

Making the Team

A Guide for Managers



Leigh L. THOMPSON

Sixth Edition

MAKING THE TEAM: A GUIDE FOR MANAGERS

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For my home team: Bob, Sam, Ray, and Anna

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PREFACE

Making the Team has two audiences: leaders and team members. For leaders, the book provides direction about how teams can be designed to function optimally; for team members, the book focuses on the skills necessary to be productive.

Since the publication of the first five editions, many advances have occurred in team and group research. Every chapter has new information, new research, updated examples, and more. Specifically, I have made the following major changes to the sixth edition of *Making the Team*:

- 1. Revised chapter structure:** The order of the chapters is slightly changed to reflect the revised three-part structure of the book: Building the Team, Team Performance, and Teams in Organizations. The book still contains 13 chapters (suitable for semester or quarter-length courses). Rewarding Teamwork is now an appendix. And Virtual Teams and Multicultural Teams are each separate chapters.
- 2. Internal structure of chapters:** Most of the chapters have new subheads that reflect new theories, research, and topics.
- 3. New, updated research:** True to the book's defining characteristic—providing managers with the most up-to-date research in a digestible fashion—I have included the latest research about teamwork and group behavior, thus keeping the book true to its strong research focus and theory-driven approach.
- 4. Surveys of managers and executives:** The updated research also reports on the survey of executives that we have conducted at Kellogg for the past 17 years. The survey in the first edition reported the responses of 149 managers and executives; the sixth edition has a database of more than 1,200 team managers.
- 5. New research studies:** More than 220 new research studies have been cited.
- 6. More case studies:** I have included more examples and illustrations of effective (as well as ineffective) teamwork. More than 160 new case studies and examples of actual company teams have been added. And, each chapter has a new, updated opening example.
- 7. Illustrations and examples:** Many of the concepts and techniques in the chapters are supplemented with illustrations and examples from real teams, both contemporary and historical. I do not use these examples to prove a theory; rather, I use them to illustrate how many of the concepts in the book are borne out in real-world situations.

New exercises, cases, and supplemental material: The supplemental material and teaching support materials have been greatly improved so as to complement the text. This allows students to have a more integrated experience inside and outside of the classroom. The book strongly advocates experientially based teaching, and the instructor now has even more options for making the concepts come alive in the classroom. All of the supplements are available on Pearson's Instructor's Resource Center; instructors should contact a Pearson sales representative to be assigned a user name and password. I have also developed a MOOC (massive online open course) that anybody, anywhere in the world can enroll in for no charge: *High Performance Collaboration: Leadership, Teamwork, and Negotiation* (on coursera). In addition, I have developed Teamwork

101, which contains four 15-minute videos about teamwork, accessible by: http://www.kellogg.northwestern.edu/news_articles/2014/12202014-teamwork-101.aspx, or simply Google “teamwork 101 Kellogg.”

The revision was sparked not only by advances—as well as calamities—in the corporate world, but even more, by the great scientific research about teamwork that my colleagues have relentlessly contributed to the field of management science in the years since the first edition was published.

One of the reasons why I love this field is that there are so many wonderful people with whom to collaborate. The following people have had a major impact on my thinking and have brought joy and meaning to the word collaboration: Cameron Anderson, Linda Babcock, Max Bazerman, Terry Boles, Jeanne Brett, Susan Brodt, John Carroll, Hoon-Seok Choi, Taya Cohen, Jennifer Crocker, Susan Crotty, Jeanne Egmon, Hal Ersner-Hershfield, Gary Allen Fine, Craig Fox, Adam Galinsky, Wendi Gardner, Dedre Gentner, Robert Gibbons, Kevin Gibson, James Gillespie, Rich Gonzalez, Deborah Gruenfeld, Brian Gunia, Erika Hall, Reid Hastie, Andy Hoffman, Elizabeth Seeley Howard, Molly Kern, Peter Kim, Shirli Kopelman, Rod Kramer, Laura Kray, Terri Kurtzberg, Sujin Lee, Geoffrey Leonardelli, John Levine, Allan Lind, George Loewenstein, Jeff Loewenstein, Bob Lount, Denise Lewin Loyd, Brian Lucas, Beta Mannix, Kathleen McGinn, Vicki Medvec, Tanya Menon, Dave Messick, Terry Mitchell, Don Moore, Michael Morris, Keith Murnighan, Janice Nadler, Maggie Neale, Erika Petersen, Kathy Phillips, Jason Pierce, Robin Pinkley, Jo-Ellen Pozner, Mark Rittenberg, Ashleigh Rosette, Ken Savitsky, David Schonthal, Vanessa Seiden, Catherine Shea, Marwan Sinaceur, Ned Smith, Harris Sondak, Tom Tyler, Leaf Van Boven, Kimberly Wade-Benzoni, Cindy Wang, Juinwen Wang, Laurie Weingart, Judith White, and Elizabeth Ruth Wilson.

The revision of this book would not have been possible without the dedication, organization, and creativity of Ellen Hampton, Larissa Tripp, and Joel Erickson, who created the layout, organized the information, edited the hundreds of drafts, mastered the figures, organized the permissions for the exhibits in each chapter, and researched many of the case studies for this book.

In the book, I talk quite a bit about the “power of the situation” and how strongly the environment shapes behavior. The Kellogg School of Management is one of the most supportive, dynamic environments that I have ever had the pleasure to be a part of. My colleagues across the Kellogg School are uniquely warm, constructive, and generous. Directing the KTAG (Kellogg Team and Group) Center has been a pleasure beyond compare. I am very grateful for the generous grants I have received through the years from the National Science Foundation’s Decision, Risk and Management Program, the Kellogg Team and Group Center, and its sister, the Dispute Resolution Research Center.

This book is very much a team effort of the people I have mentioned here; their talents are diverse, broad, and extraordinarily impressive. I am deeply indebted to my colleagues and students, and I am grateful that they have touched my life. I would like to thank Paul Capobianco for the photograph of the University of Wisconsin Men’s Heavy Weight Varsity rowing team: Cox: Brandt Roen, 8: Sam Weeks, 7: Sebastian Amberger, 6: James Lueken, 5: Christoph Bub, 4: Jonah van der Weide, 3: George Perrett, 2: Nick Montalvo, Bow: Jacob Hurlbutt.

PART

I

Building the Team

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Types of Teams

The ad was posted to Facebook: Diggers needed for an exotic expedition. Experience needed in paleontology or anthropology. Willing to fly to South Africa within the month. And “the person must be skinny and preferably small, they must not be claustrophobic, they must be fit, they should have some caving experience. Climbing experience would be a bonus.”¹ Dr. Lee Berger, a university paleoanthropologist, selected six slender women from 57 applicants for a major excavation. The team squeezed themselves through a long vertical chute which narrowed to a gap just 18 inches wide and inched their way to a landing zone at the bottom of the cave. The team of women crouched in the fossil chamber plotting, digging, and bagging densely packed bones in 6-hour shifts in near total darkness, connected to the surface by the nearly two miles of power cables that local climbers had threaded from the surface to the fossil chamber. Dozens of scientists watched excitedly on video from a tent outside the cave and waited to catalog samples. Dr. Berger invited 30 scientists from 15 countries to Johannesburg for a 6-week frenzy of fossil research and the putting together of skeletons from the assembled parts. Teams were divided by specific body part—one group for feet, one for legs, one for skulls, and so forth, while Berger and his advisers rushed between groups. The discovery of 1,550 fossil fragments was ultimately regarded as a breakthrough discovery in the field.²

¹From ad posted to Facebook by Lee Berger, © October 7, 2013 Dr. Lee Berger.

²Smith, D. (2015, September 10). Small spelunkers required: The ad that led to the discovery of Homo naledi. *The Guardian*. guardian.com; Young, E. (2015, September 10). 6 tiny cavers, 15 odd skeletons, and 1 amazing new species of ancient human. *The Atlantic*. theatlantic.com; Schreeve, J. (2015, September 10). This face changes the human story. But how? *National Geographic*. nationalgeographic.com

A shared goal and an interdependent group of people are the defining characteristics of teams. Whereas most businesspeople are not digging up fossils in caves, they do engage in missions that involve significant economic and social stakes.

Virtually everyone who has worked in an organization has been a member of a team at one time or another. Good teams are not a matter of luck; they result from hard work, careful planning, and commitment from the sponsoring organization. Designing effective teams is a skill that requires a thorough understanding of groups to ensure that the team works as designed. Although there are no guarantees, understanding what makes teams work will naturally lead to better and more effective teams. This book introduces a systematic approach that allows leaders, managers, executives, trainers, and professionals to build and maintain excellent teams in their organizations.

Our systematic approach is based on scientific principles of learning and change. Implementing change requires that managers audit their own behavior to see where mistakes are being made, consider and implement new techniques and practices, and then examine their effects. Unfortunately, accomplishing these tasks in a typical organization is not easy. This chapter sets the stage for effective learning by defining what a team is—it's not always clear! We distinguish three types of teams in organizations based on their task focus. We also distinguish four types of teams in terms of their authority. We expose the most common myths about teamwork and share some observations from team leaders. We provide the results of our survey assessment on how teams are used in organizations and the problems with which managers are most concerned.

TEAMS VS. GROUPS

A group is a collection of people. A **team** is an interdependent group of people working for a shared goal. A work team is a collection of individuals who share responsibility for specific outcomes for their organizations. Not everyone who works together or is in proximity belongs to a team. A team is a group of people who are interdependent with respect to information, resources, and skills and who seek to combine their efforts to achieve a common goal. Teams have five key defining characteristics.³

First, teams exist to achieve a **shared goal**. Simply put, teams have work to do. Teams produce outcomes for which members have collective responsibility and reap some form of collective reward. Second, team members are interdependent regarding a common goal. Interdependence is the hallmark of teamwork. **Interdependence** means that team members cannot achieve their goals single-handedly but instead, must rely on each other to meet shared objectives. There are several kinds of interdependencies, as team members must rely on others for information, expertise, resources, and support. Third, teams are bounded and remain relatively stable over time. **Boundedness** means the team has an identifiable membership; members, as well as nonmembers, know who is on the team. **Stability** refers to the tenure of membership. Most teams work together for a meaningful length of time—long enough to accomplish their goal. Fourth, team members have the **authority** to manage their own work and internal processes.

³Alderfer, C. P. (1977). Group and intergroup relations. In J. R. Hackman & J. L. Suttle (Eds.), *Improving life at work* (pp. 227–296). Palisades, CA: Goodyear; Hackman, J. R. (1990). Introduction: Work teams in organizations: An oriented framework. In J. Hackman (Ed.), *Groups that work and those that don't*. San Francisco, CA: Jossey-Bass.

We focus on teams in which individual members can, to some extent, determine how their work gets done. Finally, teams operate in a larger **social system context**. Teams are not islands unto themselves. They do their work in a larger organization, often alongside other teams. Furthermore, teams often need to draw upon resources from outside the team and vice versa—something we discuss in Part III of this book.

A **working group** by contrast, consists of people who learn from one another, share ideas, but are not interdependent in an important fashion and are not working toward a shared goal. Working groups share information, perspectives, and insights; make decisions; and help people do their jobs better, but the focus is on individual goals and accountability. For example, a group of researchers who meet each month to share their new ideas is a working group.

WHY SHOULD ORGANIZATIONS HAVE TEAMS?

Teams and teamwork are not novel concepts. In fact, teams and team thinking have been around for years at companies such as Procter & Gamble and Boeing. For example, during collaboration on the B-2 stealth bomber between the U.S. Air Force, Northrop Grumman, and 4,000 subcontractors and suppliers in the early 1980s, teams were employed to handle different parts of the project.⁴

Managers discovered a large body of research indicating that teams can be more effective than the traditional corporate hierarchical structure for making decisions quickly and efficiently. Even simple changes such as encouraging input and feedback from workers on assembly lines can make a dramatic improvement. For instance, quality control (QC) circles and employee involvement groups encourage employee participation.⁵ It is a mark of these programs' success that this kind of thinking is considered conventional wisdom nowadays. Although these QC teams were worthy efforts at fostering the use of teams in organizations, the teams needed for the restructuring and reengineering processes of the future may be quite different. For example, Zappos.com uses holacracies, which are radical self-management systems in which managers no longer exist and the traditional corporate hierarchy is gone. Concentric circles of responsibility replace organizational charts, and employees choose which circles they belong to and what projects they work on. People don't have one job; they have multiple "roles" and "lead links" are designated to communicate between circles. The company's 1,500 employees define their own jobs and anyone can set the agenda for a meeting but to prevent anarchy, processes are strictly enforced.⁶ At least four challenges suggest that building and maintaining effective teams is of paramount importance.

INFORMATION TECHNOLOGY

In our research, 72% of managers and leaders report that they work in hybrid teams in which they are not physically co-located.⁷ In the collaboration economy, employees are

⁴Kresa, K. (1991). Aerospace leadership in a vortex of change. *Financier*, 15(1), 25–28.

⁵Cole, R. E. (1982). Diffusion of participating work structures in Japan, Sweden and the United States. In P. S. Goodman et al. (Eds.), *Change in organizations* (pp. 166–225). San Francisco, CA: Jossey-Bass.

⁶From At Zappos, Pushing Shoes and a Vision by David Gelles, © JULY 17, 2015 *The New York Times*.

⁷Thompson, L. (2016). Constructive Collaboration Executive program survey, Kellogg School of Management.

knowledge workers and teams are knowledge integrators. One of the challenges of the information era is in finding where the information is located within the company, or connecting and communicating with others who may be working halfway around the globe. What do people look for in experts? They look for expertise, trustworthiness, communication skills, a willingness to help, years of experience, and an awareness of other resources. LinkedIn launched *Lookup*, an app that lets employees find, learn about, and contact coworkers through in-app messaging or by email. Senior product managers at LinkedIn realized that as the company grows and new people join the team, it is vital to know where the information is.⁸

In the collaboration economy, the role of managers has shifted accordingly; they are no longer primarily responsible for gathering information from employees working below them in the organizational hierarchy and then making command decisions based on this information. Their new role is to identify the key resources that will best implement the team's objectives and then to facilitate the coordination of those resources for the company's purposes.

The jobs of the team members have also changed significantly. This can be viewed as a threat or a challenge. In 2015, the U.S. Census Bureau estimated that approximately 15.8 million people, or 10 percent of the workforce, worked from home at least 1 day per week. That's an increase of 18 percent from only 3 years earlier.⁹ Decisions may now be made far from their traditional location; indeed, sometimes they are even made by contractors, who are not employees of the company. This dramatic change in structure requires an equally dramatic reappraisal of how companies structure the work environment.

COMPETITION

Information technology has also allowed customers and clients to gain immediate access to knowledge and information about products and services. This knowledge creates greater competition among companies vying for customers and market share. The average business loses 50 percent of its customers every 5 years. Just a 2 percent increase in customer retention has the same effect as decreasing costs by 10 percent. And, acquiring new customers can cost as much as five times more than retaining current customers.¹⁰ With so much at stake, companies aggressively compete in a winner-take-all battle for market share. Thus, bringing out the best in teams within the company has become even more important. This means that people can be expected to specialize more, and these areas of expertise will get ever more narrow and interdependent. This is the core structure of a team-based approach to work. For example, when Apple began developing its own brand of electric cars from the ground up, project leaders were given permission to create a 1,000-person team and recruit employees from anywhere in the company, including engineers who created the iPhone and iPod. The industrial design team was staffed with designers who had experience working for European and American auto makers. Dozens

⁸Chaykowski, K. (2015, August 19). LinkedIn's new employee directory app 'Lookup' could boost daily activity on its network. *Forbes*. forbes.com

⁹U.S. Census Bureau daily feature for October 8: Work From Home Week. (2015, October 8). United States Census Bureau. census.gov

¹⁰From How to build customer loyalty, © JUL 20, 2015 Forbes.

of other employee teams were tasked with researching robotics, metals, materials, or fiscally efficient automobile production methods and supply chains.¹¹

GLOBALIZATION AND CULTURE

Another challenge is **globalization**. An increasingly global and fast-paced economy requires people with specialized expertise, yet the specialists within a company need to work together. As acquisitions, restructurings, outsourcing, and other structural changes take place, the need for coordination becomes all the more salient. Changes in corporate structure and increases in specialization imply that there will be new boundaries among the members of an organization. Boundaries both separate and link teams within an organization, although the boundaries are not always obvious.¹² These new relationships require team members to learn how to work with others to achieve their goals. Team members must integrate through coordination and synchronization with suppliers, managers, peers, and customers. Teams of people are required to work with one another and rarely (and, in some cases, never) interact in a face-to-face fashion. With the ability to communicate with others anywhere on the planet (and beyond!), people and resources that were once remote can now be reached quickly, easily, and inexpensively. This has facilitated the development of the virtual team—groups linked by technology so effectively it is as if they are in the same building. However, cultural differences, both profound and nuanced, can threaten the ability of teams to accomplish shared objectives.

MULTIGENERATIONAL TEAMS

Multigenerational teams are composed of people of different generations who work in different ways and follow different norms when it comes to collaborating and teaming. This is largely due to the shaping experiences some generations have had with technology at a young age that have affected how they think and work. For example, in 2015, more than one-in-three American workers—54 million in all—were millennials (persons born between 1981 and 1997), surpassing Generation X to become the largest segment of the United States workforce.¹³ Sometimes, communicating with someone from a different generation can be as challenging as communicating with someone from a different culture. Unless managers and companies take the time to understand the different work and value systems of the other generations, they are doomed to be disappointed and frustrated. Values to consider in teams composed of different generations include: the importance of family; achievement orientation; team versus individual orientation; and the need for feedback, attention, and coaching. Mixed generations in the office can often lead to awkward face-to-face interactions. For example, millennials have been referred to as the “new office moron” by *Businessweek* because they don’t know how to dress, use a

¹¹Wakabayashi, D., & Ramsey, M. (2015, February 15). Apple gears up to challenge Tesla in electric cars. *The Wall Street Journal*. wsj.com

¹²Alderfer, C. P. (1977). Group and intergroup relations. In J. R. Hackman & J. L. Suttle (Eds.), *Improving life at work* (pp. 227–296). Palisades, CA: Goodyear; Friedlander, F. (1987). The design of work teams. In J. W. Lorsch (Ed.), *Handbook of organizational behavior*. Upper Saddle River, NJ: Pearson Education.

¹³Fry, R. (2015, May 11). Millennials surpass Gen Xers as the largest generation in the U.S. labor force. *Pew Research Center*. pewresearch.org

Key Objective	Process Focus	Threats
Tactical	<ul style="list-style-type: none"> • Directive, highly-focused tasks • Role clarity • Well-defined operation • Accuracy 	<ul style="list-style-type: none"> • Role ambiguity • Lack of training standards • Communication barriers
Problem-solving	<ul style="list-style-type: none"> • Focus on issues • Separate people from problem • Consider facts, not opinions • Conduct thorough investigation • Suspend judgment 	<ul style="list-style-type: none"> • Failure to stick to facts • Fixate on solutions • Succumb to political pressures • Confirmatory information search
Creative	<ul style="list-style-type: none"> • Explore possibilities and alternatives 	<ul style="list-style-type: none"> • Production blocking • Uneven participation

Exhibit 1-1 Types of Work That Teams Do

Based on Larson, C. E., & LaFasto, F. M. (1989). *Teamwork: What must go right/what can go wrong*. Newbury Park, CA: Sage, © Leigh L. Thompson.

landline, or be professional in a meeting—using their cell phones to text or browse the Internet.¹⁴ Millennials view traditional employment with skepticism.¹⁵ For these reasons, Acuity insurance instituted gaming clubs for its young workforce. And Workday, a cloud computing provider, invites junior staffers to lead meetings, offers mentoring programs, and rotates employees through different divisions throughout the company to keep them engaged and build their skills and experiences.¹⁶

TASK FOCUS

Teams do one of three types of tasks: tactical, problem solving, and creative. Exhibit 1-1 describes the disadvantages and advantages of tactical, problem-solving, and creative teams.

TACTICAL TEAMS

Tactical teams execute a well-defined plan. Some examples of tactical teams include cardiac surgery teams, many sports teams, and other teams that are tightly organized.¹⁷ For tactical teams to be successful, there must be a high degree of task clarity and unambiguous role definition. In a study of the success of NBA (National Basketball Association) players, teams on which players played together longer won more games

¹⁴Why etiquette schools are thriving. (2010, October 14). *Businessweek*. businessweek.com

¹⁵Zaino, G. (2015, January 5). Three things forward-thinking companies need to know to attract millennial independent workers in 2016. *Huffington Post Business*. huffingtonpost.com

¹⁶Lewis, K. R. (2015, June 23). Everything you need to know about your Millennial co-workers. *Fortune*. fortune.com

¹⁷LaFasto, F. M. J., & Larson, C. E. (2001). *When teams work best: 6,000 team members and leaders tell what it takes to succeed*. Newbury Park, CA: Sage.

(holding constant the players' own stats); and if “bad teams” played together a lot, they won more than they should have based on other criteria.¹⁸

One type of tactical team is a **crew**. A crew is a group of expert specialists each of whom has a specific role position, performs brief tasks that are closely synchronized with others, and repeats those events across different environmental conditions.¹⁹ To assess whether a particular team is a “work crew,” complete the survey in Exhibit 1-2. Located at a barren site with Earth’s most unforgivable climate, the Amundsen-Scott South Pole Station at summer peak requires 150 scientists, technicians, and support staff all working in concert to accomplish the research goals of the station. The 6-month arctic winter where temperatures can drop to -76°F tests the mettle of the remaining 45 workers who persevere through 6 months of complete darkness unbroken by supply planes, Wi-Fi, or cell phone service. Winter crews with specific skills maintain the station’s telescopes, monitor the “ice cube lab” of computers that collect daily scientific data, and watch over necessities for survival such as diesel generators that run the station’s heating systems and electricity, and hydroponic greenhouses which provide 30 pounds of vegetables each week.²⁰

PROBLEM-SOLVING TEAMS

Problem-solving teams attempt to resolve problems, usually on an ongoing basis. To be effective, each member of the team must expect and believe that interactions among members will be truthful and of high integrity. Some examples of problem-solving teams include the Centers for Disease Control and Prevention and Sandia Laboratory’s nuclear weapons team.²¹ A **crisis team** is an example of a problem-solving team. Crisis teams may deal with a *sudden crisis*, such as a natural disaster (e.g., tsunami) or a *smoldering crisis*, such as a product defect or scandal that begins small and then escalates out of control.²² Some organizations have existing, permanent crisis teams to handle crises; other organizations improvise. (see Exhibit 1-3). The contamination crisis at Chipotle that sickened more than 500 customers, sent the company’s stock tumbling, and darkened the company’s image, directed dozens of teams to implement severe new food safety measures after three different pathogens were linked to five known outbreaks.²³

CREATIVE TEAMS

Creative teams are those in which the key objective is to create something, think out-of-the-box, and question assumptions. The process focus of creative teams is on exploring possibilities and alternatives. We discuss creative teams in much more depth in Chapter 9. Examples of creative teams include IDEO design teams, Hallmark’s creative advisory group, and the teams responsible for Netflix original programming.

¹⁸Berman, S. L., Down, J., & Hill, C. W. (2002). Tacit knowledge as a source of competitive advantage in the National Basketball Association. *Academy of Management Journal*, 45(1), 13–31.

¹⁹Klimoski, R., & Jones, R. G. (1995). Staffing for effective group decision making. In R. A. Guzzo & E. Salas (Eds.), *Team effectiveness and decision making* (pp. 9–45). San Francisco, CA: Jossey-Bass; Sundstrom, E. D., DeMeuse, K. P., & Futrell, D. (1990). Work teams: Applications and effectiveness. *American Psychologist*, 45(2), 120–133.

²⁰Berfield, S. (2014, June 11). A guide to wintering in the South Pole. *Bloomberg Business*. bloomberg.com

²¹LaFasto & Larson, *When teams work best*.

²²Irvine, R. B. (1997, July). What’s a crisis anyway? *Communication World*, 14(7), 36.

²³Berfield, S. (2015, December 22). Inside Chipotle’s contamination crisis. *Bloomberg Business*. bloomberg.com