

Why Teams Don't Work

BY J. RICHARD HACKMAN

A few years ago, Paul Osterman, an economist at MIT, did a careful national survey of innovative work practices in U.S. manufacturing firms. He found that more than half the companies surveyed were using teams—and that some 40 percent of these companies had more than half of their employees in teams. How well do all these teams perform? To judge from management books and articles, the answer is clear: teams markedly outperform individuals, and self-managing teams do best of all.

Here are some reports from the field, cited by Jack Orsburn and his colleagues in their 1990 book *Self-Directed Work Teams: The New American Challenge*. At Xerox, the authors report, “plants using work teams are 30 percent more productive than conventionally organized plants. Procter & Gamble gets 30 to 40 percent higher productivity at its 18 team-based plants. . . . Tektronix Inc. reports that one self-directed work team now turns out as many products in 3 days as it once took an entire assembly line to produce in 14 days. . . . Federal Express cut service glitches such as incorrect bills and lost packages by 13 percent. . . . Shenandoah Life processes 50 percent more applications and customer service requests using work teams, with 10 percent fewer people.”

It makes sense. Teams bring more resources—and more diverse resources—to bear on a task than could any single performer. Moreover, teams offer flexibility in the use of those resources—the capability to quickly redeploy member talents and energies and to keep the work going even when some members are unavailable. Teams composed of people from different units can transcend traditional functional and organizational barriers and get members pulling together toward collective objectives. And, of course, teams offer the potential for synergy, that wonderful state when a group clicks and members achieve more than any of them could have accomplished alone. These are major benefits, worthy of the attention of the leaders of any enterprise. No wonder Osterman found teams to be so popular.

But there is a puzzle here. Research evidence about team performance shows that teams usually do less well—not better—than the sum of their members' individual contributions. When interacting teams are compared to *nominal* groups (that is, groups that never meet, whose output is constructed by combining the separate contributions of those who would have been members), nominal groups usually win.

This fact was driven home for me a few years ago after some colleagues and I had completed an intensive study of 33 different work groups of all different kinds—athletic teams, industrial production workers, top management teams, prison guards, airline crews, economic analysts, and more. We pulled our findings together in a book I wanted to call “Groups That Work,” a catchy phrase with what I thought to be a clever pun. Our editor told us that he’d be happy to publish the book, but not with that title: there were just too many groups in our study that barely worked at all. He was right. Probably 4 of our 33 groups were actually effective teams. The rest had problems so severe that our analysis was mainly about what had gone wrong with them. So the book was published with a parenthetical phrase after my clever title: *Groups That Work (and Those That Don't)*. Anyone who actually reads through it will discover, as our editor did, that most of our groups lie within the parentheses.

What, then, are we to make of all the team successes reported in the managerial literature? It is possible, of course, that the published claims are exaggerated, as writers have sought to catch the wave of enthusiasm about teams—to sell books, to build consulting prac-

tices, to market training programs, to become team gurus. That is not a sufficient explanation. Indeed, I trust the accuracy of the numbers about productivity and service gains that are reported in the popular books about teams. My concern, instead, is whether those numbers really mean what they seem to mean.



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The implementation of any new management program, be it self-managing teams or anything else, invariably involves intense scrutiny of the unit where the changes will occur. Taking a close look at any work unit that has been operating for a while almost always surfaces some inefficiencies and poor work procedures. These incidental problems are corrected as part of the change process—it would be foolish not to. But in making those corrections, an interpretive ambiguity is introduced. Was it the team design that resulted in the improvements found, or was it that a shoddy work system was shaped up? Virtually any intervention that is not itself destructive has a better-than-even chance of generating short-term improvements, simply because of the value of intently inspecting a work system. The question, then, is whether short-term improvements associated with the introduction of teams are sustained over time as inefficiencies begin to creep back into the system. It is not possible to know for sure—at least not without an appropriate longitudinal research design.

My own observations suggest that work teams tend to clump at both ends of the effectiveness continuum. Those that go sour often do so in multiple ways—clients are dissatisfied with a team’s work, members become frustrated and disillusioned, and the team becomes ever weaker as a performing unit. Such teams

are easily outperformed by smoothly functioning traditional units. On the other hand, teams that function well can indeed achieve a level of synergy and agility that never could be preprogrammed by organization planners or enforced by external managers. Members of such teams respond to their clients and to each other quickly and creatively, generating both superb performance and ever-increasing personal and collective capability. Teams, then, are somewhat akin to audio amplifiers: whatever passes through the device—be it signal or noise—comes out louder.

What differentiates those teams that go into orbit and achieve real synergy from those that crash and burn? The answer has much more to do with how teams are structured and supported than with any inherent virtues or liabilities they may have as performing units.

Mistakes Managers Make

In the course of several research projects, my colleagues and I have identified a number of mistakes managers make in setting up and leading work teams, mistakes that invariably cap a team's performance potential.

Mistake 1. *Use a team for work that is better done by individuals.* There are some tasks that only a team can do, such as performing a string quartet or carrying out a multiparty negotiation. There are other tasks, however, that are inimical to team work. One such task is creative writing. Not many great novels, symphonic scores, or epic poems have been written by teams. Such tasks involve bringing to the surface, organizing, and expressing thoughts and ideas that are but partially formed in

one's mind (or, in some cases, that lie deep in one's unconscious), and they are inherently better suited to individual than to collective performance. Even committee reports—mundane products compared to novels, poems, and musical scores—invariably turn out better when written by one talented individual on behalf of a group than by the group as a whole working in lockstep.

The same is true for executive leadership. For all the attention given to top management teams these days, my reading of the management literature is that successful organizations almost always are led by a single

talented and courageous human being. Among the many executive functions that are better accomplished by an exceptional individual than by an interacting team is the articulation of a challenging and inspiring collective direction. Here, for example, is a mission statement posted in a company cafeteria: "Our mission is to provide quality products and services that meet the needs of individuals and businesses, allowing us

to prosper and provide a fair return to our stockholders." I don't know how that particular statement was prepared, but I'd wager that it was hammered out by a committee over many long meetings. The most engaging and powerful statements of corporate vision, by contrast, invariably are the product of a single intelligence, set forth by a leader willing to take the risk of establishing collective purposes that lie just beyond what others believe to be the limits of the organization's capability.

There are many other kinds of tasks that are better done by individual human beings than by teams. It is a mis-

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take—a common one and often a fatal one—to use a team for work that requires the exercise of powers that reside within and are best expressed by individuals.

Mistake 2. *Call the performing unit a team but really manage members as individuals.* To reap the benefits of teamwork, one must actually build a team. According to organizational scholar Clayton Alderfer, real teams are bounded social systems whose members are interdependent for a shared purpose, and who interact as a unit with other individuals and groups in achieving that purpose. They can be small or large, face-to-face or electronically connected, and temporary or permanent. Only if a group is so large, loosely connected, or short-lived that members cannot operate as an intact social system does it have no chance to become a team.

Managers sometimes attempt to capture the benefits of teamwork by simply declaring that some set of people (often everyone who reports to the same supervisor) is now a team and that members should henceforth behave accordingly. Real teams cannot be created that way. Instead, explicit action must be taken to establish and affirm the team's boundaries, to define the task for which members are collectively responsible, and to give the team the autonomy members need to manage both their own team processes and their relations with external entities such as clients and coworkers. If the performing unit is to be a team, then it should be a real team—and it should be managed as such.

Creating and launching real teams is not something that can be accomplished casually, as is illustrated by research on airline cockpit crews. It is team functioning, rather

than mechanical problems or the technical proficiency of individual pilots, that is at the root of most airline accidents. Crews are especially vulnerable when they are just starting out; the National Transportation Safety Board reported in 1994 that 73 percent of the accidents it investigated occurred on the crew's first day of flying together—and 44 percent of those accidents happened on the crew's very first flight.

This research has clear policy implications. Crews should be kept intact over time, preflight briefings should be standard practice, and captains should be trained in the skills needed to conduct briefings that get

crews off to a good start. Yet in most airlines crew composition is constantly changing because of the long-standing practice, enforced by labor contracts, of assigning pilots to trips, positions, and aircraft as individuals—usually on the basis of a seniority bidding system. Creating and launching real teams is a significant challenge in organizations such as airlines that have deeply rooted policies and practices that are oriented pri-

marily toward individuals rather than teams.

Mistake 3. *Fall off the authority balance beam.* When a manager sets direction for a team, anxieties inevitably rise—especially when he or she must balance between assigning a team authority for some parts of the work and withholding it for other parts. Because both managers and team members tend to be uncomfortable in such situations, they may implicitly collude to “clarify” who is really in charge of the work. Sometimes the result is the assignment of virtually all authority to the team—which can result in anarchy or in a team heading off in an inappropriate direction. Other times, managers retain

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all authority for themselves, dictating work procedures in such detail that many of the advantages that can accrue from teamwork are lost.

To maintain an appropriate balance of authority between managers and teams requires that anxieties be managed rather than minimized. Moreover, it is insufficient merely to decide how much authority a team should have. Equally important are the domains of authority that are assigned to teams and retained by managers. Our research suggests that team effectiveness is enhanced when managers are unapologetic and insistent about exercising their own legitimate authority about *direction*, the end states the team is to pursue. Authority about the *means* by which those ends are accomplished, however, should rest squarely with the team itself.

Contrary to traditional wisdom about participative management, to authoritatively set a clear, engaging direction for a team is to empower, not depower, it. Having a clear direction helps align team efforts with the objectives of the parent organization, provides members with a criterion to use in choosing among various means for pursuing those objectives, and fosters members' motivational engagement. When direction is absent or unclear, members may wallow in uncertainty about what they should be doing and may even have difficulty generating the motivation to do much of anything.

Mistake 4. *Dismantle existing organizational structures so that teams will be fully "empowered" to accomplish the work.* Traditionally designed organizations often are plagued by constraining structures that have been built up over

the years to monitor and control employee behavior. When teams are used to perform work, such structures tend to be viewed as unnecessary bureaucratic impediments to group functioning. Thus, just as some managers mistakenly attempt to empower groups by relinquishing all authority to them, so do some attempt to cut through bureaucratic obstacles to team functioning by dismantling all the structures that they can. The assumption, apparently, is that removing structures will release the pent-up power of groups and allow members to work together creatively and effectively.

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If anything, the opposite is true: groups with appropriate structures tend to develop healthy internal processes, whereas those with insufficient or inappropriate structures tend to be plagued with process problems. It is nearly impossible for members to learn how to interact well within a flawed or underspecified team structure.

Our research suggests that an enabling structure for a work team has three components.

First is a well-designed team task, one that engages and sustains member motivation. Such tasks are whole and meaningful pieces of work that stretch members' skills, that provide ample autonomy for doing what needs to be done to accomplish the work, and that generate direct and trustworthy feedback about results. Second is a well-composed group. Such groups are as small as possible, have clear boundaries, include members with adequate task and interpersonal skills, and have a good mix of members—people who are neither so similar to one another that they are like peas in a pod nor so different that they are unable to work together. Third is clear and explicit

specification of the basic norms of conduct for team behavior, the handful of “must do” and “must never do” behaviors that allow members to pursue their objectives without having to continuously discuss what kinds of behaviors are and are not acceptable.

The key question about structure, then, is not how *much* of it a team has. Rather, it is about the *kind* of structure that is provided: does it enable and support collective work, or does it make teamwork more difficult and frustrating than it need be?

Mistake 5. *Specify challenging team objectives, but skimp on organizational supports.* Even if a work team has clear, engaging direction and an enabling structure, its performance can falter if it has insufficient organizational support. Such teams often start out with great enthusiasm but then become frustrated in trying to obtain the organizational supports they need to accomplish the work.

If the full potential of work teams is to be realized, organizational structures and systems must actively support competent teamwork. Key supports include: (1) a reward system that recognizes and reinforces excellent team performance (not just individual contributions); (2) an educational system that provides teams, at their initiative, any training or technical consultation they may need to supplement members' own knowledge and expertise; (3) an information system that provides teams the data and forecasts members' need to proactively manage their work; and (4) the mundane material resources—equipment, tools, space, money, staff, or whatever—that the work requires.

It is no small undertaking to provide these supports to teams, especially for managers whose experience has mainly involved supporting and controlling work performed by individuals, in organizations that are fine-tuned to support individual work.

Mistake 6. *Assume that members already have all the skills they need to work well as a team.* Once a team has been formed and given its task, managers sometimes assume their work is done. A strict hands-off stance, however, can limit a team's effectiveness when members are not already skilled and experienced in teamwork—a

not uncommon state of affairs in cultures where individualism is a dominant value.

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It can be helpful, therefore, for leaders and managers to provide some coaching to individuals in honing their team skills and to the team as a whole in developing good group performance practices. There is no one best way to provide such help, nor is there any one best coaching style. Like teaching a class, coaching a group is done best when the leader exploits his or

her own personality and style to get the lesson across.

There are, however, certain times in the life of a team when members are likely to be especially open to coaching: the beginning, when a group is just starting its work; the midpoint, when half the work has been done or half the allotted time has passed; and the end, when a piece of work has been finished.

Although I am uneasy about applying sports metaphors to business, the behavior of good athletic coaches does illustrate the different coaching functions that can

be performed at different times in the life of a work group. Just before the game, coaches tend to focus on matters of *motivation*, establishing that the contest about to begin will be quite challenging but that the team has a real chance to win if members play hard and well. Halftime, back in the locker room, is a time for *consultation*, revising the game strategy for the second half of play based on how things have gone thus far. The next day, when the team has gathered to review the game films, is the time when coaches focus on *education*, helping to build individual and team proficiency in preparation for the team's next contest. Although good coaches can do many other things to foster team effectiveness, these three times in the life of a group offer openings for coaching that may be especially welcomed by and helpful to team members.

No matter how good coaching interventions are, they do not help much if a team's overall performance situation—that is, its direction, structure, and context—is poor. When these elements are present, on the other hand, the team reaps a double benefit: it is likely to have less need for coaching interventions (because it encounters fewer problems that require outside help), and the coaching that it does receive is likely to be more helpful (because members are not preoccupied with more basic, structurally rooted difficulties). Such teams have the potential of entering into a self-fueling spiral of ever-increasing team capability and performance effectiveness—just the kind of pattern that is described in all the popular books that tout the benefits of organizational work teams.

What It Takes

The conditions that foster team effectiveness are simple and seemingly straightforward to put in place. A real team with work that lends itself to teamwork. A clear and engaging direction. A group structure—task, composition, and norms—that promotes competent teamwork. Team-friendly reward, educational, and information systems. And some coaching to help team members take advantage of their favorable performance circumstances. All the evidence suggests that teams for which these simple conditions are in place are likely to perform very well indeed. Yet one or more of these conditions is absent in the great majority of the teams studied.

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Establishing conditions for team success raises fundamental questions about how an enterprise operates.

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Why should this be so? The conditions themselves are not subtle, complex, or difficult to understand. Indeed, they are just the kinds of things that an alert manager surely could learn from experience. The problem is this: to put these simple conditions in place is also to change the answers to four fundamental questions about how an enterprise operates:

- *Who decides?* Who has the right to make decisions about how the work will be carried out, and to determine how problems that develop will be resolved?
- *Who is responsible?* Where do responsibility and accountability for performance outcomes ultimately reside?
- *Who gains?* How are monetary rewards allocated among the individuals and groups that helped generate them?

- *Who learns?* How are opportunities for learning, growth, and career advancement distributed among organization members?

The answers to these four questions express some of the core values of any enterprise, and it can be mad-deningly hard to change them. Indeed, it may be that such changes can be implemented in an established organization only when it has become destabilized for some other reason—for example, the departure of a senior manager, the rapid growth or dissolution of an organizational unit, the approach of financial disaster, or the introduction of a new technology that requires abandon-ment of standard ways of operating. Fundamental change cannot be accomplished either as an add-on (as managers in some corporations appear to wish) or as a one-step transition to utopia (as members of some ideologically driven cooperative enterprises appear to wish).

Creating organizational condi-tions that actively support work teams, therefore, is in many or-ganizations more a revolution-ary than an evolutionary undertaking, one that requires a different way of thinking about teams and the factors that affect their performance. As a metaphor, consider constant tinkering with a nation's interest rates, money supply, and tax policies versus getting fundamentally sound economic conditions in place and letting the economy run itself. Or micromanaging the develop-ment of a child versus creating a good family context that promotes healthy autonomous development by the family's youngest members. Or managing a physical

injury such as a moderately serious burn with surgery and multiple drugs versus fostering the general health of the patient and letting the body heal itself.

In all of these instances the better strategy is to devote the first and greater portion of one's energies to establishing conditions that lead naturally to the desired outcomes and the lesser portion to on-line process management. The same considerations apply to the design and management of social systems, including work teams in organizations.

The implications for leaders and members of work teams are clear. Their first pri-riority should be to get in place the basic conditions that foster team effectiveness—a far-from-routine undertaking in many organizations. In fact, establish-ing the preconditions for evolu-tionary, adaptive change is often a revolutionary act requiring new models of leadership and organization. Once the basic conditions are in place, how-ever, leaders and members can “manage at the margins,” mak-ing small adjustments and cor-rections as needed to smooth a

group's progress toward its objectives. As organizational psychologist Ruth Wageman has pointed out, dealing with emergent team problems and opportunities is manyfold easier—and far more likely to be successful—if conditions favorable to team performance are already in place. Until we begin to accept the risks of revolu-tion and break out of our traditional ways of constru-ing and leading social systems, I fear that articles such as this one will continue to be about why teams don't work rather than why they do. ■

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