. To help deal with the tensions that can emerge when leaders encourage honest conversation, Karin Mayhew, senior vice president of organization effectiveness at Woodland Hills, Calif.-based Health Net, offers the following tips for team leaders:

- Resist your urge to defend a point of view and thus minimize debate.
- Instead, shift your focus to getting data from all parties involved to support their opinions.

FOSTERING GLOBAL-TEAM AFFILIATION

People who work well together usually seek some level of affiliation. They may not be friends—in fact many people do not want that close a relationship with co-workers—but they do like to establish some common ground with their colleagues.

While a certain level of familiarity occurs naturally when people work in the same location, it is difficult to build within global teams, notes Debra Nunes, vice president, executive leadership team practice for the Hay Group. Here, the leader plays a critical role.

One leader Nunes worked with needed to facilitate collaboration among the multiple entities of a recent acquisition. To help boost this process he sponsored an elaborate premeeting dinner with no chairs. It forced people to move around. “They were not just talking with people they came with but with those from other locations,” says Nunes.

At the other end of the spectrum was a leader who, in launching a new business unit, was unable to get his far-flung team to collaborate. “He was trying to create synergies across regions,” says Nunes. “The things he asked in terms of people working together were not being put into action. We found that people weren’t implementing because they didn’t trust each other. The reason they didn’t trust each other was simply because they didn’t know each other.”

The problem was that the team leader was an all-business type—he didn’t build time into meetings for people to socialize. Once the leader began to allot time for people to talk informally, they established some common ground around nonbusiness topics of parenting or negotiating moves to different geographies. “They were then able to share interests and became much more willing to work together,” says Nunes. Team members began to confer with each other between meetings, not simply during them. Tasks that were previously done in parallel and then “sewed together” at the end by one team member were now approached collectively. “Whereas previously they had come to the table as regional representatives ready to fight for resources,” says Nunes, “they now came with a divisionwide perspective.”

Karin Mayhew suggests that leaders raise the issue of team dynamics the first time the group meets. “Just as you are laying out your expectations, you also talk about what it’s going to be like to work together. You ask the team to define the ground rules as well as the things they think are important to do together.”

- Get all the data and all the opinions on the table—until you do, you can’t shift to action planning.

- Resist the tendency to push the differences out of the room or minimize them (a trap for the affiliative types). You can always take a break, collect your thoughts, and summarize when you reconvene.

- Thank outspoken team members for their candor. It can be scary to voice contrary opinions; acknowledging that sets the tone for future interactions.

GAINING SOME SEPARATION

Mayhew has observed that affiliative leaders find it difficult to separate themselves from the team, as evidenced by their strong desire to include everyone in all aspects of decision making. For example, an affiliative leader may bring the entire team to a meeting meant for senior executives.

“I often hear euphemisms like, ‘I’ve got to bring everybody up to speed,’ or ‘Everybody’s got to be onboard,’” she says. This can put a serious crimp in the decision-making process. When leaders insist on bringing everyone in on meetings where key decisions are being made, decision makers find it more difficult to be candid. “You get a much more homogenized conversation,” she says, and core issues may never surface. Instead, Mayhew recommends that leaders gather input from their teams before heading into the decision-making forum; she stresses the importance of soliciting input that goes beyond agreement or disagreement and covers the implications for the team’s work.

Leaders also should clearly state how the decision will be made and by whom. “While it doesn’t solve the problem of the team feeling left out of the meeting,” Fontaine adds, “it does make them feel valued. Briefing the team after the meeting should also be a part of the process.”

One thing a leader should not do is query some team members but not others. Not only does this scream favoritism, but it also fosters an atmosphere of “in” groups and “out” groups. Fontaine stresses that leaders should spend an equal amount of time with all their direct reports—even the ones they may not like personally.

BE WARY OF EXCUSE MAKERS

One more sign that a manager may place relationships over performance is when they make excuses for underperformers. “You will hear a lot about the person’s

Team Camaraderie *continued*

effort or stellar personal characteristics,” says Mayhew. To overcome this pitfall, the leader should establish concrete goals for all employees and measure results against those goals—and he should accept and solicit feedback from others. “That way it’s not just your lens on the performance,” she says. The more analytical your approach to judging an employee’s performance, the less personal it becomes. ♦

Judith A. Ross is a freelance writer based in Concord, Mass. She can be reached at MUOpinion@hbsp.harvard.edu.

Reprint # U0511C: To order a reprint of this article, call 800-668-6705 or 617-783-7474.

Are You Rewarding Solo Performance at the Team's Expense?

by Anne Field

Here's a cautionary tale of good intentions gone awry. Several years ago, a major manufacturer's executive team, looking to boost productivity, studied the management practices of other large corporations. The team's conclusion: Borrow a page from General Electric's then-CEO Jack Welch and regularly rank employees. Lavish rewards on the top performers, and routinely let go of the bottom 10%.

What the team didn't foresee was the disastrous effect the new system would have on teamwork. The rank-and-yank approach certainly did drive individuals to strive for stellar results, but it motivated them to do so at the expense of their teams. Because it tacitly encouraged people to keep their best ideas to themselves, it inhibited a key ingredient in any successful team: free information flow. Individuals took to revealing their ideas only at high-profile events and presentations, hoping to wow their boss and their boss's boss.

"People were keeping secrets from each other," says Justin Menkes, a Los Angeles-based management consultant and the author of *Executive Intelligence: What All Great Leaders Have* (Collins, 2005). "It really killed efficiency." Not only did collaboration and cooperation suffer, but so did the quality of ideas; without the benefit of others' input, many of the managers' long-hoarded ideas were underdeveloped and failed to wow anyone.

A stated commitment to teamwork is the norm at most companies today, as standard a part of corporate life as cubicles and yearly performance reviews. Yet many performance-management and incentive systems are so focused on individual contributors that they inadvertently undermine teamwork.

It's a real conundrum: of course, companies want to motivate individuals, especially their high performers, to work at the top of their form. And when an individual turns in a winning performance, she expects recognition. But how do you motivate individual contributors to shine in lead roles while simultaneously shaping them into strong ensemble players? It's a challenge requiring a stage director's dexterity and diplomacy, but it can be done. What follows is advice from thought leaders and practitioners on the policies and practices that drive stellar performance on both the individual and team levels.

REWARD BOTH

It's almost too obvious to say, but here it is: reward both individual and team performance. "Rewards are a powerful signal," says Bradley Kirkman, associate professor of management at Texas A&M's Mays Business School, in College Station, Texas. "People are going to do the kind of work they're rewarded for. If you want people to work together but concentrate your energies on rewarding the individual, there won't be any significant cooperation."

Silver Spring, Md.-based consultant Howard Ross points to a car dealership that compensated its 20 employees only on individual sales. While the system encouraged people to hustle, it also gave them an incentive, says Ross, "to behave badly toward their fellow employees"—by stealing one another's customers, for example. Salespeople spent time trying to undermine colleagues instead of devoting it to customer service. Worse, clients started to notice the chilly, unfriendly atmosphere in the store—and it affected sales.

Ross helped the dealership put in place a system that compensated people for the results of the group as well as for individual sales. The change not only created a new sense of camaraderie, something that customers quickly picked up on, but also improved employee retention.

For a dual-focus incentive system to be effective, employees need specifics about how much performance in each sector counts—say, 40% for individual performance, 60% for team performance. Such precision and clarity will communicate unambiguously just what type of results you value and provide guidelines about how employees should behave.

As a case in point, Kirkman cites a study that divided Xerox technicians into three groups: those who were individually paid, those who received team-based compensation, and those who were awarded both individual and team-based compensation. Surprisingly, the group with the worst results was the one with mixed compensation. But an easily avoidable factor was to blame: managers had failed to specify exactly how employees should divide their time between team and individual activities. As a result, employees were confused about just how much time and effort to devote to their individual

REWARDING TEAMS AT THE EXPENSE OF THE ORGANIZATION

The challenge of balancing individual vs. team performance has an analogue at a more macro level: balancing team performance vs. that of the organization as a whole. Silver Spring, Md.-based consultant Howard Ross tells of team incentives that had a very unwelcome consequence. The CEO of a computer chain initiated a sales contest among stores, giving employees at the winning location a sizable bonus. This had the unintended effect of bringing interstore cooperation to a standstill—losing sales and customers. For example, one corporate customer approached a store about an unusually large order, a request that was so big the location didn't have enough inventory to fill it immediately. The store manager called a nearby store to see if it could help fill the order. That store's manager refused, not wanting to put his team at a disadvantage. The result: The customer took his business to another chain.

and team results. "They weren't sure what to commit to each task," says Kirkman.

ALIGN INDIVIDUAL AND TEAM PERFORMANCE METRICS

As much as possible, use the same or similar metrics to evaluate both team and individual performance. Consider Home Depot's overhaul of its performance management system several years ago. The first step for the Atlanta-based home repair giant was to standardize metrics used to assess employees across the board; previously, there were more than 150 different appraisal forms being used throughout the company. The new metrics were grouped in four categories: financial, customer, operational/process, and people outcomes. For example, a store manager's financial metrics would include store sales and profits; his customer metrics would include customer-satisfaction scores; his ability to realize operational efficiencies would go under operational/process outcomes; and people outcomes would include employees' ability to meet goals.

Then, says Don Allen, senior organizational effectiveness consultant at Home Depot, the company instituted an award to be given to teams that met or exceeded their goals. The metrics used to measure team performance fell into the same four categories as the individual metrics. Allen credits Home Depot's impressive revenue growth

over the past several years to this change in the reward system along with other significant enhancements to HR, IT, merchandising, and marketing processes: from 2000 to 2005, the company's yearly revenues jumped from \$46 billion to \$81.5 billion.

INCLUDE PEER REVIEWS IN EVALUATIONS

To make teamwork integral to an individual's performance review, include peer assessments. For instance, Allen says that at Home Depot, team members participate in regular 360-degree evaluations of one another's leadership ability, and the results are included in reviews.

Nancy Beaulieu of Harvard Business School points to a mutual fund company whose performance evaluation system for portfolio managers has proven highly effective at motivating teamwork. Because financial results are obviously important, and because accurate and objective measures of results are readily available, 60% of a manager's bonus is determined by the financial performance of the funds she directs. The remaining 40% is dependent on the quality of her teamwork, assessed through structured feedback gathered from team members, such as analysts and traders, and analyzed by top managers.

A caveat: To make such an approach work requires significant time and effort. The mutual fund company conducts these evaluations every six months. And, to make sure they're objective and thoughtful, respondents must include substantive explanations for their insights, and they are then interviewed by managers. "It takes a huge investment to collect this kind of data, and, just as important, an extraordinary amount of trust in the evaluation system and the people doing the evaluations," says Beaulieu.

CLEARLY ARTICULATE THE ORGANIZATION'S OVERALL GOALS

"Individuals and teams cannot be aligned unless they both understand how they fit into the larger mission," says Jim Haudan, CEO of Root Learning, a Maumee, Ohio-based strategic learning consultancy. Haudan recalls a pharmaceutical company trying to expand its product line past its one successful offering. Trouble was, while teams were working together to produce several products, the salespeople on the teams were really only pushing the established item. Because they were compensated on the basis of volume, the salespeople concentrated on the easiest sell. The company eventually changed the compensation system so that it rewarded salespeople

HOW TO BOOST TEAM PERFORMANCE

Anand Sharma, CEO of TBM Consulting Group, in Durham, N.C., learned early in his career how the wrong performance measurements can cripple a complex team project. As the project manager for a major manufacturing company, he oversaw a group of engineers charged with producing a series of subcomponents for a new subway. Although the engineers, who belonged to different functional units, did great work on their own particular assignments, the subcomponents, when put together, repeatedly failed to work. “It was embarrassing,” Sharma says. “We were constantly going back to the client and explaining what had happened.”

The problem was that each engineer was being supervised and rated by his own functional manager. As a result, the engineers weren’t focusing on making their products work together but, rather, on producing something their managers would like.

Sharma’s solution: First, he changed the review system so that 60% was based on his evaluation as project manager and 40% was based on the functional manager’s review. Second, he insisted that the engineers work together in the same location. After two weeks of nearly nonstop work, they completed the project.

for helping forward the company’s goal of expansion by pushing new products.

BUILD RELATIONSHIPS

In the end, fostering strong team performance while giving individuals encouragement to shine at solo efforts comes down to dexterous, emotionally intelligent management. The leader “must empower the team as a whole, so as to create a climate where the team feels encouraged,” says Gilad Chen, associate professor of management and organization at the University of Maryland’s Robert H. Smith School of Business, “but each member must feel he is supported.” The likely result: Because individuals know they are being recognized, they will contribute more to the team’s success than they might otherwise. ♦

Anne Field is a Pelham, N.Y.-based business writer. She can be reached at MUOpinion@hbsp.harvard.edu.

Reprint # U0608A: To order a reprint of this article, call 800-668-6705 or 617-783-7474.

Managing Dispersed and Cross-Functional Teams

Trust Makes the Team Go 'Round

You can have all the procedures and processes in the world, but without trust, your virtual team or operation is going nowhere.

by Judith A. Ross

Thanks to the combined forces of globalization and outsourcing, more managers face the challenge of leading employees from afar. The establishment of virtual teams as an organizational way of life has come so quickly that it's left many managers at a bit of a loss. As they have discovered, managing employees virtually is not the same as managing them face-to-face.

Cultural and language differences become magnified, as do conflicts. It is much easier to hide errors and problems, sweep misunderstandings under the rug, and make erroneous assumptions when you are communicating via phone and e-mail rather than in person. Furthermore, such mistakes and mix-ups are more likely to become full-fledged disasters when the group does not feel free to acknowledge and address them openly.

This is not to suggest such problems are inevitable. They are not—as long as team leaders remember to focus on one critical element as they build and manage their virtual operations: trust. While trust is a critical element in any team or operation, it's particularly important when you are managing teams or operations that are geographically and culturally dispersed.

Trust begins with you. You must be as responsive to your virtual team as you are to colleagues down the hall.

A November 2005 study by The Conference Board on the challenges of offshoring found that of the elements needed for successful collaboration between onshore and offshore teams, trust is among the most crucial. “The development of trust is quite often the single most important tool in overcoming barriers and obstacles,” says Sid Milstein, a principal at Princeton, N.J.-based consulting firm Argea, which conducts workshops and Webinars on outsourcing for The Conference Board. “Effective communication, goal attainment, and service attainment are possible only in an atmosphere of trust.” This point is relevant not only when outsourcing but when managing any kind of geographically dispersed team or operation.

And whether you are managing an offshore operation,

a recent acquisition, or a global team, trust begins with you. You must be as responsive and committed to your virtual team as you are to colleagues sitting right down the hall. They have to know that your door is open, even if they can't see it. You must be clear about each member's role and know his strengths and weaknesses. And you must go out of your way to accommodate cross-cultural differences—even if that means changing a few of your own habits.

Building on this, *Harvard Management Update* polled several experts and practitioners to put together these six steps to boost trust in dispersed operations and virtual teams.

1. CREATE FACE TIME

Even a small amount of face-to-face contact goes a long way toward creating trust among coworkers. For that reason, Stanford Graduate School of Business professor Margaret Neale strongly recommends a physical launch when starting work with a virtual team. “An initial in-person meeting not only allows people to interact within the context of the team and the task, it allows them to sit together at lunch and get to know each other,” she says.

Accenture HR Services routinely schedules in-person meetings of key personnel before a new outsourced function goes live. These meetings ensure that there is agreement around goals, service metrics, the live date of the function, and the criteria that must be in place for it to take place. They also are an opportunity for the team to bolster its working relationships. “These meetings allow onshore and offshore team members to get comfortable with each other's communication style while focusing on the matter at hand. This is critical to establishing a trusting, professional, business relationship,” says George Valaika, global geosourcing director for Accenture HR Services.

When meeting face-to-face isn't possible, Neale suggests creating a “yearbook” for the team that includes a photo and brief paragraph about each team member. “It seems like a small thing to know what a person looks like, but that is what makes them seem much more human,” says Neale. Sharing a little information about team members' backgrounds and interests gives them some

BUILDING CONTRACTUAL TRUST

Trust experts Dennis S. Reina and Michelle L. Reina's recent book, *Trust and Betrayal in the Workplace: Building Effective Relationships in Your Organization* (Berrett-Koehler, 2006), focuses on the concept of contractual trust, which the authors describe as a mutual understanding that people in a relationship will do what they say they will do. Contractual trust is important to the success of any operation or team, but it is absolutely essential in virtual and highly dispersed operations. Here Reina and Reina outline the behaviors necessary for leaders to establish contractual trust:

- **Manage expectations.** Both explicit and implicit expectations regarding the work must be clear. In addition, managers must set realistic goals. Stretch goals with appropriate support demonstrate a leader's trust in people's abilities.
- **Establish boundaries.** Roles and responsibilities must be well defined, and the parameters and direction of the project must be clearly mapped out. "Establishing and maintaining clear boundaries provides a framework for accountability in an organization," write the authors, and thus plays "a strong role in developing contractual trust."
- **Delegate appropriately.** When giving employees responsibility, you must also give them the necessary authority, resources, and voice to accomplish the goal. Individual objectives must also be "clear, explicit, visible, and mutually understood," write the authors. "When leaders and employees work together to define mutually agreed-upon checkpoints and follow-up procedures, it helps develop people's trust in themselves and the organization."
- **Encourage mutually serving intentions.** You want your team members to share the attitude that they are all in one boat and together can pull through any storm. "When they support each other's intentions and are aligned in their purposes, contractual trust is reinforced and people's trust in each other is enhanced," write Reina and Reina.
- **Be consistent.** Even when adapting your strategy to the demands of a constantly shifting business environment, your behavior should be based on principles and values rather than on expediency. Employees will find you unfair and untrustworthy if you play favorites or keep changing your expectations.
- **Keep agreements.** If you must break an agreement, renegotiate promptly. "When we break agreements with others," write the authors, "we disempower the relationship and compromise the trust between us."

common ground when communicating by phone and e-mail—important for developing rapport, which can be the first step toward building trust. "The more we know about somebody, the more we are willing to let them engage in a wide range of behaviors before dismissing them," she says.

2. SET CLEAR GOALS AND EXPECTATIONS

Clear goals and expectations are fundamental to building and maintaining trust. "In your launch meeting, you should have an explicit discussion about what you want to accomplish and how you will know you have gotten there," says Neale. "The team can handle divergence without it eroding trust if everyone has the same goal."

For example, let's say your team is charged with

implementing a worldwide corporate standard for monthly financial reports. The first stage is to select the best software. With the team leader guiding the discussion, stage one is completed with relative ease. But now the team must develop an implementation plan and time line. There is a great deal of disagreement about the right approach. The head of accounting in Warsaw favors a stage-by-stage rollout that will achieve uniformity in nine to 12 months; his counterpart in São Paulo argues that it would be easier to manage the changeover in one fell swoop, which would mean it could be accomplished in less than six months. They may argue over the details, but they are focused on the same ultimate goal: establishing financial uniformity. This kind of argument does not erode trust; in fact, it may even reinforce trust

by cementing a shared belief among team members that they are all in this together and focused on achieving the same thing.

Whatever the project, once expectations and initial plans for your virtual team have been established, you must keep the team on task. Valaika keeps the offshore teams he works with focused through regular telephone calls. Immediately after a function goes live, Valaika talks to the team on a daily basis; as time goes on, he tapers communication to two or three times a week. His calls focus on how the team is performing against its metrics. In the case of the accounting team in our example, such metrics might include completing training by a certain date or generating beta reports using the new software. If the offshore team isn't hitting its goals, members can discuss why and get help to work through the problem. "These meetings ensure that they are delivering what they were trained to deliver and are communicating any issues," he says.

When you are managing from afar, cultural differences stand out.

One way to make sure the phone calls themselves enhance—rather than hinder—trust is to put each team member in a separate room whenever possible, rather than have groups clustered around one phone in some locations. This levels the playing field for each caller and helps encourage equal focus and attention from every member of the team. "Putting everyone in separate rooms is really counterintuitive," says Neale. "But when you have some who are face-to-face and some who are virtual, the virtual people fade. The folks who are face-to-face start talking in shorthand that the virtually connected people can't follow. They eventually get frustrated, put the meeting on mute, and go about other tasks." Such disengagement hampers trust for those at both ends of the phone.

3. MAKE THE WORK VISIBLE

Another roadblock to trust occurs when team members don't know whether their distant colleagues are taking care of business. Ton Heijmen, senior adviser to The Conference Board for outsourcing and offshoring, says that one company he works with created its own collaborative software for managing outsourcing projects. It includes detailed steps to be checked off by employees at various levels as a project moves forward. But this isn't just about documenting progress: the software provides

space for users to document learning and best practices around each activity so that team members can help one another boost performance.

At Accenture, offshore HR teams use a Web-based program to document weekly performance. If there is a metric on which the offshore team has fallen short—say they haven't identified the targeted number of potential candidates with a particular skill set—they can record an explanation in the program's issues log. "For example, the note might say that some members of their team have been out sick, so they have been playing short-handed," says Valaika. This ongoing view of each other's challenges not only increases understanding and boosts trust, but it also promotes collective problem solving as these "issues" become part of the team's regular telephone discussions.

4. PROVIDE ONGOING FEEDBACK

Managers who are perceived as fair and trustworthy are usually those who provide feedback to subordinates on their performance. Just like your team down the hall, your virtual team needs regular input on how it is doing. Valaika makes a special effort to give his offshore teams feedback—both good and bad. "E-mails that say, 'We had a great week,' or 'Great job solving that issue,' go a long way toward establishing trust and good relationships. When things don't work out, make sure that feedback gets delivered as well," he advises.

When an offshore colleague managing an HR call center didn't voice concern about high call volumes and high attrition among the center's customer service representatives, the situation quickly escalated from a minor challenge to a full-blown service-delivery issue. Once the problem was addressed and the dust had settled, the team had an open discussion about not being afraid to share bad news.

According to Stanford's Neale, this kind of reinforcement is particularly important when the organization's culture is adversarial and lacks an assumption of trust or benevolence.

5. SHOWCASE TEAM MEMBERS' COMPETENCE

When managing a virtual team, you must make sure each team member has a clear understanding of her role and, just as important, the roles of her teammates. You must also take special pains to highlight each individual's expertise for the rest of the team.

Having confidence in the competence of one's teammates is an important component of trust, asserts Neale. "You have to believe the other people can do the

task,” she says. As a manager, it is up to you to have a good handle on each member’s strengths and experience. “That way, during the course of a meeting, you can point out the ‘go to’ person on any particular issue,” she says, and give people the opportunity to put their expertise on display.

6. FOSTER CULTURAL UNDERSTANDING

When you are managing from afar, cultural differences stand out. Virtual teams must often overcome language barriers and diverse ways of doing business. When those kinds of differences aren’t addressed and understood, it is very easy to dismiss or come to distrust a virtual colleague.

For example, Valaika was recently approached by a local team member who was perplexed by the spiritual message at the end of an e-mail from a colleague in India. “I explained that Indian culture tends to be more open about spiritual life,” he says. “Then we discussed whether the message was harming anyone or disrupting business. As a leader, it is my job to promote an environment of understanding.”

Neale notes that the e-mail behavior of Americans, who tend to go immediately into the task, often is experienced by people from other cultures as rudeness—a definite inhibitor to trust. Says Neale: “Once this was pointed out to me and I began using pleasantries at the beginning of my e-mails, I found, as an American working with Europeans and Middle Easterners, that my e-mails were much better accepted.”

Conference calls in which everyone is speaking English

with a different accent can be a minefield for the kinds of cultural misunderstanding and missteps that can create distrust. During his meetings with offshore operations, Valaika makes a point of asking others to slow down or repeat when he doesn’t understand what they are saying. “The more often you do it, the less shy others will be about asking when something is not clear,” he advises.

Remote meetings can be especially difficult for non-native English speakers, who may feel intimidated and thus remain silent, depriving the group of their input and ideas. To counteract that tendency, a group of managers at Hewlett-Packard instituted a “warm-up” at the beginning of every meeting. They asked each participant to check in with a two- to three-minute anecdote about a recent event in their life—either work related or personal. “That warming-up period goes both ways,” says Neale. “It not only gives nonnative speakers a chance to get in the swing of speaking English, it also helps the local team get their cultural sensitivity into place—such as avoiding the use of jargon.”

In addition to tightening the lines of communication, this exercise also gave the team the opportunity to learn more about each member’s skills and interests—just the thing for creating that all-important reservoir of trust. ♦

Judith A. Ross is a freelance writer based in Concord, Mass. She can be reached at MUOpinion@hbsp.harvard.edu.

Reprint # U0606B: To order a reprint of this article, call 800-668-6705 or 617-783-7474.

Building Effective Teams in Real Time

by Jerry Garfield and Ken Stanton

Now as never before, managers are finding themselves having to create effective cross-functional teams on the fly. New projects emerge that require a diversity of expertise not found within a single department; mergers and strategic partnerships thrust together new groups of people for the first time. Whatever the foundation for their existence, each of these one-off teams shares a common trait: it must begin producing results right away.

Managing a team that's been created under such circumstances presents a distinct and ever more prevalent leadership challenge. It's hard enough to guide the disparate mix of talent found in long-standing groups; when you are required to focus the efforts of people you may not even know and who may not know one another—and to do it immediately—the challenges are multiplied.

In striving to help managers address these challenges, we have developed an approach called *rapid team building* that is based on many years of organizing and leading interdisciplinary project teams, both as managers and as consultants. We have successfully applied this approach in a variety of organizational settings in which the need to achieve critical goals quickly and effectively with newly formed teams was essential. The approach comprises six tools to help managers form a group of employees into a unified team and get them right down to work.

1. SHARE PERSONAL BACKGROUND INFORMATION

Asking team members to share personal histories by having each talk to the group briefly about his work history and experience can achieve two important things: it conveys information about everyone's individual competencies, and it can generate respect for those competencies within the group. It also fosters cooperation by giving team members a sense of shared history that serves as a substitute for the actual shared history experienced by members of long-standing teams.

You can help the process along by asking open-ended, work-focused questions that allow team members to tell their own stories, such as: "Would you tell us about the types of project teams in which you have participated?" or "Tell us about some of the biggest challenges you've faced on other teams and how you dealt with them." If you

are already acquainted with a particular team member, you can tell that person's story as a way of acknowledging prior acquaintance and professional reputation.

2. ASK TEAM MEMBERS WHAT WORKED FOR THEM IN THE PAST

When you ask team members to discuss what has contributed to the success of their past teams, you are making use of a powerful tool for achieving both engagement and commitment.

By encouraging team members to share their views, you signal respect for their competence and judgment. You also are likely to learn new and useful information from people who are both skilled and experienced.

Describe the deliverable in concrete terms, so that everyone understands what the final product will look like.

One cautionary note: even as you encourage team members to share their ideas on how to be successful, you need to make it clear that you are not inviting group decision making. Without overtly accepting or rejecting any one person's ideas, you can select from among all the ideas in formulating a plan of action. This demonstrates that you are open to the team's ideas, a core element in building the team's engagement with the assignment, while also signaling that you retain ultimate responsibility for making decisions.

3. DESCRIBE HOW THE TEAM WILL WORK TOGETHER

To rapidly engage the team in the task at hand, you must impart a clear vision of the team's purpose and how team members will work together. This requires more than just giving out assignments.

State clearly why the team has been formed; explain the problem to be solved or the improvements that will result if the team is successful in its efforts. Then, articulate the desired outcome of the team's efforts vividly and precisely. It's important to describe the deliverable in concrete terms so that everyone understands what the final product will look like, whether it is a report or a "go live" date for a new

THE RAPID TEAM BUILDING TOOLKIT

Leaders can build teams rapidly and effectively in real time using the following six tools:

1. Share personal histories

Personal stories reveal competencies, generate respect, and foster cooperation.

2. Ask: “What has worked for you in the past?”

This signals that past experiences are valued as potential contributions.

3. Describe how the team will work together

Clearly state the team’s purpose and plan, and describe each person’s role within the team.

4. Optimize individual team members’ strengths

Make realistic assignments that take advantage of each team member’s individual strengths.

5. Establish norms for making decisions

Let team members know what types of decisions they are expected to make on their own and what types of decisions will be made by the team leader.

6. Establish a process for giving and receiving feedback

This allows information to be exchanged quickly, easily, and in all directions.

service or product.

Next, provide a detailed plan of action so that each team member will know exactly what must be done and when. Give the due dates for the deliverables and for the critical tasks that must be accomplished along the way.

Finally, you must make sure that each team member knows exactly how her role—and the roles of others—will contribute to achieving the team’s goals.

4. OPTIMIZE INDIVIDUAL STRENGTHS

Optimizing strengths means determining the best assignments for each member by taking account of individual team member’s experiences, training, and proven performance. The right assignments align team members’ skills and aptitudes with the team’s goals, improving the likelihood of success in accomplishing the tasks at hand.

Achieving this “goodness of fit” demonstrates that you were listening when members shared their experiences and that you have engaged in whatever other discussion

was necessary to ensure that each member of the team is in the job most well suited to his skills. When you show this kind of attention, it increases the likelihood that team members will respond in kind and that they will be willing to communicate openly as the work progresses.

Finally, care in making assignments demonstrates your intention to enable all team members to succeed in their work. To fully optimize the skills at your disposal, you must be clear and precise about expected work outcomes for each position on the team and for the team as a whole.

5. CLARIFY HOW DECISIONS WILL BE MADE

You can improve the effectiveness of your team by articulating how you approach decision making and deal with conflicts. You should briefly outline the scope of decision making for each position on the team, letting team members know that decisions affecting the functioning of the team or its ability to achieve its mission should be brought directly to you. For example, you should make all decisions that will affect the final outcome of the team’s work, the overall timeline, or the work of other team members.

Rapid team building requires information to be exchanged quickly, easily, and in all directions.

Conversely, you should refrain from interfering in decisions that appropriately should be made by individual team members. Insisting that team members check with you before prioritizing their daily activities or carrying out routine tasks increases your own work and reduces the effectiveness of the team as a whole. To the extent that the team is made up of people with demonstrated experience and competence, you should be able to limit your decisions to those that affect the team and its mission as a whole.

6. ENSURE A FREE FLOW OF INFORMATION

Rapid team building requires information to be exchanged quickly, easily, and in all directions. You need to establish clear processes for communicating within the team, including arrangements for written, electronic, or face-to-face communication for different aspects of the team’s work.

For example, voicemail and e-mail may be useful for

some communications between individuals who have different schedules or who work in separate locations. Problem-solving discussions may require face-to-face or telephone interactions in real time—although agreements and decisions should be documented. Information required by the entire team, on the other hand, is best shared in written form, whether on paper or electronically.

The most important aspect of team communication, and the true test of effective communication, is the giving and receiving of feedback. Give positive feedback frequently and enthusiastically, and identify the results achieved. For example, responding to suggestions by saying, “Great idea; that’s a practical solution to our problem,” or to completed tasks with, “Well done; that’s just what we needed,” will help motivate team members to excel in their work.

Negative feedback is essential for course correction and quality improvement, but it should be given without

criticism or rancor. Saying, “That didn’t work; what can I do to help you?” or “This doesn’t meet our needs; let me explain why,” allows negative feedback to become an important part of the team’s culture and ensures that critical information will not be hidden or minimized.

You can establish a culture of effective communication by accepting negative feedback with gratitude, giving negative feedback sparingly and without condemnation, and finding opportunities to give positive feedback to every member of the team. ♦

***Jerry Garfield** consults to executives and their teams on matters of organization behavior, leadership, and change management. **Ken Stanton** consults to health care organizations to develop new programs, improve clinical practice, and increase operational efficiency. They can be reached at MUOpinion@hbsp.harvard.edu.*

Reprint # U0511A: To order a reprint of this article, call 800-668-6705 or 617-783-7474.

Are Your Global Team Members Miles Apart?

by Howard M. Guttman

Creating a high-functioning team is challenging under any circumstance. But when the team crosses national boundaries, time zones, and cultures, how do you meld individuals' different talents, temperaments, cultural expectations, and communication styles—not to mention egos—into a superperforming whole?

If you manage a global team, you face greater challenges than those who lead teams that share the same time zone, or at least the same corner of the world. Complicating your task is the probability that you're playing for higher stakes: a company's brand, expansion plans, customer base, supply chain, and distribution network all can be compromised when its cross-border teams fail to function effectively.

In the consulting work that my colleagues and I have done with numerous teams from global Fortune 1000 companies, we have found that achieving alignment—or common agreement—in the following three areas is critical to creating a team whose performance transcends the limits imposed by culture and geography:

1. Strategic and operational goals
2. Roles and responsibilities
3. Decision-making protocols

In this article, I'll share how global teams from diverse companies in diverse industries have achieved alignment and unleashed their full potential to drive value.

1. ALIGNING STRATEGIC AND OPERATIONAL GOALS

Strategy is an organization's definition of its future. Disagreement about future product lines, market emphasis, key capabilities, financial targets, and growth expectations creates fault lines that can undermine the very foundation of the business.

Several years ago, the North American and European senior teams of a global consumer goods corporation that my consulting firm was working with convened to set a worldwide strategy. The North Americans championed the new strategy that emerged. Their European counterparts seemed to be in agreement, but they never really bought into it. When the meeting concluded, members of both groups headed back to their respective offices—the North Americans with one set of strategic assumptions, the

Europeans with another. Not surprisingly, the product development and marketing plans that emerged differed considerably, taking the company in two different directions.

This company learned the hard way that the appearance of agreement isn't the same as agreement. The resulting misalignment set off fierce competition for resources and hobbled product innovation and development. Within 18 months, the company's new-product pipeline was empty and time to market lagged 30% behind the industry standard.

Agreement is easy in the abstract. To test whether your global team is truly aligned with your company's strategy and understands what implications that strategy will have on operations, ask team members questions like these:

- What does our strategy tell us about:
 - The products and services we will (and will not) offer and the relative emphasis we will place on each?
 - The markets, customer groups, and segments we will (and will not) serve and the relative emphasis we will place on each?
 - Future requirements for human and capital resources?
 - Future financial and growth expectations?
- To what extent do our annual and long-range plans and budgets reflect our strategic and operational goals?

Have each team member write down his answers and then open the floor for discussion. This can be a time-consuming exercise, yes, but its ability to surface misunderstanding and misalignment makes it one that's highly worthwhile.

2. ALIGNING ROLES AND RESPONSIBILITIES

The likelihood that roles and responsibilities will overlap rises exponentially within a global team. The vice president of global human resources for a major consumer health company with which we worked witnessed firsthand the problems that arise from lack of alignment in this area.

"Regional players can be very territorial," the VP observed. "They believe that the best way to drive global growth is by growing their own region. Yet the people

who run the global category are the ones who have responsibility for driving global growth. The global head of oral care, for example, needs to decide where to invest, which product lines to grow, [and] how to balance the portfolio and allocate resources across regions. But the regional head is likely to believe that this is his role because he's closer to the action.”

We helped teams at this company understand the extent of each member's responsibilities by having them do a role-clarification exercise. We began by asking team members: “How clear are you about your role and responsibilities on the team?” and “How clear are you about the other team members' roles and responsibilities?”

Then we got specific and asked each team member to define her job for the rest of the group, including the activities she carried out and the results she was responsible for. Then we asked the rest of the team members to comment. Did they agree? Did they have a different perception of that person's role and responsibilities? During the discussion that followed, several disconnects became apparent.

We have found that this exercise often results in redefining team members' roles—to the benefit of all.

3. ALIGNING AROUND DECISION-MAKING PROTOCOLS

There is often major confusion among team members regarding who will make decisions and how they will make them. The resulting bottlenecks retard the team and the organization. To increase the speed and efficiency of its decisions, every team must develop and agree on rules of engagement for decision making:

- Will decisions be made *unilaterally*—by one person with no input from others, for example?
- Will decisions be made *consultatively*—by one person after soliciting input from the fewest number who will add value?
- Will decisions be made *by consensus*—by gathering everyone's input, having the majority rule, and having those in the minority agree to live with the outcome?

Team members need to know which decision mode applies to which situations; otherwise, confusion, hard feelings, and subterfuge will result.

When setting rules for decision making, teams often find it useful to list all the decisions they are responsible for making and group them into categories: staffing decisions, budget decisions, marketing decisions, decisions related to new-product launches, and so on. They then should

decide how each category of decisions is best made.

In addition to determining how decisions will be made in a particular circumstance, team leaders need to establish who will be making them. For instance, before becoming CEO of Kinetic Concepts (San Antonio), Catherine Burzik spent two years as president of Foster City, Calif.-based Applied Biosystems (AB), where she established these decision-making protocols for her team of 15 VPs: “All strategic-level decisions were made by the full team,” she says, “but lower-level decisions were made by subteams. We operated like a board of directors that has committees to which it delegates fact finding and decision making.”

The likelihood that roles and responsibilities will overlap rises exponentially within a global team.

One of Burzik's most effective subteams was her Division Presidents' Council, which comprised the presidents of AB's four global businesses. Limiting the council to those who shouldered direct responsibility for results enabled decisions to be made faster, to be made by the people closest to the action, and to be informed by a variety of valuable perspectives—without wasting the time of other team members. The council soon came to be viewed by the larger team as one of the most effective ways in which issues common to the global businesses were raised and resolved.

Team leaders may find it helpful to impose a “no hands from the grave” rule: once a decision is made, there's no second-guessing it or trying to get around it. When such a rule isn't in place, chaos and conflict ensue.

We once worked with a large Paris-based international company that consisted of nine European apparel companies, each of which was a freestanding business that often competed with the others in the marketplace. The regional head instituted a “no hands from the grave” rule in response to a situation he repeatedly encountered in his early days as leader of the executive committee.

He would walk out of a meeting of the nine company presidents believing that the committee had agreed which styles each company president would offer, only later to receive a frantic phone call from one of the company presidents accusing another committee member of violating the agreement. When the regional head spoke to the one who had breached the agreement, that person

invariably complained that abiding by the agreement would stunt his company's profitability.

So the regional head persuaded the executive committee to abide by the principle that a decision made was a decision made—period. From then on, the company presidents didn't leave the room until a firm agreement had been reached on the issues and recorded in meeting minutes. There was to be no second-guessing and no ex post facto finessing.

Alignment is more than a buzzword; it's an essential ingredient of teams that execute effectively. The exercises I've described here have delivered results for many global teams and ratcheted up their performance by making their goals, responsibilities, and decision-making processes explicit. Achieving alignment in these three key areas—strategic and operational goals, roles and responsibilities, and decision-making protocols—results in teams that devote their talents and energies not to turf wars and subterfuge but to forwarding their companies' goals. ♦

Howard M. Guttman is the author of *When Goliaths Clash: Managing Executive Conflict to Build a More Dynamic Organization* (Amacom, 2003) and the principal of *Guttman Development Strategies*, a Ledgewood, N.J.-based management consulting firm. He can be reached at MUOpinion@hbsp.harvard.edu.

Reprint # U0702A: To order a reprint of this article, call 800-668-6705 or 617-783-7474.

Give Your Team a Challenge They Can't Resist

by Lauren Keller Johnson

It's not easy pulling a group of diverse individuals together to work as a team. Barriers abound in the form of fierce territoriality, incentive systems that reward individual rather than collective achievement, and mistrust spawned by an acquisition, merger, or major internal restructuring.

Yet at a time when companies are increasingly relying on cross-functional teams at every level to generate innovative ideas, it's more crucial than ever to tap the fresh thinking that teams can provide.

So how do you overcome barriers to teamwork and turn colleagues into collaborators? Present them with an irresistible challenge, advise management consultants Patrick J. McKenna and David H. Maister, authors of *First Among Equals: How to Manage a Group of Professionals* (Free Press, 2002).

Team challenges can take numerous forms—including a high-profile project, a process-improvement crusade, or a chance to become the “winning underdogs.” A crisis and pressure to complete a daunting task in a tight time frame (launching a new IT system, initiating a brand campaign) represent additional types of challenges. “A burning platform or aggressive deadline leaves team members no time to stall, hide, or point fingers,” says Allan Steinmetz, CEO and founder of Inward Strategic Consulting, an internal branding firm in Newton, Mass.

Regardless of the many forms team challenges can take, they share a purpose: fulfilling the deep need that most people have to be part of something larger than themselves. But defining a challenge and then inspiring your team to meet it take real savvy. “Managers must first be genuinely interested in helping people excel,” says Maister. “They also have to understand that shifting from individual work to teamwork isn't an intellectual process; it's an emotional one. You have to seduce people step by step into collaborating as a team.”

Effective managers use the following five tactics:

1. SHARE AS MUCH INFORMATION AS YOU CAN

Share with your team as much information as possible about why their effort is so important to the company. “People want to be in the know,” says John Coleman, CEO and founding partner of The VIA Group LLC, a marketing services firm in Portland, Maine. “I make

our people feel like insiders by telling them about our company's challenges.”

Judith Glaser, CEO and president of New York City-based Benchmark Communications, encourages her clients to “open up your company's closets. Put the brutal facts on the table—whether it's ‘We slipped this quarter’ or some other difficult news. You'll make people want to protect your company.” Sharing information in this manner can spur teams to rally together and establish a shared vision for what they need to accomplish.

Malvern, Pa.-based Siemens Medical Solutions USA took information sharing a step further in 2004 when then-senior organizational development consultant Katie Buckley challenged business-unit leaders at her organization to develop a graphic depiction of the company's new competitive strategy. The team's effort resulted in a diagram that lays out the cause-and-effect links required for the company to leave rivals scrambling.

FIVE HIP-POCKET TIPS FOR BUILDING TEAM EFFECTIVENESS

1. Share information

When people really understand the challenges the company faces, they are more likely to rally to help solve them.

2. Balance freedom and guidance

Effective leaders give their teams the freedom to solve problems while providing just enough guidance to keep them on track.

3. Give people room to stretch

When smart people are freed from the confines of their everyday responsibilities, some very creative ideas will surface.

4. Have some fun

This doesn't come naturally to some executives, but it can be well worth the effort. Teams require a sense of camaraderie to function at their best. A few laughs can go a long way toward building it.

5. Make the challenge visceral

When you and your team can really *feel* an issue, it takes on a whole new meaning.

The diagram and the effort required to create it united the team. The business-unit leaders realized that they had to balance allegiance to their units with their allegiance to the company and “put their ‘enterprise’ hats on,” Buckley says.

2. ASK FOR THEIR INPUT

Invite team members to share ideas for surmounting challenges. Glaser advises clients to “help people articulate the unique contributions they can offer. Ask them: ‘What are your ideas? What innovation can you bring to this effort?’”

Brian Zanghi, president and CEO of Nashua, N.H.-based Pragmatech Software, took this approach with his executive team soon after he joined the company. The challenge he put before them was to find ways to work across functions in what was a hierarchical culture. The ultimate goal? To gain customers and market share.

Complicating the task was the fact that half of the executive team members were new to the company and still feeling their way, and several “old guard” members were uncomfortable with the idea of collaborating with those outside their units.

To overcome these barriers, Zanghi asked team members to draw on their own expertise to generate ideas for cross-functional initiatives. “I don’t micromanage; that kills creativity and collaboration,” he says. But he did provide some necessary structure to their brainstorming by testing ideas with such questions as “How will this idea get customers to use our products faster than before?”

3. STRETCH YOUR PEOPLE

Draw people into a challenge by offering them the chance to use skills they don’t normally exercise in their day-to-day work. By stretching beyond their skill set, people gain experience by thinking in fresh ways—a key ingredient in effective team collaboration. They also can become a great source of innovative ideas.

Stacy DeWalt, vice president of marketing at Stamford, Conn.-based Pitney Bowes, took this approach with her team. She brought 25 people together who had deep expertise in different areas—advertising, public relations, and the Web—to brainstorm ideas for how to change the perceptions of the firm’s target audience and to elevate the importance of its products and services to the C-level audience.

DeWalt then assigned people with different expertise to subgroups and challenged them to generate ideas

outside their normal sphere of responsibility. Mass communication specialists, for instance, were charged with developing suggestions for direct-response marketing programs.

4. MAKE IT FUN, ACTIONABLE, AND VISIBLE

To put team collaboration into overdrive, inject fun into your team’s challenge. DeWalt, for instance, designed her team’s brainstorming session to mimic the TV series *The Apprentice*, in which developer Donald Trump presents aspiring businesspeople with a challenge and then “fires” mediocre performers. “Our CMO played Trump,” DeWalt says. “He told the group we were out to ‘fire’ our competitors.”

But DeWalt made it clear that there was more to the exercise than just fun. “We told the team that the company would fund their best ideas, so people knew their brainstorming was actionable.” Participants also discovered their work would be visible. After the session, the groups gathered the easels on which they’d recorded their ideas and carried them to the boardroom on the sixth floor. “All the VPs and the CMO were there,” says DeWalt. “People realized they had the executive team’s endorsement.”

DeWalt’s reward? Four of the team’s best ideas have found their way into corporate or business-unit marketing plans. Moreover, participants have begun collaborating more to seize advantage of one another’s perspectives. One young woman enamored by “makeover” series on TV suggested a “mailroom makeover.” Intrigued by her pop-culture perspective, some of her brainstorming partners have invited her input regarding other programs to get more of her ideas.

5. HELP PEOPLE FEEL THE CHALLENGE

Design exercises that let team members experience their challenge viscerally. Consider the tactics used by executives in General Motors’ Saturn division, when they recently challenged retailer teams to generate new ideas for fulfilling Saturn’s purpose: to “surprise and delight” customers. “We wanted them to experience surprising and delighting at a gut level,” says Chris Bower, manager of retail strategy and customer experience for GM. So the company designed a core-values training course in which each retail team built a bicycle to learn how best to work together. Next the teams had to design a “delivery experience” meant to surprise and delight the new bike owners.

After the teams developed their strategies, facilitators

Give Your Team a Challenge *continued*

brought children from the local community into the room and presented them as the new bike owners. Neither the youngsters nor the Saturn teams knew of the plan ahead of time. “The teams not only surprised and delighted the kids,” says Bower, but they experienced those feelings themselves.

Team members thus gained a visceral understanding of what they were trying to achieve. The “surprise and delight” they themselves experienced during the exercise proved a powerful motivator to solving the challenge they had been presented by Saturn’s leaders. ♦

Lauren Keller Johnson is a Massachusetts-based writer. She can be reached at MUOpinion@hbsp.harvard.edu.

Reprint # U0711B: To order a reprint of this article, call 800-668-6705 or 617-783-7474.

Powering Up Team Creativity and Effectiveness

Five Questions About How Leaders Influence Creativity

We often assume that leadership, especially charismatic leadership, plays a central role in spurring creativity and innovation. But there's little empirical basis for this belief, says Teresa M. Amabile, Edsel Bryant Ford Professor of Business Administration at Harvard Business School. She and her colleagues Elizabeth Schatzel, Giovanni Moneta, and Steven Kramer studied the daily diaries of members of 26 high-powered project teams headed by middle managers. The researchers were struck by the profound ways in which a manager's ordinary, routine interactions with subordinates can support—or undermine—creativity.

1. HOW CRUCIAL IS IT FOR LEADERS TO GENERATE CREATIVE IDEAS OR SUGGESTIONS?

Most of the successful leaders we studied did not, by their own behaviors, directly inspire creative ideas in the people they were leading—they didn't present some lightning-bolt idea that then sparked team members' creativity. Instead, there was an intervening process whereby seemingly trivial behaviors that leaders engage in on a day-to-day basis would have a profound indirect influence.

We found that much of what these leaders said and did led team members to feel either more or less supported by the leader. That perceived leader support seemed to influence creative work down the road. We theorize that high levels of leader support are important for creativity because they influence people's sense of ownership and competence in the work, which leads to deeper, more motivated involvement in the work.

2. SO IS A FOCUS ON TASK MANAGEMENT WHAT REALLY MATTERS?

Task-oriented behaviors focus on getting the job done: clarifying roles and responsibilities, planning and organizing projects, and monitoring the work. Relationship-oriented behaviors focus on the socio-emotional: showing consideration of subordinates' feelings, acting friendly and personably to them, and being concerned for their welfare.

But every leader behavior, no matter how task-oriented, is likely to convey information about the leader-subordinate relationship. Similarly, even the most relationship-oriented behavior is likely to have consequences for the subordinate's task engagement. Effective leaders integrate task and relationship management.

In this regard, I don't think the management literature

has paid sufficient attention to the ways in which leadership can fail. Our analysis of team members' diary entries revealed that the negative leader behaviors evoked more emotionality than the positive behaviors. Moreover, the absence of a negative behavior often caught the subordinate's attention, whereas the unexpected absence of a positive behavior tended to go unnoticed.

3. OK, LET'S LOOK AT THE NEGATIVE BEHAVIORS FIRST

The negative form of three behaviors—monitoring, problem solving, and clarifying roles and responsibilities—were the key correlates of diminished feelings of leader support: micromanaging the details of high-level subordinates' work, failing to address difficult technical or interpersonal problems, and giving assignments without sufficient regard for the capability or other responsibilities of the subordinate receiving them. Stopping these negative behaviors could yield significant improvements in subordinates' thoughts, feelings, and creative performance.

4. AND WHICH BEHAVIORS DID THE MOST TO PROMOTE FEELINGS OF LEADER SUPPORT?

There were four: monitoring effectively (obtaining information about the progress of a project without undercutting the subordinate's sense of autonomy), consulting (demonstrating an openness to subordinates' ideas), supporting (helping alleviate stressful situations, keeping members informed), and recognizing (showing empathy for subordinates' feelings, especially their need for recognition).

5. MONITORING SHOWS UP AS BOTH A KEY NEGATIVE AND A KEY POSITIVE BEHAVIOR

That's right. Subordinates, contrary to popular opinion, don't just want leaders to get out of their way; instead, they want a particular kind of monitoring. The contrast here is not between micromanagement and doing nothing, it's between micromanagement and consultation. Consultation is very important to subordinates: they want to be given responsibility, but they also want the leader to keep in touch, to ask for their views, to ask about issues that she can help with. ♦

Reprint # U0312D: To order a reprint of this article, call 800-668-6705 or 617-783-7474.

The Monday Morning Meeting: Best-Practice Communication for Executive Teams

How to foster better communication and shared accountability in senior teams.

by Marty Linsky

Does your company's executive team struggle with chronic communication problems and a lack of shared accountability? Many times when my colleagues and I are called in to help out an organization, we find that these two core issues underlie their problems.

Consider the diverse challenges facing these very different organizations: A global petrochemical company struggling to create a coherent strategy after merging with a firm much unlike itself. A small advertising and design house trying to manage itself during a time of rapid growth. A public agency facing a series of budget cuts that threaten core services and deeply held values. An established bank losing market share to new boutique players coming into its market and cherry-picking high-margin products.

In each case, the organization's leaders couldn't—or wouldn't—communicate fully and frankly with one another, and they had little real sense of themselves as a team, pulling together for the common good.

When communication is stifled and turf protection is the order of the day, an organization's senior leadership team is less than the sum of its parts and cannot grapple with strategic and operational challenges most effectively.

When communication is stifled and turf protection is the order of the day, an organization's senior leadership team is less than the sum of its parts and cannot grapple with strategic and operational challenges most effectively. Expertise and energy go untapped: less than frank communication sometimes means that team members do not know the full extent of one another's issues, and a lack of shared accountability leads some to think, Hey, that's his problem, and he's got to fix it.

In contrast, two qualities characterize high-functioning leadership teams: (1) hard conversations happen—difficult issues move quickly from people's heads to the conference table, and (2) accountability is shared—individuals on the top team feel a responsibility to the organization as a

whole, not just for their piece of the action.

To take senior teams to a new level of leadership, we have put together a model of communication that we call The Morning Meeting (TMM). It's a deceptively simple name for an intricately ritualized event that has delivered significant payoffs to the organizations that have put it into practice: Backbiting and turf protection are dramatically reduced. Tough problems are addressed while they are still manageable. Issues

THE PAYOFFS

Here are some of the most significant benefits that Cambridge Leadership Associates has seen in different organizations that have adopted some version of The Morning Meeting:

- Backbiting, intrateam conflicts, turf protection, and second-guessing are dramatically reduced. Everyone owns every decision made in the meeting.
- Competition for face time with the CEO goes away.
- "Crises" can be addressed with detachment. When a vice president rushes into the CEO's office looking for help with a decision during a crisis, the CEO can say, "Bring it up at the meeting tomorrow" or "OK, let's get the group together now."
- Team members feel a responsibility for the organization as a whole. Any problem that one team member has becomes a team problem, and thereby everyone benefits from the experience and insight of the entire team.
- Miscommunication is minimized. Everyone is quickly and clearly on the same page.
- Difficult conversations are the norm, and tough issues do not fester until they explode but are addressed while they are still manageable.
- People and issues can no longer hide.
- Top team members do their homework better. When "you stay off my turf and I'll stay off yours" rules apply, executives often feel their obligation ends with providing information. But when group accountability is the norm, executives are motivated to prepare more fully for discussions of business challenges.

cannot be covered over, and people can no longer hide. Ownership increases.

WHAT TMM LOOKS LIKE

The genesis for the TMM model was an organization we worked with where the top team met every morning, every day, at the same time. Because this meeting was where the big decisions got made, admittance was a highly valued privilege. Executives who were on the road called in, unless time-zone differences made such virtual attendance impossible.

Here's how TMM in its purest form works: Every day, at the same time, the top team—numbering between six

and 15 people, both staff and line—assembles around a conference table, either in person or virtually. Also at the table are one or two others who either are responsible for an important current initiative or are valued for their area of expertise.

There's no preset agenda. While the CEO sits at the head of the table, if there is such a spot, he does not run the meeting, and everyone sits in the same place each day. Around the conference table on folding chairs, in a sort of gallery, are a handful of deputies and executive assistants to the principals at the table. Sometimes the CEO will have an issue or two to begin the meeting. More often, the CEO defers to the person seated to his left, the No. 2 person—the chief of staff, deputy CEO, or COO—who starts things off and runs the meeting. When No. 2's issues are fully discussed, the person seated to the left of No. 2 raises any issues of concern, and so on, moving clockwise around the table. Once everyone at the table has had an opportunity to speak, everyone in the gallery leaves and the top team members get a chance to go around the table again. In this second phase of the meeting, executives discuss highly sensitive issues, such as legal and personnel matters, that demand a higher level of confidentiality. Depending on the size of the group and the complexity and number of issues, the entire meeting can take as little as 15 minutes or as long as two hours.

NOT TALKING ABOUT IT DOESN'T MAKE IT GO AWAY

My colleagues and I were asked to sit in on a meeting of the top team of a petrochemical company that was undergoing a merger. As the meeting got under way, the only member of the team not in attendance was the CEO, who was supposed to join us for the second hour. About a half-hour into the meeting, during a conversation about external challenges, one of my colleagues asked the group how the merger was going. A torrent of frustration and concern poured forth, revealing the tension at the table between folks who had come from the parent firm and those from the acquired firm. It quickly became clear that the two companies had different values and distinctly different ways of doing business.

Halfway through the meeting, the CEO made his baronial entrance. After some polite preliminaries, we asked him how the merger was going. He responded without a moment's hesitation: "All of that is way behind us," he said.

We turned to the group. "Everyone agree with that?" we asked. No one spoke. We pushed. "Is there any way in which the business challenges you're facing are related to post-merger relationships?" Nothing.

This experience illustrates what happens when communication and cultural issues are deemed, by executive fiat, not to exist. Without license to speak openly about internal issues and resolve them, an executive team cannot hope to meet external challenges successfully. If the members of the top team cannot challenge the CEO's interpretation of reality and can deliver only good news, those challenges will not go away. They will live in people's heads and in the conversations around the coffee machine, until a full-blown crisis finally brings them into the open.

THE GROUND RULES

- Anyone can put anything on the table for discussion; it doesn't have to be related to one's own area of responsibility. All are expected to be willing to comment on every issue raised, even those that lie beyond their technical expertise or area of responsibility.
- These are decision meetings, but issues are not just raised and resolved. Implementation plans are broadly outlined and agreed on, and internal and external communication strategies may be considered. Sometimes, with particularly sensitive issues, the exact language that everyone around the table is going to use is hammered out.
- Once an issue is fully vetted, the CEO determines the rule that will govern it. He decides whether he'll be the one to make the final call, whether a particular individual or subgroup will make it, or whether it will be made by group consensus.
- Changing one's mind, even in the middle of the conversation, is OK, even respected. Not having an opinion is not.

▪ There are no arguments about factual questions. Participants are to get the facts and raise the subject at the next meeting. Keep in mind, however, that fact questions are sometimes masks for deeper value-laden issues. An argument about the cost of opening a remote office might mask strategic concerns about whether expansion is a good idea.

On the surface, TMM is about communication, but embedded within it are norms and values critical for organizations that must deal with difficult issues and adapt nimbly to new situations.

MAKING IT WORK IN YOUR ORGANIZATION

When we try to introduce some variant of TMM into an organization, we often are met with resistance: “We can’t do that here.” “We’re too busy.” “How can so many senior people keep their schedules so flexible every day?” Our experience, however, is that the resistance masks anxiety about leaving a familiar, if dysfunctional, mode of operating. (Being “too busy” is a way of feeling valuable.) Members of the top team have grown comfortable with the autonomy they have, with their one-on-one relationship with the CEO and with other team members, and with not having the responsibility of worrying about the organization as a whole. Having those conversations around the coffee machine sometimes feels safer than

having them in a formal meeting.

That said, the TMM model is a flexible one. Not all executive teams will need to institute it daily to see benefits; one firm we worked with has had considerable success with a weekly meeting. During a crisis or during organization-wide change initiatives, we advise holding the meeting daily. When things are running smoothly, meeting less frequently can deliver positive results.

Of course, complexity and challenges do not exist solely within the upper reaches of an organization. Division and unit heads can adapt the model to foster better decision making and execution within their teams.

On the surface, TMM is about communication, but embedded within it are norms and values critical for organizations that must deal with difficult issues and adapt nimbly to new situations: an openness to considering multiple perspectives, a willingness to share responsibility for finding creative solutions, and the discipline to move consistently from strategy to execution. ♦

Marty Linsky is cofounder and principal at Cambridge Leadership Associates, a leadership development consulting practice; a longtime member of the faculty at Harvard’s John F. Kennedy School of Government; and coauthor, with Ronald A. Heifetz, of Leadership on the Line: Staying Alive Through the Dangers of Leading (Harvard Business School Press, 2002). He can be reached at MUOpinion@hbsp.harvard.edu.

Reprint # U0711D: To order a reprint of this article, call 800-668-6705 or 617-783-7474.

How to Get the Best Solutions from Your Team

Avoid two common decision-making traps that confront leaders.

by Robert B. Cialdini

Smart organizations place a premium on group consultation. Studies done by psychologist Patrick Laughlin at the University of Illinois and his colleagues show that the approaches and outcomes of a cooperating group are not just better than those of the average group member, but are better than even the group's best problem solver functioning alone.

Their findings have important implications for leaders. Far too often, a leader—who, by virtue of greater experience or wisdom or skill, is deemed the ablest problem solver in a group—fails to ask for input from team members. Equally dangerous, team members often relinquish problem-solving responsibilities to the leader and fail to provide her with important information for moving forward on a decision.

The consequences? Bad choices, flawed solutions, and avoidable errors.

DON'T GO IT ALONE

Laughlin's data tells us why even the strongest problem solver operating individually will be bested by a cooperating unit.

First, the lone problem solver can't match the diversity of knowledge and perspectives of a multiperson unit that includes him. Other members will have had experiences with similar or related problems that will allow the team to recognize fruitful versus fruitless choices more clearly and quickly. Furthermore, this diverse input can do more than merely add to the storehouse of information that the best problem solver can employ; it also can stimulate thinking processes that would not have developed in wholly internal monologues. We all can recall being led to a productive insight by the comment of a colleague who didn't deliver the insight itself but who sparked an association that did the trick.

Second, the solution seeker who goes it alone loses a significant advantage—the power of parallel processing. Whereas a cooperating unit can distribute the many subtasks of a problem-solving campaign among its members, the lone operator must perform each subtask sequentially. This requirement considerably extends the time spent on the effort. In addition, it strains the capacities and energies of the problem solver because the subtasks often include activities that are daunting in their difficulty (e.g., integrating complex information that may

appear contradictory), time-consuming in their execution (e.g., library/Internet research), or demotivating in their tediousness (e.g., fact checking).

THE NOBEL PRIZE-LOSING ERROR

These findings echo a remarkable interview published in 2003 on the 50th anniversary of perhaps the most important scientific discovery of our time—that of the double-helix structure of DNA, as revealed in the Nobel Prize-winning work of James Watson and Francis Crick. The interview, with Watson, was designed to inquire into those aspects of the duo's efforts that had led them to untangle DNA's complex structure ahead of an array of highly accomplished rival investigators.

At first, Watson ticked off a set of contributory factors that were unsurprising: he and Crick were passionate about their quest, devoting themselves single-mindedly

“If you're the brightest person in the room, you're in trouble.”

to the task, and they were willing to try approaches that came from outside their areas of familiarity.

Then he added a stunning reason for their success: he and Crick had cracked the elusive code of DNA because they weren't the most intelligent of the scientists pursuing the answer. According to Watson, the smartest of the lot was Rosalind Franklin, a brilliant British scientist who was working in Paris at the time.

“Rosalind was so intelligent,” observed Watson, “that she rarely sought advice. If you're the brightest person in the room, you're in trouble.” That comment illuminates a familiar error seen in the actions of many well-intentioned leaders.

CAPTAINITIS

Another type of error stems from a failure to collaborate. It's called *captainitis*, and it refers not to the tendency of a leader to assume all problem-solving responsibilities but rather to the tendency of team members to opt out of responsibilities that are properly theirs.

The error gets its name from the sometimes-deadly type of passivity exhibited by crew members of multipiloted

aircraft when the flight captain makes a decision that's clearly wrong. Accident investigators have repeatedly registered disastrous instances when even an obvious error made by a captain was not corrected by other crew members.

Consider the following exchange, recorded on an airliner's flight recorder minutes before it crashed into the Potomac River near Washington National Airport in 1982, killing 78 people:

Copilot: Let's check the ice on those tops [wings] again, since we've been sitting here awhile.

Captain: No. I think we get to go in a minute.

Copilot: [*Referring to an instrument reading*] That doesn't seem right, does it? Uh, that's not right.

Captain: Yes, it is...

Copilot: Ah, maybe it is. [*Sound of plane straining unsuccessfully to gain altitude.*]

Copilot: Larry, we're going down!

Captain: I know it. [*Sound of the impact that killed the captain, copilot, and 76 others.*]

Captainitis is not limited to air travel. In one study, researchers tested the willingness of well-trained nurses to give up their decision-making responsibilities regarding a patient once the "boss" of the case—the attending physician—had spoken. To perform the experiment, one of the researchers made a call to 22 separate nurses' stations on various surgical, medical, pediatric, and psychiatric wards. He identified himself as a hospital physician and directed the answering nurse to give 20 milligrams of the drug Astrogen to a specific ward patient. In 95% of the instances, the nurse went straight to the ward medicine cabinet, secured the ordered dosage of the drug, and started for the patient's room to administer it—even though the drug had not been cleared for hospital use, the prescribed dosage was twice the maximum daily dose set by the manufacturer, and the directive was given by a man the nurse had never met or even talked with before on the phone.

The authors of the study concluded that in fully staffed medical units like the ones they examined, it is natural to assume that multiple "professional intelligences"—i.e., the doctors', nurses', and assistants'—are working to ensure that the best decisions are made. But in fact, under the conditions of the study, only one of those intelligences—the physicians'—may be functioning. It

appears that the nurses unhooked their considerable professional intelligences in deferring to the doctor.

Yet the nurses' actions are understandable. Regarding such matters, the attending physician is both *in* authority and *an* authority. That is, the doctor is, first of all, in charge and therefore able to sanction noncompliant staffers. Second, the doctor possesses the superior medical

By assuring team members that their contribution will inform the final decision, leaders communicate the value they place on each member's effort.

training that can lead others to defer automatically to his expert status.

Accordingly, we shouldn't be surprised when medical staffers are reluctant to challenge a physician's treatment pronouncements. Nonetheless, we should be more than a little disquieted by this behavior, not just because of the way it could play out during our next hospital visit, but because of the way it could affect any work setting, including our own.

IMPLICATIONS FOR LEADERS

What common lesson emerges from the two kinds of errors we have considered? Leaders attacking a knotty problem must collaborate unflinchingly with team members toward its resolution—even when they are the best informed or most experienced or ablest of the group.

But isn't there a different type of gamble that a fully collaborative leader takes? Doesn't this approach risk the notoriously poor outcomes of decision by committee? No. The recommendation here isn't to employ vote taking or nose counting when making hard business determinations. In fact, the recommendation here isn't for joint decisions at all in such instances. The final decision is properly the leader's alone to make. That's one thing leaders are paid for, typically because they've given evidence of being able to make such choices better than the people who haven't achieved leader status.

However, the key to decision-making success is for the leader to avoid engaging alone in the processes that lead up to the final verdict. It is these predecisional processes that, when jointly undertaken, will benefit the sole decision maker so richly.

If leaders who arrange for regular team input can

expect to achieve problem-solving gains, might they also expect to lose something else in the bargain—for instance, subsequent rapport with and input from those whose ideas are rejected? Sometimes members' egos can be bruised, and they can feel discouraged if the leader doesn't adopt their proposal or favored course of action.

Fortunately, when inviting cooperative efforts, leaders can take an approach that generates high levels of collaboration while avoiding this problem. By assuring everyone with a stake in the decision process that her contribution—while perhaps not the deciding factor—will inform the final decision, leaders communicate the value they place on each team member's effort. In so doing, they can ensure that all the benefits of group problem solving—access to multiple sources of knowledge and experience, parallel processing, the building of one idea upon another—will continue to flow their way. ♦

Robert B. Cialdini is Regents' Professor of Psychology at Arizona State University, author of the classic book *Influence: Science and Practice* (4th ed., Allyn & Bacon, 2001), and president of *Influence at Work*. He can be reached at MUOpinion@hbsp.harvard.edu.

Reprint # U0705C: To order a reprint of this article, call 800-668-6705 or 617-783-7474.

Creative Leadership: Be Your Team's Chief Innovation Officer

by Judith A. Ross

Creativity is an organization's lifeblood, driving the innovations that fuel its growth, extend its reach, and revitalize its processes. But creativity doesn't happen in a vacuum.

Substantial research demonstrates the connection between the characteristics of a work environment and the quality of the creative problem solving that comes out of it. Whether you lead a project team or an entire workforce, you have the power to greatly enhance—or completely drain—your team's ability to think creatively.

So what can you do to create a work environment where novel ideas are incubated, born, and grown into value-adding innovations? Plenty, say the researchers and practitioners who spoke to HMU about enhancing a team's innovativeness.

First of all, remember that innovation isn't limited to product and service innovation. As strategy guru and London Business School professor Gary Hamel noted in his keynote address at the recent Fortune Innovation Forum, creating new products and services is but one way that organizations innovate their way to better performance. Novel solutions to stubborn manufacturing problems, new operational processes that add speed and slash costs, and fresh approaches to R&D, marketing, or talent management—all are examples of innovations that can add substantial value to the bottom line.

To encourage in your team the sort of innovative thinking that can add value in myriad ways, say the experts, focus your efforts in these four areas:

1. ESTABLISH CLEAR GOALS AND THEN LET YOUR PEOPLE FIND THEIR OWN WAY TO THEM

People's creativity is driven to a significant degree by their interest in and excitement about the work. So use that lever to its fullest advantage, and give them work that allows them to build on their strengths and stretch into new areas. This means constructing a clear set of goals so they understand the end point they are reaching for, without being too explicit about what route to take.

"Make the goals broad enough to allow people different pathways to get there. That's where they are likely to discover new and better products or processes," says Teresa Amabile, the Edsel Bryant Ford Professor of Business Administration at Harvard Business School and an expert on creativity. "For example, if the task is to find

a polymer that will produce a harder shell for motorcycle helmets, stress the goal but don't require that they use a specific chemical in a particular way."

When Seaman Corporation, a manufacturer of woven and coated fabrics, unexpectedly found itself operating at a loss in early 2005, CEO Richard Seaman met with his management team and challenged them to find ways to return the company to profitability. Two significant obstacles confronted the Wooster, Ohio-based company:

ARE YOU BOOSTING OR KNEECAPPING YOUR TEAM'S CREATIVE EFFORTS?

Teresa Amabile, the Edsel Bryant Ford Professor of Business Administration at Harvard Business School, recently completed a study based on daily electronic diaries collected from 238 professionals who worked directly with a team leader on one of 26 project teams in seven companies from three different industries. Her research found that feelings powerfully affect people's day-to-day performance, that those feelings are strongly influenced by daily events, and that the team leader's behavior significantly shapes those events. For instance, good team leaders:

- **Clarify roles and objectives.** Effective team leaders give people a clear sense of what the overall project objectives are and why the project is important, and help them figure out who will do what. They avoid changing assignments or objectives frequently, and giving assignments that are not appropriate for the person's skill level or that conflict with other managers' instructions.
- **Recognize and reward good work.** Giving people tangible rewards such as higher pay for good work has a very positive impact, but so does simply giving recognition—especially public recognition.
- **Support people.** Good team leaders show support for people's actions or decisions, unless they were clearly wrong. They help relieve unnecessary stress, and they keep people informed about stressful issues. Finally, they address negative incidents, thoughts, and feelings, rather than ignoring them.

For more on Amabile's research into increasing team creativity, see "Creativity Under the Gun," *Harvard Business Review* (August 2002), # 1571.

(1) a dramatic rise in petrochemical prices meant that its raw material costs had reached unprecedented levels; and (2) a projected increase in sales had failed to materialize, leaving the company with excess capacity. He gave them the authority to implement the changes they thought necessary to turn the company around. And then he stepped aside and let them go to work.

His confident hand-off was rewarded. Within 90 days, the team returned the company to profitability. They did this by concentrating their efforts in two areas: introducing price increases quickly into the marketplace and reducing manufacturing capacity. Says Seaman: “The creative component was how effectively the management team was able to communicate to our customers the need for price increases and give them the information to communicate this need to their customers.”

The company’s sales, marketing, and customer-service teams agreed on a straightforward message they’d deliver to customers: the recent rise in crude oil prices—which few of the company’s customers had failed to notice at the gas pump—had sent Seaman’s raw materials costs skyrocketing and increased its transportation and facilities costs as well. The company had no choice but to pass some of these costs on to its customers. The concerted, coherent communication plan paid off, and Seaman was able to achieve significant price realization in the marketplace.

The management team also found ways to rapidly dial down the manufacturing operations—which, until very recently, they had been working hard to ramp up to meet a projected 20% increase in sales. Because Seaman line workers are trained in a variety of manufacturing applications, managers were able to shift many employees to more labor-intensive operations, avoiding mass layoffs. This had the side benefit of keeping morale up during a difficult time.

2. MONITOR THEIR WORK—AT A DISTANCE

As your team members work their way toward the goals you’ve set, keep an eye on them—but not too close an eye. Frequently checking on the status of assigned work, probing for every detail, and asking a team member the same questions over and over again—micromanaging in this way squashes employees’ self-confidence and intrinsic motivation, tolling the death knell for their creativity and innovativeness.

Show an interest in what they are doing and offer constructive, carefully phrased advice. Seaman points out how important it is for leaders to be sensitive to the

potential impact of their words. “If I don’t acknowledge the idea and instead respond with a different solution, the person will think I am dismissing his idea,” he says. So when a team member describes an idea to him, Seaman first listens carefully and acknowledges what he hears. Then he coaches the person in critiquing the idea and looking for ways to evolve it further.

Leading a team of people engaged in creative work requires a balanced approach. According to Fred Senn, coauthor of *Juicing the Orange: How to Turn Creativity into a Powerful Business Advantage* (Harvard Business School Press, 2006) and cofounder of the Minneapolis-based advertising agency Fallon Worldwide, “People do want to be led, but you must let them make mistakes, have room to think, [and] present their own work, and give them credit for their own work.”

Giving employees credit for their work—even if it’s incomplete—is a crucially important task for a leader. “Failing to show that you noticed good work is extraordinarily demotivating,” says Amabile, and can stop employees’ creativity in its tracks.

While verbal recognition given publicly or privately often will suffice, rewards that carry commemorative value are especially meaningful. Avery Research Center (part of the Pasadena, Calif.-based Avery Dennison Corp., an office supplies company), for example, recognized team and individual creativity by awarding its scientists with gold coins. “These have an obvious monetary value, but they also hold an intrinsic, artistic value. The scientists often planned to hand them down to children and grandchildren,” says Paul Germeraad, former director of corporate research at Avery Research Center.

3. FACILITATE YOUR TEAM’S WORK

To boost positive emotion in team members and enhance their creativity, support them and facilitate their work however you can. “Selling” their work to others in the organization, gathering needed information for them, removing obstacles in their path: All these actions can have a profound impact on the quality and speed of their work. Amabile conducted a study that examined diary entries made by professionals engaged in creative work. (See the sidebar for more on this research.) The results achieved by two teams whose leaders took very different actions present a stark contrast.

The leader of one team—let’s call it Team A—took the time to gather external information for his team that facilitated their work. What’s more, he also was careful to “sell” his team’s project to other parts of the organization

so that when his team members tapped their colleagues for information or resources, it would be more readily given. In contrast, the leader of what we will call Team B did none of these things.

By facilitating his team's work and acting as the team's advocate throughout the organization, Team A's leader provided his team with the content and context they needed for creative idea generation and motivated them to tackle their project's complexities. He was amply repaid for his efforts—and in a way that perpetuated the team's success: the team's greater level of creative output gave him tangible results to point to whenever he was called on to sell or justify the project, thus encouraging others in the organization to see the project's worth and lend further support to the team's work.

The leader of Team B neither funneled needed information to his team nor advocated for its work, helping push his team's performance into a downward spiral.

Amabile says that she and her colleagues saw this pattern “over and over again in the diaries,” where teams wasted valuable time and energy in a struggle to get information and resources. Leaders who want their teams to create and innovate successfully, she says, “need to make sure their teams have access to information, resources, and equipment.”

When Germeraad was at Avery Research Center, he maintained a “war room” that graphically laid out strategic information on each of its four walls: maps of technologies the company was directly working on as well as those they were following throughout the world; competitor information; Avery Dennison incremental R&D, next-generation, and breakthrough projects; and consumer needs, covering trends developing throughout the world.

The information provided team members with at-a-glance access to needed facts and figures when they were strategizing about the development of new products or planning the rollout of others. And the graphical setup often highlighted urgent problems that ultimately led to innovative solutions.

In one instance, the maturity of products displayed on the technology wall viewed against the wall containing divisional growth plans underscored the need for new products. “You could just look at the two walls and see there was a complete disconnect. It helped launch an effort to come up with the unusual technology, business models, and feature sets that would make those two walls mesh,” says Germeraad, now founder and president

of Intellectual Assets in Saratoga, Calif. The gap was ultimately addressed through the development of a new kind of adhesive for the automobile industry.

4. CREATE FRUITFUL IDEA-GENERATION AND IDEA-EVALUATION PROCESSES

Creating and evaluating ideas is a crucial piece of the innovation process. Professor Gerard Puccio, director of the International Center for Studies in Creativity at Buffalo State College, State University of New York, and coauthor of *Creative Leadership: Skills That Drive Change* (Sage, 2006), suggests this framework for helping leaders and their teams generate and assess ideas:

Separate idea generation from idea evaluation.

These are two fundamentally different tasks calling for different kinds of thinking. “When these two processes get mixed up, poor decisions are made. In a meeting, ideas are often thrown out and judged simultaneously. As a result, people prematurely discard good options before they are fully realized,” says Puccio.

Aim for quantity.

During the idea-generation stage, aim for quantity, Puccio says. “It is much better to have a menu of 10 meals to choose from than three,” he says. Why? Having more ideas to choose from increases the likelihood of uncovering a breakthrough idea—research shows that the most innovative ideas surface only after an extended period of idea generation. It also increases learning because every new idea is an opportunity to discover what will or will not work. Moreover, it inhibits a natural tendency to pick the first idea that seems workable.

Seek connections.

Puccio also suggests that leaders encourage the team to reach for associations between ideas on the table and other contexts. “Piggybacking” off other ideas and comments has several benefits, including increasing the likelihood of obtaining unusual responses and solutions, encouraging flexible thinking, aiding in the elaboration on initial ideas, and, finally, stimulating the cross-fertilization of ideas.

Invest at least as much time in assessing and selecting ideas as you did generating them. Balance intuition (which helps determine the most promising ideas) with critical analysis (which ensures that you objectively test and refine your subjective insights) to make certain the best alternatives rather than the most expedient ones are selected and then developed.

Creative Leadership *continued*

Once you switch into evaluation mode, Puccio recommends the following two steps:

Apply affirmative judgment.

When judging an option, carefully consider both the positives and the negatives. Don't look strictly for weaknesses and shortcomings. You may overlook an option with a shortcoming that, if overcome, could be ideal.

Check your objectives.

Set clear criteria for success around such areas as market, budget, and time frame. As you review your options, ask questions such as:

- How well will the idea enable us to better meet customers' needs?
- Will our budget allow us to execute this idea?
- Can we implement this idea within our target time frame?

Asking these questions and figuring out the answers, says Puccio, "is also a way to refine an idea and guide development. You may be able to mold a fantastic idea so it fits within your criteria."

Chances are good that your team possesses the know-how, intelligence, flexibility, and creativity to generate value-adding innovations in both products and processes alike. Your job as their leader is to give them the tools and establish the context that will allow them to do so. ♦

Judith A. Ross is a freelance business writer based in Concord, Mass. She can be reached at MUOpinion@hbsp.harvard.edu.

Reprint # U0703A: To order a reprint of this article, call 800-668-6705 or 617-783-7474.



Harvard Management UPDATE

To subscribe to *Harvard Management Update*, call 800-668-6705. Outside the U.S., call 617-783-7474. Or visit www.harvardbusinessonline.org.