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The Wisdom of Teams: Creating high-performance organizations

by Edward B. Martin

Most readers of this article are acquainted with the use of teams in modern organizations and probably have developed ideas about this practice. Many already belong to one or more teams, consult with organizations that use teams, or work for an organization that wants to move in this direction. Current management and leadership thought is that successful organizations in today's global, fast-moving marketplace will be built around empowered, high-performance teams.

Teams will become increasingly important to our actuarial evolution. The application of actuarial work will take us into contact with professionals in other disciplines with which we've never worked. Teams can help us learn what they do while giving us the opportunity to show them how we can add value.

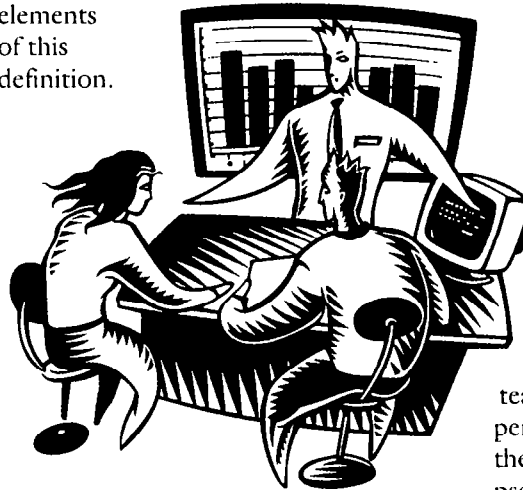
In *The Wisdom of Teams* (Jon R. Katzenbach and Douglas K. Smith, Harvard Business School Press, 1993), the authors define a team as "a small number of people with complementary skills who are committed to a common purpose, performance goals, and approach for which they hold themselves mutually accountable." They view this not only as a definition, but also as an essential discipline that, if applied rigorously, will produce both "real" teams and good performance.

A key premise of the authors, confirmed by their research, is that "real teams" outperform individuals acting alone or in larger organizational groupings, particularly when multiple skills, judgments, and experiences are required. Though company leaders widely acknowledge this potential, organizations frequently fail to take full advantage of it.

The Wisdom of Teams uses real stories about actual teams, successful and unsuccessful, to illustrate points. Between the stories, the authors draw upon their work to build a blueprint for successful team development.

Understanding what a team is

The first major section focuses on understanding teams. It presents a summary of key lessons about teams and team performance, establishes a working definition to distinguish a "real" team from a working group with a common assignment, and explores the critical elements of this definition.



The authors highlight four key lessons:

- 1) The key to energizing a team is a significant performance challenge. Personal chemistry and the desire "to become a team" are only helpful.
- 2) Organizational leaders can foster team performance best by building a strong performance ethic. Promoting a team environment by talking about becoming a team and organizing around teams is fine, but focus on performance finally creates real teams.

- 3) Biases toward individualism need not hinder team performance. Individualism has long been a fundamental characteristic of U.S. workers, and a strong sense of individual accountability can seriously harm team functioning. However, if recognized and harnessed to the team's common purpose and goal, a strong individual performance ethic can drive a strong team performance.
- 4) Discipline — both within the team and across the organization — is necessary for good team performance. Groups become teams through disciplined action. Failure to tap into true team potential often stems not from lack of knowledge about what to do but from the inability to consistently apply what we already know.

Team performance

The second section of the book deals with team performance and what it takes to turn a "potential team" into a "real team" and ultimately into a "high performance team." The authors put forth a team performance model to help illustrate the difference between working groups, pseudo teams, potential teams, real teams, and high performance teams.

There is no single guaranteed approach to successful team performance. The authors discuss a variety of approaches that can help potential teams move up the performance curve. For example, all team members need to believe that the team's purpose is urgent and worthwhile. The more urgent and meaningful the purpose, the more likely it is that a real team will emerge. First meetings and actions can be particularly important. Many successful teams could identify and

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The Wisdom of Teams (continued from page 17)

attack performance-oriented deliverables in a short time. The authors effectively use their real-life examples to illustrate how these and other approaches can help potential teams take the risks necessary to move up the team performance curve.

There is also a chapter devoted to team leaders. It contains practical guidance for team leaders, their managers, and their mentors.

Teams and their organizations

The final section looks at teams from a broader organizational perspective. The authors revisit and build on an earlier idea that it is the performance ethic of the company that will produce effective teams. They also explore the

potential role of teams in effecting major organizational change.

This section includes an interesting chapter on teams at top levels of organizations. While there are many examples of effective working groups at senior management levels, finding examples of real teams is difficult. Senior management groups have a difficult time identifying common performance goals for which the members can hold themselves mutually accountable. Hierarchical and functional positions drive the focus. The authors offer some practical ideas for senior management groups interested in achieving high performance, team-type results.

The Wisdom of Teams can be a

valuable resource for anyone — team member, team leader, or senior executive — who is interested in gaining the benefits of true high performance teams. The text is well written, interesting, and practical in application. **Edward B. Martin is vice president, Corporate Planning & Development, for Lincoln National Corporation. In his former position as vice president, Life Product Management, for Lincoln National Life Insurance Company, he was actively involved in the achievement of a team-based organization. He is a member of the SOA Committee on Management and Personal Development.**

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bolster the other two legs of the three-legged stool: pensions and personal savings.

Focus groups conducted by the Foundation confirmed an urgent need for these simple messages. Some focus group participants were aware that changes were being discussed to keep Social Security financially secure, but they knew little about the details and the effect it could have on them. All ages in our groups expressed concern about retirement income and whether Social Security would be there for them, their children, and their grandchildren, although the younger

participants were more skeptical. However, they were all eager for more information on what they could do now to prepare for retirement.

We also held focus groups and interviewed managers from corporate communications and human resources departments. They said their companies do not do much education about retirement to anyone under the age of 50 and have little focus on Social Security at their retirement seminars. Mostly, they just discuss their own pension plans.

Speculation is that the U.S. Advisory Council's recommendations will be

issued soon after the Presidential election. Then, everyone's going to try to get out information slanted to their particular cause. This program takes no sides, makes no political statements, and favors no interest group. It only tries to provide factual information on this issue.

The Foundation funds programs that can really make a difference — that have a national impact. With SOA members' support, the Foundation's first consumer education program, *On the Edge of Change: Putting Social Security Back in Balance*, can achieve that goal.

Lemmings taking the northern route (continued from page 13)

When legislation requires us, as actuaries, to do it another way, we should resist it immediately. I am upset that my organizations have participated in and supported the political games

that have led us where we are today. Stretching my travel metaphor, we are lemmings taking the northern route. **Leslie John Lohmann is with Lohmann International Associates in Kitamachi,**

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