TEAM EFFECTIVENESS

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TEAM EFFECTIVENESS

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IMD COMMENTARY

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Over the last years, the landscape of teamwork in organisations has drastically changed. At IMD, our work with thousands of senior executives and top teams has shown that we have moved from teams with well-defined boundaries to temporary and often more fluid teams; from functional compositions to cross-functional ones; and broadly – from defined interactions to highly dynamic interdependencies. At the same time, organisations and their teams have moved from spontaneous and serendipitous exchanges that often happened at the coffee machine to highly structured and regimented agendas, where even the most trivial of discussions demand the scheduling of a multi-party meeting.

These developments are placing an enormous strain on employees who often belong to multiple teams. This strain often manifests as collaborative overload, and people struggle to make intentional choices about how to organise and what to aspire to. Should they operate as a mere working group, which privileges individual contributions and allows for speed? Should they organise as a team where interdependencies are required? Should they aspire to become a high-performance team? Being a high-performance team means that all members must be willing to invest in their relational dynamics and requires that members feel mutual accountability for their growth.

Therefore, organisations must be selective about teamwork, as it requires investing time and energy into building and sustaining it. Finding the right balance between groupwork and teamwork is critical for companies' productivity and innovation.

The difference between groupwork and teamwork is best seen at the top of an organisation. While people at the helm are typically referred to as top teams, this can be a misnomer as in reality, these often operate as working groups. Top teams can be characterised by dysfunctions, and members may find it difficult to address underlying tensions and conflicts. External interventions can help top teams to get unstuck, but to seek help, members must first acknowledge (and agree) that there are issues to be resolved.

Finally, at IMD we have also explored what most aspiring teams get wrong. Our findings point to the importance of sequencing. The main stages to becoming a high-performance team must build on each other: teams should start by agreeing on how to work together, proceed to building trust, then provide and receive feedback, and finally move towards driving learning (and thereby – improving performance). Too often, aspiring teams skip the first stages and focus on building a feedback culture, without having properly invested in contracting or in building solid levels of trust. It's no wonder that feedback in these situations at best remains a shallow and formal exercise.

The importance of teamwork in sustaining performance is essential. In the words of Michael Jordan: *"Individual talent wins games, but teamwork wins championships."*

Ina Toegel, Professor of Leadership and Organisational Change, IMD Business School

LHH COMMENTARY

LHH

Teamworking is at the heart of any business and, as highlighted in this report, we have seen a big shift in how teams operate and are structured since the pandemic. Hence, this is a very timely report that re-examines what defines a team, what an effective team looks like, how teamwork is changing and how to support team development.

At LHH, we have been coaching individuals and teams for over 50 years and facilitating conversations in teams to help them become more effective. Recently, we undertook a comprehensive research project to crack the code of what makes teams more effective. Our research, which combined our experience with the academic literature, interviews, surveys and evidence from our projects, highlighted three elements as the key ingredients for high-performing teams: Purpose, Belonging and Agility.

This CRF report complements our understanding of teams beautifully and provides many powerful insights into how purpose, belonging and agility can be achieved in teams.

Purpose

High-performing teams are aligned on purpose. In a purpose-led team, everyone knows why the team exists, what its goals are and how their work positively impacts wider business goals. This report raises some very important questions to help teams reflect on and clarify their purpose. Is the team actually a real team? Do the goals a team focuses on require a real team or a working group? What is the team uniquely there to achieve as a collective?

Belonging

The need to belong and connect with others has become an even bigger issue since the pandemic. Trust and psychological safety are essential parts of belonging and, as described in this report, are the bedrock for positive team dynamics and performance. In a psychologically safe environment where there is trust, teams are better able to own and learn from their mistakes, which enhances team performance.

Hybrid working has made it harder for teams to experience the 'competence' and 'interpersonal' trust required for psychological safety. However, this can be overcome by creating strong team structures with support networks, being intentional about building in-depth connections and addressing interpersonal dynamics healthily through team coaching.

Agility

When a team forms, agreeing working processes and acceptable norms and behaviours is very important. If this is done well, teams know what to expect when receiving feedback, and it also builds trust and team investment.

Allowing time for reflection between implementing new or improved processes helps teams to embrace behavioural or process change. By creating and repeating habits, teams become more agile. This, combined with greater autonomy over how a team operates and communicates to achieve its collective goals, is key to effectiveness.

In summary, team effectiveness is built on shared purpose, clarity, agility and through understanding and repeating acceptable norms and behaviours. This requires a deliberate focus on team effectiveness and being intentional about the investment in team development. Therefore, it's important for business leaders, HR departments and team leaders to be strategic in where and how to invest in teams to maximise business impact in the longer term.

Burak Koyuncu, SVP, Head of LHH Leadership Development, UK & Ireland and International Markets

ABOUT **CRF**

Founded in 1994, **Corporate Research Forum (CRF)** is a membership organisation whose purpose is to increase the effectiveness of the HR function, in order to drive sustained organisational performance, through developing the capability of HR professionals. Through more than 20 years of research and the expertise of our team, we have developed a deep understanding of the ways HR can contribute to business outcomes, what works, what doesn't, and in what circumstances. With a network of over 230+ leading organisations, we continue to grow as the respected focal point and knowledge source for improving corporate and individual performance.

We support our members in enhancing their personal capabilities and building organisational effectiveness, guiding them through topics relevant to success, identifying actionable insights and practical recommendations and facilitating networking opportunities. Our work helps organisations and the HR function make sense of the environment in which they operate, and develop capacity to deal with continuous uncertainty.

For more details on how your organisation can benefit from CRF membership please contact Richard Hargreaves, Managing Director, at richard@crforum.co.uk. Alternatively, please visit our website at www.crforum.co.uk.

ABOUT THE **AUTHORS**

GILLIAN PILLANS is Research Director at CRF. Gillian has worked as a senior HR practitioner and OD specialist for several organisations including Swiss Re, Vodafone and BAA. Prior to her HR career, she was a management consultant with Deloitte Consulting and is also a qualified solicitor.

CONTACT

JO NAYLER is Senior Research Executive at CRF. She is responsible for publishing original research as well as adapting and developing CRF content for use across the website and member communications. Prior to joining CRF, she worked for over five years as a researcher and writer, gaining experience of a range of different research methods and publishing content in a variety of formats.

CONTACT

KEY TAKEAWAYS

TEAM EFFECTIVENESS

The work of setting up teams for success is more important than ever. Team working has become more common in recent years, a phenomenon accelerated by the COVID-19 pandemic. There are now more teams, more meetings, and more people in those meetings. Yet good teamwork is elusive – teams are often dysfunctional and even successful teams suffer from 'process losses' as they increase in size and complexity.

The nature of teamwork is also changing. Team boundaries have become more fluid and dynamic, and the pandemic has also accelerated a shift towards remote and hybrid ways of working. Teams now spend decreasing time together in the same room, changing the ways teams build trust, communicate, collaborate and create identities.

Teams are often perceived as unquestionably positive, yet we need to be wary of glorifying the team at all costs. Teams can be instrumental in driving performance, innovation and growth in organisations. However, teams often underperform relative to the resources available to them, with coordination and motivation chipping away at the benefits of collaboration. Creating effective teams requires significant investment, with even effective teams incurring costs. Therefore, if the work does not require individuals to work together interdependently on a collective outcome, it can be the wiser choice to design and manage the work for individual performers coordinated as a co-acting group rather than a team. It's important to ask the question: *"Are we dealing with a real team?"* before making the investment in setting it up for effectiveness.

Whilst well-managed hybrid working supports productivity and makes workers happier, these new ways of working can also create challenges for team effectiveness. This includes a lack of socialisation and weaker group identity due to meeting less regularly in person and identity being fragmented across multiple teams. When colleagues don't physically meet in person, they can also miss out on key information and a shared understanding, contributing to a lack of trust and psychological safety. These challenges make it all the more important to attend to the core principles of team effectiveness and also increase the investment required to create successful teams.

The fundamentals of effective teams remain more or less constant, in spite of the changing nature of teamwork. Clarity of direction, a clear shared purpose, having the right resources and a supportive organisational context all remain essential to enable team relationships to flourish. Core models such as Hackman's Team Effectiveness Model can be a useful reference for team effectiveness practitioners.

Trust and psychological safety are essential building blocks of successful teams. Trust is built as individuals understand and open up to each other and is characterised by individuals being comfortable about being vulnerable around each other and holding each other to account. Psychological safety is also a key driver of team effectiveness and collaboration, and refers to a team climate characterised by interpersonal trust and mutual respect in which people are comfortable to speak up, put forward new ideas and take risks without fear of being blamed or punished if they make a mistake.

Optimal team size and the right mix of skills are also important elements of creating an effective team. As team size increases, the marginal benefit of adding each additional team member goes down – teams and meetings should therefore achieve a balance between having enough people present to generate sufficient ideas, but not creating too much relational complexity. Teams should additionally be sufficiently diverse to have the full complement of resources needed to perform well. For this to succeed, they also need to operate in an environment of psychological safety, where they can constructively learn from their differences and leverage them in carrying out the team's work.

To build an effective team, you have to not only get the right elements in place – you also have to tackle them in the right sequence. IMD Professor Ina Toegel's work suggests starting by building agreement around what the team is there to do, how team members will work together and what they will do when things go wrong. This forms a contract upon which trust can be developed. Starting in the right place enables performance, feedback and learning to follow on.

Successful team facilitation requires a particular blend of skills, especially when dealing with senior teams. This includes the ability to surface difficult issues, ensure all participants are heard and the ability to create psychological safety for the team. When facilitating team interventions at an executive level, it is particularly important to be aware of the inherent politics (with many team members likely to want the CEO's job) and to pay special attention to building a bond of trust with the CEO. Part of the work of developing the top team is to help it define its collective purpose: it is not always clear that the top team is in fact a 'real' team.

1.0 INTRODUCTION

> *"Most organisations are suffering from team overload. Since the pandemic we have seen three things happening at once: more teams, more meetings, and more people in those meetings."*
>
> **INA TOEGEL, PROFESSOR OF LEADERSHIP AND ORGANISATIONAL CHANGE, IMD BUSINESS SCHOOL**

Teams are instrumental in driving performance, innovation and growth in organisations. Building and sustaining effective teams that maximise the talent and potential of team members, and deliver more than the sum of their parts, is essential to business success in an increasingly complex organisational environment. As work becomes increasingly interdependent, the ability of individuals to collaborate across multiple teams is becoming ever more important to business success. As General Stanley McChrystal observed, learning how to reconfigure teams to confront the unknown is an effective response to a complex environment and helps develop resilience.

Teamworking has become more common over recent years, a phenomenon which has been turbocharged by the pandemic.

Pre-pandemic research by Prof. Rob Cross found the **time spent by managers and employees in collaborative activities had increased by**

50%

OVER TWELVE YEARS

Research by Microsoft has found the **number of meetings per person has increased by**

150%

SINCE MARCH 2020

Brent and Dent found that

69%

OF MANAGERS WORK WITH FIVE OR MORE TEAMS

The nature of teamwork is changing, too. Team boundaries are becoming fluid and fuzzy. Teams have to be externally oriented, working together with customers, partners and suppliers. According to Ancona and Bresman, *"Managers must expand their conception of teams as being composed of a stable set of full-time members to one with shifting membership and blurred boundaries."*

The pace of change around teams is also increasing, with teams becoming more dynamic as team members come and go, tasks shift and the need for expertise evolves. Virtual and hybrid working, agile ways of operating and dispersed teams are increasing the need to master distributed leadership and distributed teamworking.

However, good teamwork remains elusive. Patrick Lencioni, author of *The Five Dysfunctions of a Team* observed: *"Teamwork comes down to mastering a set of behaviours that are at once theoretically uncomplicated, but extremely difficult to put into practice day after day."* A 2015 study by Benham Tabrizi at Stanford found 75% of cross-functional teams are dysfunctional. As organisations take stock of their performance and reset their business strategies and working practices post-pandemic, there is an opportunity to invest in building team capability at all levels in the organisation.

The purpose of this paper is to:

- Explore the latest thinking around the factors that differentiate high-performing teams, with a particular focus on senior leadership teams
- Identify where teams tend to go wrong and how HR and OD professionals can support teams to improve their business impact, in particular the key role played by the HR Director on the executive team
- Consider how teams make decisions and how to support them in improving their decision-making effectiveness
- Consider what capabilities HR and OD professionals need to support teams in their development.

RESEARCH METHOD

The research is based on interviews with 23 CHROs and senior HR leaders, OD specialists, academics and experts in team development, as well as a review of relevant academic and practitioner literature (see References and Reading List in the Appendix). Research participants are listed in the Appendix.

TEAM EFFECTIVENESS

This paper brings together research conducted by CRF during spring 2023, and also summarises the Team Effectiveness event held at IMD on 29 and 30 March 2023. At the event IMD Professors Ina Toegel, Arnaud Chevallier and Seán Meehan explored topics related to team effectiveness, including how to define and develop a high-performing team, decision-making in teams and specific considerations for supporting top teams.

CONTACT

INA TOEGEL is Professor of Leadership and Organizational Change. Her executive teaching invokes experiential learning and focuses on a range of topics – from leading self and leading high-performance teams, to emotion management and leading organisational change. Ina's research focuses on the areas of team dynamics, organisational change management and top management teams during corporate renewal. She is a member of the Academy of Management and of the Strategic Management Society, and has worked for the World Bank prior to completing her PhD in management from INSEAD.

ARNAUD CHEVALLIER is Professor of Strategy. He helps executives solve complex problems and make better decisions under uncertainty. His research, teaching and consulting draw on empirical findings from diverse disciplines to provide concrete tools that prepare executives to manage the strategic challenges they face in today's dynamic global marketplace. Chevallier has helped numerous organisations to identify breakthrough solutions to complex problems including Shell, SAP, Lenovo, Cisco, Novo Nordisk, Statkraft and the United Nations.

SEÁN MEEHAN is Professor of Marketing and Management and Dean of Faculty. He is an award-winning author on customer-centricity and how organisations can deploy customer-led strategies to deliver superior performance. He works with senior executives from companies across the globe to help them deliver strong results through a tireless focus on customer value creation. At IMD, Meehan has designed and delivered leadership development programmes for companies such as Air France-KLM, Caterpillar, MasterCard International, PWC, Swiss Re, Toyota and Vodafone.

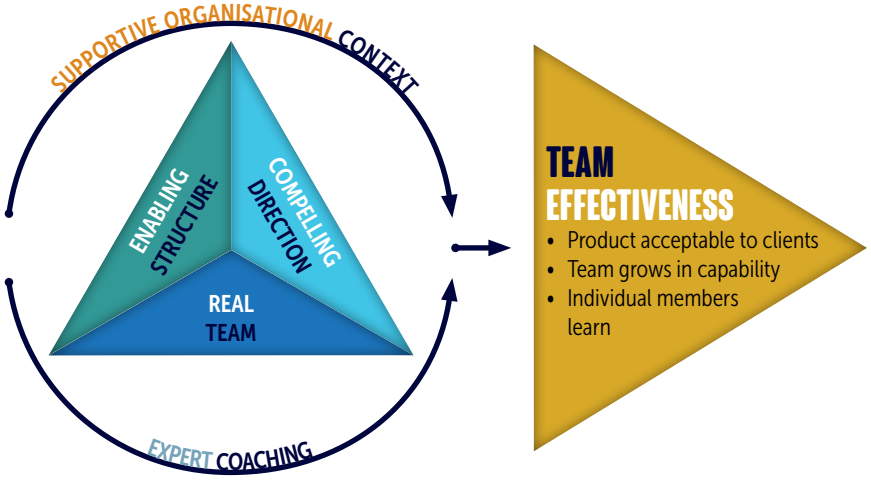
2.0 WHAT IS AN EFFECTIVE TEAM?

There are many models of team effectiveness, some more robust and research-based, others more observational. In this section we summarise some key theories and common themes around the topic.

Our starting point was Richard Hackman's work, developed over decades through research across diverse work teams in multiple contexts. While it has limitations in today's business context, discussed further below, it remains one of the most thoroughly researched models of team effectiveness and is still used as a key reference by team development practitioners today.

FIGURE 1

HACKMAN'S TEAM EFFECTIVENESS MODEL



Hackman defined a team as a set of individuals who work interdependently towards a common goal. He identified five conditions that foster work team effectiveness.

1. **HAVING A REAL TEAM:** Hackman contrasts a real team, which has collective responsibility for team outcomes, with a co-acting group, which might have individuals who work for the same supervisor, but completion of tasks does not depend on what others do.
2. **COMPELLING DIRECTION:** There must be clear direction about the team's work and performance outcomes. According to Hackman, *"authoritatively setting direction about performance aspirations has multiple benefits: It energises team members, it orients their attention and action, and it engages their actions."*
3. **ENABLING TEAM STRUCTURE:** Three structural features are key to setting the stage for effective teamwork. First, designing the work the team performs. The team should have responsibility for a whole piece of challenging work rather than a small routine part of a larger task, and should have autonomy around how to accomplish the task. Second, defining the core norms of conduct that guide and constrain team behaviour, both in terms of internal team processes and how the team interacts with its external context. Third, the composition of the team. Key considerations around team composition include team size, diversity vs homogeneity of team members, and managing the team dynamics and interpersonal relationships of team members.
4. **SUPPORTIVE ORGANISATION CONTEXT:** Hackman draws the analogy of the soil in which a tree is planted. *"Just as infertile soil can stunt the growth of even the healthiest seedling, so can an unsupportive context limit the performance of even a well-designed work team."* Considerations around organisation context include providing good information and feedback about team performance and having a reward system that recognises and reinforces excellent team performance, creating a clear line of sight between actions and outcomes.
5. **EXPERT TEAM COACHING:** According to Hackman, team coaching supports team effectiveness three key ways: supporting motivation and commitment; developing effective team processes; and helping individuals develop knowledge and skill. Different coaching interventions are likely to be required at different times in the team life cycle, for example focusing on collective engagement and motivation at the outset, reviewing and updating work processes at the mid stage, and capturing learnings at the end.

Hackman suggested that team effectiveness can be measured according to three criteria:

- The team creates work products that are acceptable to clients
- Working together results in a growth in team capability
- The group experience is meaningful and satisfying for members.

2.1 HOW TEAMS ARE CHANGING

While Hackman's model is a useful primer, we find it has limitations in some important areas.

- The context for teams is more complex today. For example, multi-teaming is now a part of organisational life, especially in knowledge work. For example, Mortensen and Gardner's global 2017 survey of more than 500 managers found that senior managers could work on as many as 25 different projects a week.
- Hybrid, dispersed and diverse teams are the norm, particularly as the COVID-19 pandemic has accelerated a shift towards remote and hybrid ways of working. Teams now spend decreasing time working together in the same room, fundamentally changing the ways teams build trust, communicate, collaborate and create identities. Research shows that, when well-managed, hybrid working improves productivity and makes workers happier. Research by Nicholas Bloom at Stanford University highlights the importance of 'organised hybrid,' involving 'anchor days,' when everyone in a team comes into the office on set days to perform more collaborative work.
- Team structures, boundaries and ways of working are changing. Team members may not have a clear, common understanding of who is part of their team and, with the increasing use of contracted and gig economy workers, team boundaries also often cut across organisations and teams have to balance internal and external stakeholders.
- Agility and pace have become priorities for team design.

> *"What many teams models miss is they assume teams are closed systems. You need to factor in the external environment, your customers and partners, who's commissioning the work. Effective teams also need to manage their external context."*
>
> **KAREN WARD, STRATEGIC CHANGE DIRECTOR, OPEN UNIVERSITY**

Ancona, Bresman and Mortensen, in a review of how teams research has changed after COVID-19, argue that team design needs to be updated to reflect several shifts in assumptions around how teams operate:

OLD ASSUMPTIONS	NEW / EMERGING ASSUMPTIONS
Stable set of team members for duration	Team membership changes frequently as part-time and part-cycle members come and go
Clear team boundaries	Employees work across multiple, fluid teams (often remotely). Individuals may have different understandings about who is on the team. Use of contractors / gig economy workers and inclusion of customers, suppliers and partners further blurs boundaries
Focus on internal composition and dynamics of team	Increasingly important to connect to external knowledge, work, and networks
Employees assigned to one team at a time	Employees balance multiple team memberships
The organisation forms the boundary of the team's context	As organisations increasingly interact and collaborate with a broader ecosystem, teams increasingly collaborate across organisational boundaries towards an overarching goal

As Ancona et al state: *"The nice, neat world of stable teams with known and set boundaries, an internal focus and a clear mandate was already on the wane, but with COVID-19 it has almost been obliterated. Now it is time for our models to keep pace and explore the complexities of ever-shifting teams working with new technologies to compete and collaborate across multiple boundaries."* Or, in the words of Professor Toegel: *"Since the pandemic we have seen three things happening at once: more teams, more meetings and more people in those meetings."*

These changing ways of working present challenges for team effectiveness:

- ***Lack of socialisation and weaker group identity.*** Researchers have long shown the importance of socialisation for creating strong teams. However, this is harder to achieve when teams do not regularly meet in person, or when team identity is fragmented across multiple teams and team members may have a weaker sense of who their teammates are. In this scenario, teams are less likely to perceive themselves as one group, leading to subgroups, tension, and ultimately hindering collaboration.
- ***The Mutual Knowledge problem.*** Coined by Cather Cramton, this refers to colleagues working together when they are not in the same room and therefore miss out on information and a shared understanding that they would otherwise have if they were physically together. For example, due to the lack of body language and verbal cues available in digital communication, it is easier for colleagues to misinterpret actions or not realise that a colleague is struggling with a project or even just having a bad day.
- ***Reduced psychological safety.*** Discussed further below, psychological safety is one of the top drivers of team effectiveness and collaboration, and is particularly important in unlocking the benefits of diverse teams. However, the blurred boundaries between home and work inherent in hybrid working can negatively impact psychological safety. For example, employees may feel pressured to discuss topics previously seen as private (such as health or caring arrangements) in order to coordinate and structure hybrid work.
- ***Lack of trust.*** From her research into more than 3,000 senior knowledge workers, Heidi K. Gardner identified two types of trust as essential for team effectiveness: competence trust (the belief that team members will deliver high-quality work) and interpersonal trust (the belief that other team members have good intentions). Both of these types of trust are created by people receiving clear and discernible signals from colleagues, such as observing the clearly prepared notes that a colleague brings to a meeting. However, hybrid working has made this information harder to access as team members are less likely to be sitting in the same room. Other changes in the way teams work, such as increasingly dynamic teams, has also made this trust harder to create – multi-teaming means that employees have less information about what their colleagues are working on and their competing demands and ultimately, less trust that they will do a good job.
- ***Barriers to spontaneity and innovation.*** Before COVID-19 and the acceleration in hybrid and remote working, many meetings happened informally (such as at the water cooler or whilst getting coffee). These kinds of spontaneous, chance interactions drove collaboration and innovation. However, in the post-pandemic return to the office, people are more reluctant to spontaneously approach colleagues and instead prefer to schedule meetings.

In summary, teams are now more fluid and blurred than ever before, with team members, team boundaries and even the physical space where a team works all changing. Despite these shifting dynamics, our research does not suggest that the core principles for team effectiveness have substantially changed. In fact, due to the increasingly dispersed and fluid nature of teams, we believe these principles are actually more important than ever. However, the ways that these can be supported and fostered is changing. Recent work by Martine Haas and Mark Mortensen revisited the assumptions underlying Hackman's work. They concluded that while teams today are more dispersed, diverse, digital and dynamic (4D teams), a compelling direction, strong structure and supportive context continue to be critical to team success. Having a shared understanding of direction is especially important for 4D teams as far-flung members of disparate teams from dissimilar backgrounds can easily hold different views of the team's purpose.

Over the rest of this section, we dig deeper into key areas that emerged from our research as important considerations in creating and sustaining effective teams, and consider what impact the new world of work might have on them.

2.2 IS IT REALLY A TEAM?

The word 'team' has become a loaded word in organisations. Teams and teamworking are perceived as unquestionably positive – there's cachet associated with being on a team rather than just attending a meeting. However, we need to beware glorifying the team at all costs – sometimes designing work to be delivered by a co-acting group is more effective. Co-acting groups involve individuals who work in proximity with each other and have the same supervisor, but completion of individual tasks does not depend on what others do. Many teams as they are described in organisational settings are actually co-acting groups. Hackman said: *"There is a choice here: Either design the work for a team or design it for individuals. If done well, either strategy can yield fine results. What is not fine is to send mixed signals: to use the rhetoric of teams when the work really is performed by individuals or to directly supervise individual members when the work really is a team's responsibility."*

In other words, if the work does not require individuals to work together interdependently to achieve an identifiable collective outcome, then the wise choice is to design and manage the work for individual performers rather than for an interacting work team. This is because even effective teams incur costs.

> *"Sometimes issues around team dynamics emanate from the fact that you're not actually dealing with a real team. You need a group of individuals working in parallel to deliver your objectives. So the first question is to step back and ask: 'Do we really need to be functioning as a team to be successful here?'"*
>
> **SARAH HAMILTON-HANNA, CHIEF PEOPLE OFFICER, TT ELECTRONICS**

Research consistently shows that teams underperform relative to the resources available to them. Problems with coordination and motivation typically chip away at the benefits of collaboration. Psychologist Ivan Steiner found that groups do not perform to their full potential because of what he called *"process losses"*. Factors such as coordination difficulties and social loafing (individuals exert less effort to achieve a goal when they work in a group than when working alone), mean that, while group productivity does increase with additional team members, it does so at a decreasing rate. Process losses also accelerate as team size increases. Therefore, the additional benefits, in terms of output, creativity and quality of ideas that teams can deliver in ideal circumstances, needs to be greater than the additional effort required to set up and sustain a high-performing team. As Professor Toegel observed: *"When teams work, the whole is greater than the sum of the parts. When teams don't work, they slow us down, complicate things and make it difficult to resolve issues."*

Hackman identifies four features which differentiate a real team:

1. A collective team task: the work requires team members to work together interdependently to achieve an identifiable collective outcome.
2. Clear boundaries: members know who is on the team and can distinguish reliably between the people who share accountability for the collective outcome and others who may help out in various ways but are not team members.
3. Clearly specified authority to manage the team's own work processes
4. Membership stability over a reasonable period of time, although this is becoming less common as teams turn over more frequently.

The issue of whether or not we are dealing with a 'real' team came up frequently in our discussions, particularly with regards to executive teams. According to Neil Morrison, Group HR Director at Severn Trent Water: *"Executive teams can be real teams, but it's not a given. You need to decide if it's a real team, a council of elders or a group of people who come together to make decisions."*

The rise of hybrid ways of working means that, as argued by Constance Noonan Hadley and Mark Mortensen in 2022, the costs of team collaboration are going up, and yet the benefits are harder to achieve. Setting up and supporting successful teams has always been an investment and requires substantial resources. Organisations need to coordinate schedules, establish norms and disseminate information. The growth of hybrid working and the increased dynamism of teams has added a greater complexity to this. For example, schedules may now need to be coordinated across timezones and more effort is required to form a shared identity if the team does not regularly meet in person.

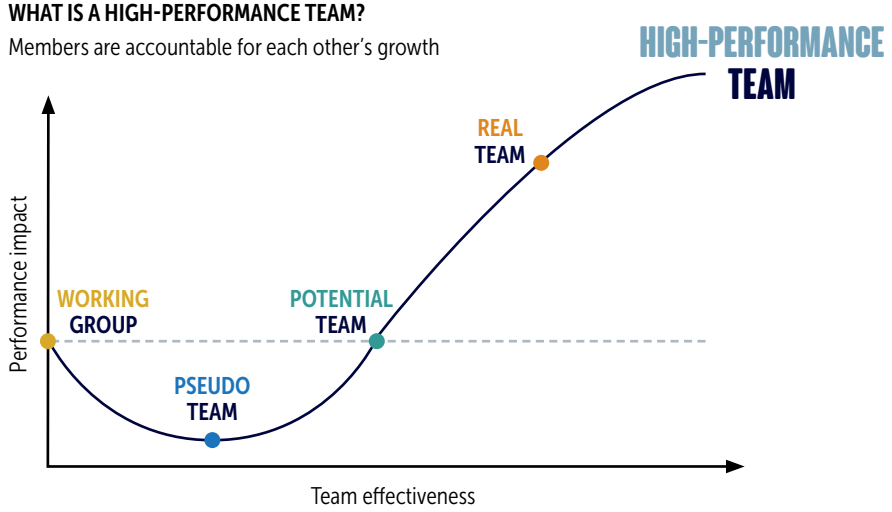
At the same time, the benefits of working in a team have also reduced. A 2021 study by Microsoft found that hybrid working has negatively affected certain areas of team collaboration, including creative work and informal, spontaneous interaction. Teams also experience less social connection and a weaker sense of belonging. When setting up a new team, organisations should therefore carefully consider whether a team is the best structure to complete the task at hand. For example, as suggested by Hadley and Mortensen, organisations could instead consider co-acting groups – *"loose confederations of employees who dip in and out of collaborative interactions as a project or initiative unfolds"*.

As shown in Professor Toegel's diagram opposite, a team is not always the most impactful way of working. In fact, a 'psuedo team' – a situation where a group has created the interaction and interdependence of a team, even though the project does not actually require it – creates inefficiencies and ineffectiveness. It is also very easy for teams to be stuck in the pseudo team rut. In order to progress, they will need to invest significantly in relationships in order to move further along the curve. Another legitimate, though often undervalued, alternative is to acknowledge that investing in their team is not valuable for their context and return to being a working group. This is why it is so important to make expectations about identity explicit, both internally and with outside stakeholders: do you want to be a working group, a team, or a high-performance team? Deciding this helps set expectations about how much investment is required.

FIGURE 2

WHAT IS A HIGH-PERFORMANCE TEAM?

Members are accountable for each other's growth



2.3
SHARED PURPOSE – DETERMINING THE 'WHY'

Real teams align around task. It's therefore important that the team is clear about 'why' it exists as a team. This means having a shared view of the strategic goals and direction of the team, alignment of the team members around goals and a common view of the unique purpose that only that team can fulfil. Sometimes the behavioural issues that teams experience are not to do with the team dynamics per se, they derive from a lack of clarity around the team setup and what the team is there to deliver.

Purpose has become something of a buzzword in organisations, and is also a term that comes up frequently with regard to team effectiveness. Is this just a fad or a genuine reflection of the environment within which teams operate? With the speed of change organisations face, teams have to be set up to both meet their objectives and be adaptable and responsive to changes in their context. Research into organisation agility suggests that companies which have a strong sense of shared purpose, which clearly defines 'who we are' and 'what inspires us' while allowing enough flexibility to make strategic choices in response to environmental changes, tend to be more successful longer term. This perspective is supported by data gathered by RHR International, which shows that teams with a stronger sense of purpose report higher levels of team effectiveness. *"They also are found to spend less time in firefighting mode, and more time working strategically,"* said Dan Russell, Head of RHR's Products, Data and Insights Lab.

Perhaps it is a better response to complexity to focus on identifying what the team is uniquely there to do and to anchor to a shared purpose, which sets guardrails around the team's actions rather than defining prescriptive deliverables. Purpose provides a flexible framework for action and decision-making rather than prescribing specific outcomes.

Purpose is especially important for executive teams to work out, as they often function as committees. Barry Hoffman, formerly Chief People Officer at Landsec, said: *"It's harder where you have a group of individuals each running their own fiefdom. You're more likely to have a real team at the executive level when you all have to pull together to deliver in line with customer goals, and you have to make sure you're all aligned."*

Jan Schlueter, Head of Executive Development at Swiss Re has addressed this issue by working explicitly with the executive team to define a small number of 'must wins'. *"You need to get clear on shared goals. What are we collectively responsible for? What are the results we must drive together?"*

In summary, establishing shared purpose involves getting alignment around questions such as:

- What is the team uniquely there to achieve as a collective?
- What decisions must we take collectively?
- What roles do individual team members play in delivering those shared outcomes?

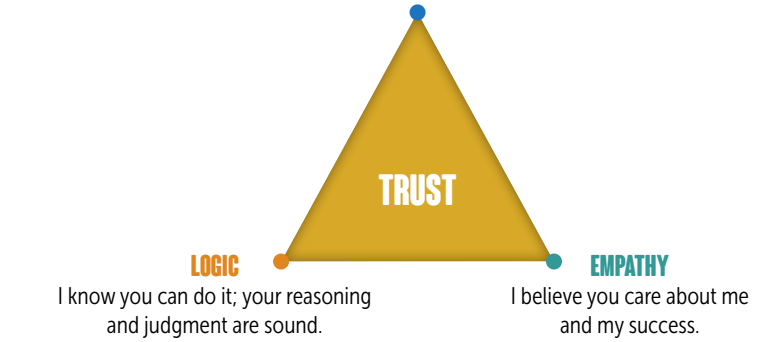
2.4 TRUST AND PSYCHOLOGICAL SAFETY

Trust is a fundamental factor in human relationships and is an essential characteristic of successful teams. Trust gives us confidence to do things such as making decisions and taking actions. However it can be hard to achieve and is easily broken, often irreparably. One of the critical tasks of building an effective team is to establish and maintain trust between team members.

According to Frei and Morriss's Trust Triangle, trust has three drivers: authenticity ('I experience the real you'), logic ('I know you can do it; your reasoning and judgment are sound') and empathy ('I believe you care about me and my success').

FIGURE 3

TRUST TRIANGLE



Source: Frei and Morriss, May 2020

> *"Trust, openness and dialogue are essential to building an effective executive team."*
>
> **MARIA ANTONIOU, CHIEF HUMAN RESOURCES OFFICER, MORGAN ADVANCED MATERIALS**

Teams have to choose which actions to take and what to prioritise. They have to weigh up options and strategies and select the best way forward. Individuals have to commit to act in line with collective decisions. Sometimes individuals will disagree with a chosen course of action, but success will require them to put aside their reservations and act in accordance with the collective decision. According to Patrick Lencioni's work on team dysfunction (see further below), effective teams are those which are capable of engaging in open, constructive, unguarded debate about ideas. Effective teams tend to be characterised by a substantial level of debate. They also need to be able to air concerns without fear of reprisal.

Lencioni found that trust relies on individual team members having confidence that the intentions of others on the team are good. Trust is built as individuals understand and open up to each other and is characterised by individuals being comfortable about being vulnerable around each other, and confident that their vulnerabilities will not be used against them. It is different to dependency-based trust which is centred on the ability to predict an individual's behaviour based on their past experience. Vulnerability-based trust is built through shared experiences over time, with multiple instances of follow-through and credibility. If team members are not genuinely open with each other about their objectives, motivations and concerns, it becomes impossible to build a foundation of trust. Richard Cleverly, who's an expert in team development, said: *"Teams need to be able to have passionate, unfiltered debate, without there being blood on the carpet or people feeling bruised about the experience. That's the foundation of trust – otherwise all you have is false harmony."*

PSYCHOLOGICAL SAFETY

Related to trust is the concept of psychological safety. This was popularised by Professor Amy Edmondson of Harvard Business School, who described psychological safety in the context of teams as *"a shared belief held by members of a team that the team is safe for interpersonal risk-taking."* In a 1999 study, Edmondson described psychological safety as *"a sense of confidence that the team will not embarrass, reject or punish someone for speaking up. It describes a team climate characterised by interpersonal trust and mutual respect in which people are comfortable being themselves."* Psychological safety is based on a leadership approach that encourages people to voice concerns, ask questions and share ideas. People can be confident that their ideas will be welcomed and built upon, not ridiculed, and they will not be punished by colleagues for offering a different point of view. They can experiment and take risks knowing that it is safe to make mistakes.

According to Edmondson: *"In a psychologically safe workplace, people are not hindered by interpersonal fear. They feel willing and able to take the inherent interpersonal risks of candour. They fear holding back their full participation more than they fear sharing a potentially sensitive, threatening, or wrong idea."*

Edmondson's research found that teams where participants felt able to admit to mistakes and talk about how to learn from them demonstrated higher performance. Psychological safety has also been shown to help teams overcome the challenges of virtual and geographically dispersed working, and can also make or break team performance in diverse teams.

It is important to note that psychological safety does not correlate with differences in personality – it is a feature of the workplace created and sustained by leaders. Research by Edmondson and others suggests it is established by leaders practising the following behaviours:

- Communicate (by words but, more importantly, through their actions) that they respect employees, and the skills and expertise they bring.
- Be fully present in conversations and focused on the interaction.
- Actively encourage speaking up and reporting mistakes.
- Be accessible and approachable.
- Acknowledge that they don't know all the answers, as this shows humility and encourages others to follow suit.
- Be inclusive in decision-making, soliciting input and feedback from team members.
- Acknowledge their own fallibility.
- Use failures or mistakes as opportunities for learning.
- Use direct, actionable language, which creates the kind of straightforward discussions that enable learning.
- Set clear boundaries around what is acceptable behaviour. Vague or unpredictable boundaries make people feel less psychologically safe.
- Invite participation from all team members and actively bring in those who naturally tend to hold back.
- Autocratic behaviour, inaccessibility or failure to acknowledge their own vulnerability all work against psychological safety.

Subsequent research, most notably Google's Project Aristotle (see the box on the next page for more information) has confirmed the importance of psychological safety as a key feature of successful teams.

GOOGLE'S PROJECT ARISTOTLE

In 2012 Google kicked off an initiative to study internal teams across the organisation and work out what differentiated the highest-performing teams. They analysed 180 teams, looking at factors such as team composition, personality factors, team member backgrounds and skills, rewards and so on. They also studied the group norms of the teams in the study to understand which group behaviours supported successful outcomes and which worked against high performance.

The first question they sought to answer was 'What is a team?'. The researchers distinguished between teams and work groups.

- Teams are highly interdependent – they plan work, solve problems, make decisions and review progress in service of a specific project. Team members need one another to get work done.
- Work groups are characterised by the least amount of interdependence. They are based on organisational or managerial hierarchy. Work groups may meet periodically to hear and share information.

Team effectiveness was measured using a combination of qualitative assessments and quantitative measures, such as quarterly sales data. For qualitative assessments, the researchers captured input from three different perspectives – executives, team leads, and team members, each of whom were asked to rate teams on similar scales. They also gathered employee engagement and other data including personality factors, demographic data and tenure.

The results showed that what really mattered was less about who is on the team, and more about how the team worked together. In order of importance, the following factors were significant:

1. **Psychological safety:** In teams with high psychological safety, teammates felt safe to take risks around their team members. They feel confident that no one on the team would embarrass or punish anyone else for admitting a mistake, asking a question or offering a new idea.
2. **Dependability:** In teams with high dependability, members reliably complete quality work on time (vs the opposite – shirking responsibilities).
3. **Structure and clarity:** An individual's understanding of job expectations, the process for fulfilling these expectations and the consequences of one's performance were important for team effectiveness. Goals can be set at the individual or group level, and must be specific, challenging and attainable.

> *Psychological safety was by far the most important of the five key dynamics [and is] the underpinning of the other four.*

4. **Meaning:** Finding a sense of purpose in either the work itself or the output was important for team effectiveness. The meaning of work is personal and can vary: financial security, supporting family, helping the team succeed or self-expression for each individual, for example.
5. **Impact:** The results of one's work, the subjective judgement that your work is making a difference, is important for teams. Seeing that one's work is contributing to the organisation's goals can help reveal impact.

According to Julia Rozovsky, who led the research at Google, *"Psychological safety was by far the most important of the five key dynamics [and is] the underpinning of the other four."*

As a result of this work, Google developed a team survey that teams can use to discuss their performance. Survey items focus on the five effectiveness pillars and include questions such as:

1. Psychological safety – 'If I make a mistake on our team, it is not held against me.'
2. Dependability – 'When my teammates say they'll do something, they follow through with it.'
3. Structure and Clarity – 'Our team has an effective decision-making process.'
4. Meaning – 'The work I do for our team is meaningful to me.'
5. Impact – 'I understand how our team's work contributes to the organisation's goals.'

A downloadable version of the team effectiveness discussion guide can be found here.

2.5 TEAM COMPOSITION – WHAT DO WE NEED FOR SUCCESS?

When we discussed the foundations of effective teams above, we highlighted having a compelling direction and an enabling team structure as critical success factors. Indeed, Google's Project Aristotle highlighted that it is important for individual team members to understand the performance expectations of the team, the contribution they are expected to make to those outcomes and how the team would go about delivering on those expectations.

In putting together the team, we would highlight two other important factors:

1. Optimal team size
2. Getting the mix of skills right.

1 TEAM SIZE

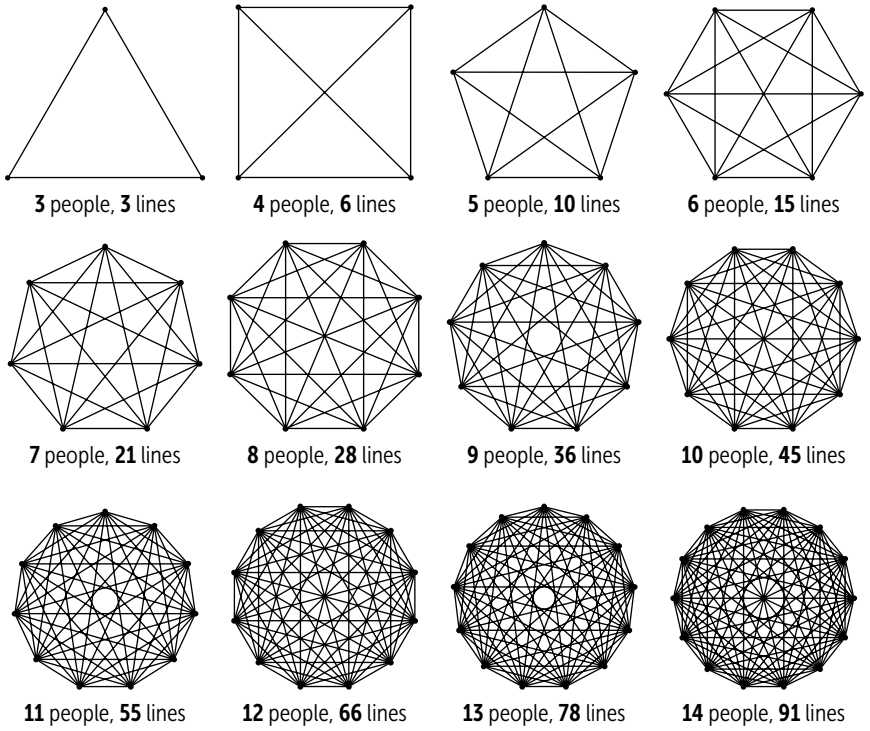
One of the most common mistakes is putting too many people on a team. As team size increases, the marginal benefit of adding each additional team member goes down. Psychologist Ivan Steiner's research on the effect of group size on group productivity found that while group productivity does increase with additional team members, the rate of increase declines as the team gets larger. Therefore going from two to three people will have greater marginal impact on team outputs than increasing from 10 to 11. For very large groups, total team output can actually decrease once a group gets too large. Research suggests that most teams with more than eight people suffer from challenges in coordination, increased tension and reduced productivity.

Professor Toegel highlights that it is common to underestimate the impact of adding one more person to a team or a meeting. As illustrated opposite, adding just one more person to a team actually adds multiple communication lines and therefore vastly changes relationship dynamics.

Toegel recommends that teams and meetings should achieve a balance between having enough people present to generate sufficient ideas, but not creating too much relational complexity. Her own experience at IMD has been that six is the optimal number of people to meet in person, and four to six is optimal for meeting online (as body language is harder to read and relationship building is therefore more difficult). In large, complex meetings, she also recommends applying the '1-2-5-all' approach. This involves giving people individual time to reflect, then time in pairs to refine or validate ideas, before moving to small groups and finally sharing with the overall group.

FIGURE 4

TEAM CHANGES



2 GETTING THE MIX RIGHT

Another potential pitfall is creating a team that is too homogeneous. Homogeneity may mean that team members get along together but lack the full complement of resources needed to perform well. However, while a more diverse team may be more creative or generate more ideas, it is likely to experience greater conflict and process losses. This is where psychological safety becomes particularly important. It can also be beneficial to invest in expert team coaching to help a diverse group to find ways to constructively learn from their differences and exploit them in carrying out the team's work.

2.6 TEAM NORMS – HOW TO WORK TOGETHER

Norms define team behaviours that are acceptable – and unacceptable. They cover both internal team processes, i.e. the behavioural boundaries within which the team should operate, but also how the team interacts with its context. A core task of setting up the team is to deliberately create and agree what these team norms are. Professor Toegel suggests the below 8-box team contract as an example of this.

MISSION AND SCOPE • Why do you exist? • What is at the core of your business activities? • What is outside of your scope?	**GOALS** • What do you want to achieve? • What are measureable performance benchmarks that will help you improve?	**NORMS** • What are behaviours we want to encourage? • How we will keep each other accountable? • E.g. decision-making, conflict resolution, meeting guidelines, ways of working etc.	**FUN AND PLAY** • Spontaneity and chance interactions • Celebrations and relaxation • Team building (F2F, hybrid, virtual)
STRENGTHS • What individual competences (hard and soft skills) does the team have its disposal? • How do these combine into an asset for the team?	**WEAKNESSES** • What individual competences (hard and soft skills) are missing? • When combined, how do these constitute a gap / blind spot for the team?	**ROLES** • What is the contribution of each team member? • Can you benefit from further clarifying your formal (and informal) roles on the team?	**VALUES** • What values motivate each team member? • What are the common themes in your individual values? • What differences do you need to keep in mind? • What could be your combined team values?

Virtual and hybrid working has brought an additional level of complexity to team processes, and has made it all the more important for teams to agree working practices, team norms, communication practices and decision-making processes. The following are factors to consider in designing team norms for hybrid and virtual teams:

- Being mindful and deliberate about the types of work best suited to face-to-face interaction versus virtual working.
- Adapting the cadence of team communication activity to the phase of the work. Ancona and Bresman suggest bringing team members together more frequently in the early stages to build the team, establish trust, compare notes and decide on future actions. Once the team is established, less frequent in-person interactions may be sufficient to maintain relationships and momentum.
- Encouraging open information sharing. A 2009 meta-analysis by Mesmer-Magnus et al found that team performance was positively correlated with open information sharing. Encouraging teams to share information through casual conversation at the beginning of meetings builds team trust and develops social structures to support team effectiveness.
- Making additional effort to build psychological safety for virtual and hybrid teams. Ayoko et al (2012) found certain practices have a positive effect on establishing psychological safety. These include going out of your way to clarify where you are coming from to avoid confusions and misinterpretation, actively sharing knowledge and seeking out feedback rather than waiting to receive it, and sharing positivity about the good things you see in others.
- Consider using emoticons or using virtual tools to gauge the team's emotional status. Emoticons have been shown to reduce miscommunication and bring more energy into virtual communication. Asking employees to anonymously rate their emotional state can start a conversation without putting individuals on the spot.
- Phone calls can help facilitate the kinds of spontaneous interactions that are often missing from remote, online interactions.

DECISION-MAKING AND PRIORITISATION

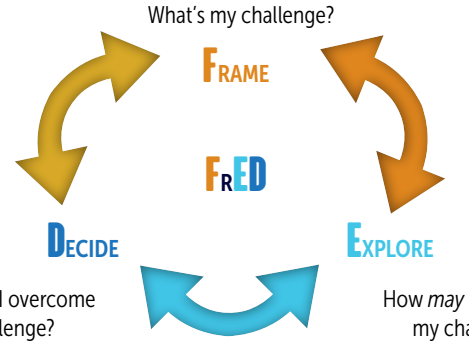
At our IMD event, Professor of Strategy, Arnaud Chevallier facilitated a session on decision-making in teams, which is summarised below.

Senior business leaders operate in an environment of uncertainty where there is not usually one right decision. Therefore, it is better to think in terms of probabilities, rather than certainties, and recognise that our decision preferences are informed by subjective information, biases and values. Rather than asking 'how do we make sure we make the right decisions?' a better question to ask is 'how to make more high-quality decisions?'

As a background to making better team decisions, the session outlined a framework that can be used to improve the quality of both individual and collective decision-making: Frame, Explore, Decide (FrED).

FIGURE 5

FRAME, EXPLORE, DECIDE (FrED)



1. **FRAMING** When faced with a complex strategic decision, first outline the most relevant questions and how they interconnect (rather than jumping straight in to answering question you think of first). Next, identify the one overarching question that your entire project answers, ensuring that it is neither too narrow nor too broad, and expect to modify it as you go.

2. **EXPLORING** This helps you to discover alternative solutions and identify evaluation criteria. The obvious solution is not necessarily the best, so give yourself time to consider potential alternatives. This can be achieved by first *diverging* and considering various ways to answer your question, before *converging* on the handful of alternatives that you think are most promising. Complex problems do not have one objectively right solution. Instead, what you value should dictate which alternative is the best fit.

   Your team may have different opinions on what should be prioritised. Disagreements are a feature, not a bug. An increasing body of research shows that teams that first disagree, then commit, find better solutions than teams that never disagree. But you need both – you need to disagree, and then once you have discussed, to commit. If you all initially agree on a decision, then it is likely there is some complexity that you collectively missing.

3. **DECIDING** Evaluate each alternative according to the criteria that you have selected, remembering you will need to make tradeoffs and that your team may not draw the same conclusions from the same body of evidence. Consider what, as a group, you are willing to let go of in order to achieve something more valuable.

   Making effective strategic decisions according to this framework requires iterations, with each one enabling more substantial, evidence-based debates within the team. Therefore it is important to constantly re-evaluate what you 'know' and adopt a scientific mindset, where you use your team to test your intuition. If you are making a decision under time pressure, there is no one 'right' way to allocate time to FrED, as long as you iterate, allocating some time to each Fr, E and D.

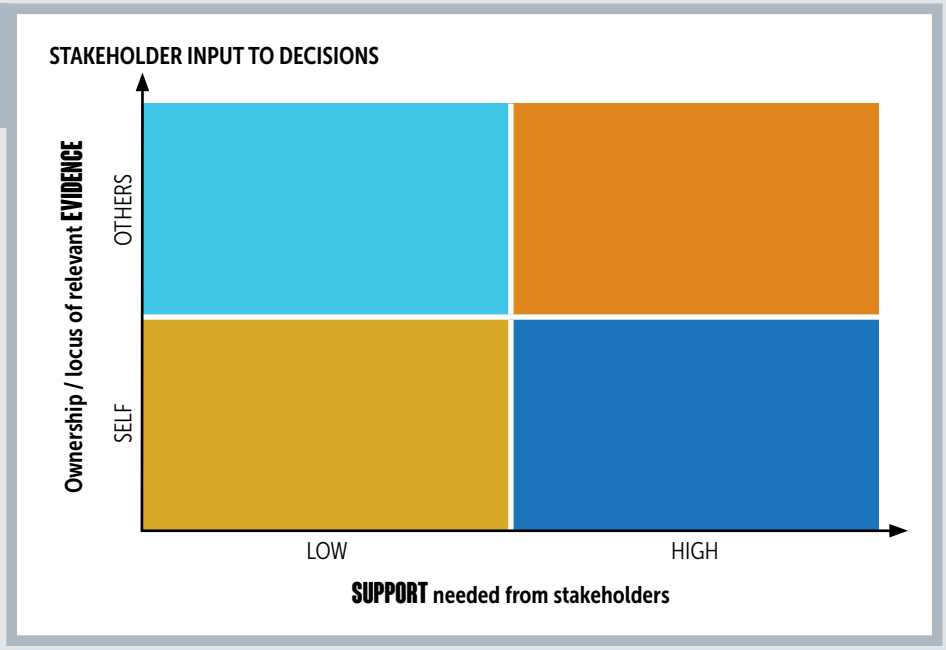
HOW TO LEVERAGE TEAMS TO CREATE BETTER OUTCOMES

Engaging different perspectives – such as through team decision-making – can be a valuable way to make decisions, especially when the situation is particularly broad or complex. However, leveraging this engagement requires creating an environment where people feel safe to voice dissenting opinions. For example, the aviation industry uses a process called Crew Relationship Management, which encourages crew to share different opinions or mistakes they have made. This environment is created through colleagues establishing their competence, acknowledging their imperfections and engaging the crew so they realise it is ok to speak up.

The first step is deciding how much team input a decision requires. Decisions style can be independent, consultative (where an individual asks for others input, but retains ultimate decision-making power), or collaborative (where decision-making power is delegated). People naturally have different preferences or styles in relation to making group or team decisions. It's important to know your preference, but be able to switch to a different decision style, depending on the decision you're facing, where the locus of relevant evidence is, and what support you need. For example, if you require low support from stakeholders and already have the evidence you need, then you can likely make the decision by yourself. It is important to remember that your culture defines what constitutes high and low support, and therefore the axes will vary between organisations. This can cause complexity for organisations that span different boundaries or cultures.

Once you have decided the level of support, next you will need to decide who are your core stakeholders to engage. Decide whether you want to them give them a voice, a veto or a vote. You do not need to engage all stakeholders to the same level, and can adapt this on a case by case basis. Avoid going to the same people for every decision – be cognisant about who you are involving and think about where people fit for specific decisions.

FIGURE 6



Being clear about the process and how you will reach a final decision helps to reconcile different viewpoints; research shows that people are more likely to accept an outcome if they feel that they have been listened to. This can be achieved by setting expectations from the outset when you elicit opinions, outlining that the outcome may not necessarily reflect all their priorities, but their view will be taken into account. Additionally return to the people you have spoken with to explain the final decision to them. The overall aim is to achieve a decision that is best for the organisation as a whole, rather than for any specific individual or function.

STRAUMANN GROUP'S
"IT, WE AND I" TEAM EFFECTIVENESS METHODOLOGY

Straumann Group, the Swiss based oral care and dental solutions company, believes its *"high-performance player-learner culture"* is a competitive advantage. The culture journey in Straumann started over 7 years ago. Underpinning the change are new core beliefs which set out the cultural tenets upon which the company drives high performance. The journey to becoming a high-performing team can also be framed as: High-performing teams create a better "I" and a better "We" to drive a better "It".

This is expressed as follows:

- The "I" is about us as individual leaders – the beliefs and values "I" hold and the skills, capabilities and experiences "I" possess underpinned by being "player learners".
- The "We" is about the collective – the relationships, interactions and networks that "We" as leaders catalyse, build and lead within our teams and cross-functionally.
- The "It" is about the larger systems and aspirational goals we hope to achieve as high-performance outcomes and deliver on our purpose for patients and our people.
- "It, We and I" also forms the basis of Straumann's leadership expectations and its approach to team effectiveness.

Straumann is introducing a new team effectiveness methodology to enrich its high-performance culture. It is being rolled out to HR and OD professionals and business leaders, with a toolkit of resources and interventions to support teams at scale across the organisation. The objective is to develop the capability in-house to deliver facilitated team dialogues to help teams navigate their own effectiveness dilemmas. Niti Khosla, Global Head of Culture, said: *"Rapid pace of change, our own aspirations and an increase in cross-functional working is driving the need to have more facilitated team conversations. We were also responding to a renewed energy post-COVID for teams to have pragmatic interventions that they can use themselves without the cost of running workshops with external consultants. It gives teams the opportunity to quickly put together an experience to talk about the complexities they are facing in a safe way."*

> *The diagnostic gives us a basis for having a much more targeted and meaningful discussion, and also helps us track the impact of interventions.*

Tools include meeting agendas for team workshops, addressing different types of team situations: new members, new leaders, change in strategy or structure, and solving for inter-relational dilemmas. There is also an inventory of exercises and activities facilitators might engage in, as well as standard templates for checking in and checking out at regular team meetings and team pulse checks. The toolkit also covers the facilitation skills required to deliver different activities and preconditions to consider, as well as guidelines around frequency and duration of interventions.

Straumann uses a survey platform to run a team diagnosis on how members are thinking and feeling, and measure the impact of teams interventions. Based on the "It, We and I" framework, it asks employees questions across the three dimensions. The "It" dimension includes questions covering the team's shared accountability and whether it has a clear team purpose that connects to the Straumann group strategy. "We" questions include items covering team relationships, communications, achievement against objectives, team climate and how well the team is equipped to deal with difficult issues. "I" asks about individuals' understanding of their own role and accountability, how their mindset affects the team, learning from others, feelings of belonging in the team, and whether individuals find their work meaningful.

The results of the diagnostic help shape the design of team sessions and identify priorities for team development. *"The diagnostic gives us a basis for having a much more targeted and meaningful discussion, and also helps us track the impact of interventions,"* said Suzanne Lee, Global Head of Talent, Learning and Organisation Development.

3.0 BUILDING EFFECTIVE TEAMS

In this section we explore how to build effective teams. We consider selection and sequencing of team interventions, diagnosis and evaluation of impact, and the capabilities HR leaders need to develop to support team development. We consider the specific challenges for top teams and the role the CHRO plays in supporting top team development. Case studies provide a practical lens, showing how some organisations approach team effectiveness in practice.

3.1 WHAT TO WORK ON

In our research we came across various models used by companies for the purpose of diagnosing and designing interventions to support team development. These include the Hackman model described above and the Drexler Sibbet and Katzenbach and Smith team performance models. Some companies have also developed their own team effectiveness model to reflect their organisation's values and culture. Straumann Group's "It, We and I" model is an example, described in more detail on page 23.

One of the most commonly cited models is Patrick Lencioni's Five Dysfunctions of a Team. The Five Dysfunctions describes the common pitfalls faced by teams as they seek to deliver results and grow together, and explores the causes of team failure. Lencioni contends that effective teams demonstrate five behaviours:

1. They trust one another
2. They engage in unfiltered conflict around ideas
3. They commit to decisions and action plans
4. They hold each other accountable for delivering against those plans
5. They focus on the achievement of collective results.

He argues that each element of the model is interrelated, and that trust is the essential foundation of teamwork. He draws the Five Dysfunctions as a pyramid with trust as the base. Each element builds on the others and therefore, succumbing to any one of them is likely to lead to issues in other areas.

FIGURE 7

ABSENCE OF TRUST – resulting from team members unwilling to be vulnerable and open up to one another. Wariness of admitting weaknesses and fear of reprisals mean debate is suppressed. *This leads to...*

FEAR OF CONFLICT – seeking artificial harmony over open debate and constructive conflict. *This results in...*

LACK OF COMMITMENT – feigning buy-in to group decisions creates ambiguity throughout the organisation and a lack of follow through on decisions. *Leading to...*

AVOIDANCE OF ACCOUNTABILITY – hesitating to call each other out on actions and behaviours that are counterproductive to the team's goals. Once clarity and buy-in is achieved, team members can hold each other accountable for what they signed up to do, and for high standards of performance and behaviour. *Avoidance results in...*

INATTENTION TO RESULTS – individuals put their own needs or the needs of their departments above the collective goals of the team. In contrast, when everyone is focused on results, it's difficult for egos to get out of hand.

> *"We know a lot of the elements that are necessary for team success: trust building, feedback, and so on. But very little attention is actually paid to the sequence in which we do things. My work suggests that to get any team to a place of high performance you need to go through three steps in the right sequence.*
>
> **INA TOEGEL, PROFESSOR OF LEADERSHIP AND ORGANISATIONAL CHANGE, IMD BUSINESS SCHOOL**

The usefulness of the Lencioni model lies in its simplicity and its attention to team dynamics. However, it is important to be aware that is it not based on research and its practical recommendations lack empirical support.

One of its biggest limitations is the suggested sequencing of interventions. To address a lack of trust, Lencioni recommends putting leaders through a series of personal disclosures. However, starting here is unlikely to lead to trust building in dysfunctional work teams.

Other models suggest starting in a different place – making sure the team is set up correctly to deliver against its objectives – and using the work the team has to deliver as the vehicle for building trust. At the IMD event, Professor Ina Toegel shared her model of team development which draws on her research and work with teams over many years (see the 4-Step Framework for Developing High-performance Teams on page 26.

Toegel said: *"We know a lot of the elements that are necessary for team success: trust building, feedback, and so on. But very little attention is actually paid to the sequence in which we do things. My work suggests that to get any team to a place of high performance you need to go through three steps in the right sequence. Teams often get unstuck when they don't get the sequence right. The first is to get the contract right, whether you call it a charter, psychological contract or an agreement on how to work together. You have to get that right before you move to trust building, because until you have done this you can't even know what the other side is expecting. It's only once you have built the foundation on the right-hand side that you can move to feedback, which is then leveraged in a different way because it's built on a trust base that shows you care about my development. So I understand that the feedback is coming from a good place, and I am primed to listen properly and receive it in the right way, which then feeds the learning and performance piece."*

George Karseras, author of *Build Better Teams*, having completed an extensive review of the academic literature on team effectiveness, concurred: *"The science tells us we don't build teams [by] first building vulnerability-based trust or first attending [...] to the relationships in the team. Rather we start the team development journey by getting the team on the same page from the get-go and agreeing what's most important for the team to achieve, and we build relationships while we do this."*

HIGH-PERFORMANCE TEAMS

At the IMD event Professor Toegel facilitated a session on high-performance teams, which is summarised below.

Performance can be defined by two aspects: performance relative to expectations, and performance relative to other teams in the same situation. A team of high-performers and a high-performance team are not the same thing. In particular, in a high-performance team there is mutual accountability for one another's growth, which propels the team to high performance. High-performance teams also require a lot of investment in relationships; teams must first decide if this investment is worthwhile for them.

Professor Toegel introduced a 4-step framework to support high-performance teams, emphasising the importance of the sequence of the steps. Each step involves an important jump from strong bilateral relationships to strong team level discussions and requires significant investment. This investment is particularly important where relational dynamics within the team are critical to the team achieving its goals. As stated above, teams should first be sure that they want to make this investment.

1 BUILD AGREEMENT

This is often underestimated as a step in building high-performance teams, but is a critical part in building trust more naturally. As mentioned above, psychological safety is a key part of building effective teams, and can be supported by creating a team agreement or charter. Google research, as part of Project Aristotle described on page 18, shows that this is supported by 'ostentatious listening' (where members demonstrate that they are actively listening) and conversational turn-taking (when everyone speaks for roughly the same amount of time).

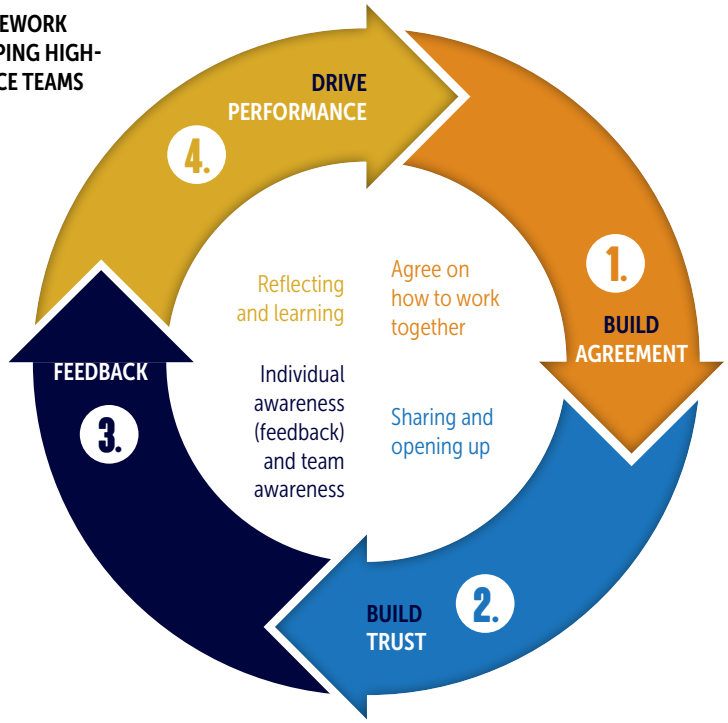
There are many different areas where you can create team agreement, eight of which are highlighted on page 20. These do not necessarily all need to be decided at once, but at least 30 minutes is required to have a meaningful discussion for each area. In Toegel's experience, it takes teams around a day and a half in total to have all the conversations necessary for effective set-up.

Possible questions to consider when creating team agreement include:

- What is this team uniquely positioned to do that others can't?
- How will we know when the agreed behavioural norms are being followed or not? How will we call each other out on this?
- How can you create a fun team environment virtually?
- How to make the jump from discussing the individual level to the team level (e.g. when discussing competencies or values)?

FIGURE 8

4-STEP FRAMEWORK FOR DEVELOPING HIGH-PERFORMANCE TEAMS



2 BUILD TRUST

Building trust requires the ability to open up and share more personal level information with colleagues. Trust is reciprocal and self-reinforcing – when you open up a little, your team mate will also open up. Trust is also important for business outcomes. When people open up and there is trust, then they feel that it is ok to fail and this in turn leads to innovation.

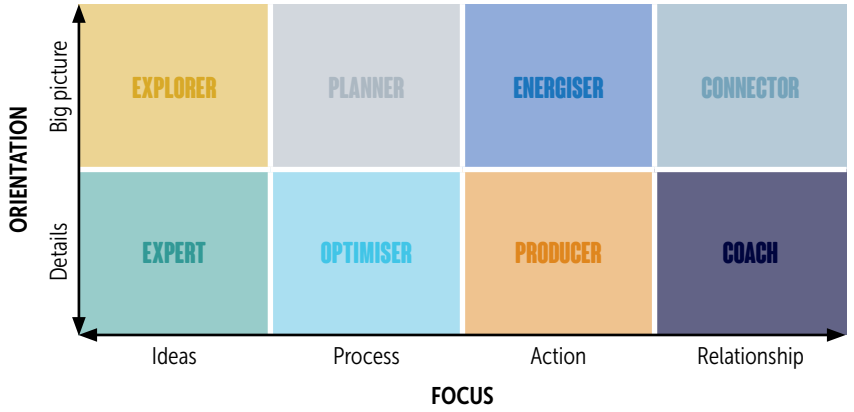
For businesses, the challenge is operationalising this trust. Ways to create this include using icebreakers to build trust or using check-ins to find the emotional space that a person is bringing to a meeting. For example, meetings could begin by team members asking each other 'what is the weather inside like today?' or asking ice breaker questions, such as 'what is the best thing that happened to you this past weekend?'. It's also important to revisit these check-ins or icebreaker questions regularly and change them as needed. Research shows that frequency is more important than intensity – doing one small thing every day is more impactful than doing one big event a year.

3 FEEDBACK

Once you have team agreements and trust in place, creating a feedback culture becomes much easier. Whilst feedback usually tends to be bilateral, high-performance teams are able to provide multi-party feedback. Certain processes, such as the 'thinking styles' model developed by Bonchek and Steele, can enable this. This premise involves identifying the preferred thinking styles on the team and helps teams to focus on behaviours (which are more context-specific) rather than personalities (which are more fixed).

FIGURE 9

THE PREFERRED THINKING STYLES ON YOUR TEAM



This provides situational flexibility where people are not boxed into certain personality types and also creates space to consider what composition of thinking styles means for the way the team operates (e.g. – what are the gaps that we need to close as a collective?). The table below also provides an example of a feedback template. While there is no ideal tool, each team can decide what is best for them.

NAME OF TEAMMATE	CARING FEEDBACK (what is a helpful behaviour by this person?)	DARING FEEDBACK (what should this person do differently?)	METAPHOR (if they were an instrument, nature, city, food, animal, car, object...)

4 DRIVE PERFORMANCE

Learning through experience is the mechanism that drives performance. However, most organisations do not have good capability at running post-mortems or after action reviews. The 'GROW' framework can be a useful guide to help support team learning and performance. Additionally, these kinds of learning exercises are not complete until the lessons have actually been implemented.

FIGURE 10

THE GROW FRAMEWORK

3.2 PRACTICAL CONSIDERATIONS FOR BUILDING EFFECTIVE TEAMS

In choosing an approach to team development, academic robustness is important but participants in team development interventions often prefer more intuitive solutions. Richard Bish, CoE Lead for Senior Executive, Leadership and Team Development at Shell said: *"As a practitioner it's important to bring robust models and tools into the organisation but introduce them in 'user friendly' ways. The best model in the world is only as good as the willingness and capability of the team to work with it. It's important to also create the environment where difficult conversations around team dynamics and relationships can take place safely."* Richard Cleverly said: *"It's important that whatever framework you use is simple enough that people grasp it, and yet sophisticated enough to enable you to get into the important conversations that a team needs to have."*

Team effectiveness interventions will typically involve some form of workshop or away day where the team takes time out to invest in its own development and make sure it is set up for success. Post-pandemic, we have witnessed a greater appetite among senior leadership teams to invest in time together as a team, and to focus on purpose and shared values. There is a pent-up demand for human connections that needs to be satisfied. However, our research has found that, during the pandemic, leadership teams were surprised to find that virtual and blended forms of intact team development were more effective than they may have expected. We saw many instances of leadership teams scheduling shorter virtual team effectiveness sessions of 90 minutes to three hours, around the flow of executive team meetings, rather than taking days out. Team effectiveness practitioners reported that even highly-relational interventions such as exploring team dynamics could work well virtually.

Team effectiveness is built and sustained through habit and repeated behaviour. A one-off intervention may help the team get set up for success, but continued progress will require ongoing attention and commitment by the team to review and improve group processes and attend to difficult team dynamics that arise. *"Teams in today's complex world need a shared understanding of their context,"* said Diane Newell, Managing Director, OCM Discovery. *"If regular conversations aren't happening around that, the team is likely to get lost at some point."* Check-ins (discussed above) can help here.

It is important for teams to build habits such as discussing collective performance, diagnosing issues and identifying ways of working better together, into regular team interactions. *"It is possible to help teams reach a level where they can talk about team processes and solve problems,"* said Neil Morrison. *"However, you have to create habits around having those conversations about how you interact. Like any habit, it takes commitment, consistency and practice."*

> *"It's important to have the discipline of reflection time to consider how are we operating as a team and to do that as a regular practice. This helps reinforce positive team habits and behaviours and make them sustainable."*
>
> **CLAIRE JORDAN, DIRECTOR, LEADERSHIP DEVELOPMENT SOLUTIONS, LHH**

In practice, this means that team effectiveness interventions are more impactful when they are phased over a longer period of time, rather than being run as a one-off. Burak Koyuncu, SVP, Head of Leadership Development, UK/I and International at LHH, said: *"Six to twelve months is ideal because it gives you time to do the work and agree actions and then provide ongoing coaching to both individuals and the team together so they can continue to embed the behaviour change."*

Some teams will use a team coach to provide ongoing support. For example, one CHRO told us their executive team has appointed a team coach who attends executive meetings to observe and feed back on how the team works together. Outside of the executive meetings, the coach feeds back both individually and collectively to the team, and uses those observations to facilitate the team's development. One of the benefits of this intervention is to give team members a common language to diagnose and discuss their collective performance.

BUILDING TRUST ACROSS THE EXECUTIVE POPULATION AT **SWISS RE**

Swiss Re has been running a leadership development programme – the Pathfinder Experience – for several years. MDs with a track record of successful change leadership and specifically selected by the Group CEO, attend a three-and-a-half day transformative workshop. Through an intense development process they reflect In small coaching groups on their own leadership purpose, their personal leadership strengths and shadow sides and how to connect deeper with others through sharing defining life moments and crucial personal leadership stories. Initially designed as a leadership programme across the executive population, Swiss Re leveraged this intervention as well as a team development intervention for their executive teams including the Group Executive Committee (GEC). According to Jan Schlueter, who designed the programme, this has had a significant impact on building trust and psychological safety among the wider executive population. *"Regardless of whether individual executives were on the same programme or not, they had a shared experience that built trust and they were able to bring that into their interactions with teams and colleagues."*

3.3 DIAGNOSTICS AND EVALUATION

In order to target team effectiveness interventions on the most important issues faced by the team, it's important to start with a diagnosis of the factors to be addressed. This can be done as both a qualitative and quantitative exercise. This might be as simple as interviewing key stakeholders such as the CEO, CHRO and other team members about what's working and what's not, using a structured interview framework. The data can then be aggregated and presented back to the team in a workshop. The emerging themes will point towards areas where work needs to be focused on setting the team up for success.

Many of the practitioners we interviewed also use diagnostic questionnaires, surveys and psychometrics to gather quantitative data to set a baseline for measuring team effectiveness and identifying key issues. Some of the more common tools include:

- Hogan Personality Inventory and Hogan Development Survey
- Ruth Wageman's Team Diagnostic Survey
- Lencioni's team assessment based on the Five Dysfunctions
- Big Five psychometric instruments
- Meyer's Culture Map for cross-cultural teams
- Some consultancies compile individual and team profiles by with normative team data
- Many organisations also report using personality tools such as MBTI, DISC and Insights to facilitate team conversations.

The diagnostic stage is also the moment to define impact measures that can be used to track the team's progress, check it is performing at the required level, and to evaluate the impact of team interventions.

NESTLÉ: BUILDING TEAM EFFECTIVENESS AT SCALE

Nestlé, the global food and beverage company, has had in place for several years a global team development infrastructure with a centre of competence for team development and coaching. Dedicated team coaches support teams within the business. One of the key drivers, according to Adeline Looi, Global Head of Integrated Leadership Development, is the complexity of doing business in a global, matrixed multinational organisation. *"Looking at the outside world it was clear that we were only going to be successful if we could operate as championship teams. We can be a complex, networked organisation, with ever increasing numbers of cross functional and multinational teams and multi-functional reporting. Working well together in teams is a key enabler to make this highly-networked organisation work effectively."*

Post-COVID, the challenge is to scale the delivery of team effectiveness support. *"People in the business see the value of team coaching but our internal and regional team coaches get overbooked all the time,"* said Looi. To address the challenge of delivering team coaching at scale, the company recognised the importance of leveraging technology and digital to drive scale. Looi's team has recently completed a successful pilot of a team coaching platform which focuses on team diagnostics and conversations as part of intact team journeys.

A tech start-up worked with Nestlé to customise their technology solution, based on the company's existing four-stage team effectiveness methodology (the stages are Team Foundations, Team Effectiveness, Team Excellence ,Team Openness and Authenticity). The app provides team diagnostics, conversation tools, team coaching and guidance, and also includes a virtual team facilitator. Over 12 months, the underlying AI helps surface specific issues for the team and develop a practical action plan to move the team forward. For example, a fully virtual team would be given different options to a hybrid or in-person team. The inbuilt analytics also support evaluation of progress.

Individual team members complete an individual and team assessment, and can see their own as well as the aggregated group results. The team agrees which behaviours they want to focus on. The Habits module supports the team to contract around the actions they will take to address the issues identified through the intervention. The app nudges team members to rate how the team is performing against the agreed behaviours, allowing the team to monitor progress and review what's working and what's not.

The results of the pilot showed that 94% of leaders reported the app had helped their team improve, which also drives team engagement and team psychological safety. And in 2023, Nestlé continues to drive this at scale, as part of the inclusive leadership journey that the organisation is building and embedding.

3.4
BEING AN EFFECTIVE TEAM FACILITATOR

> *"Successful team facilitation relies on the capability of the facilitator to manage dynamics in the room and create the space for the team to have the critical conversations they need to have, which they may have been avoiding for some time."*
>
> **RICHARD BISH, COE LEAD FOR SENIOR EXECUTIVE, LEADERSHIP AND TEAM DEVELOPMENT, SHELL**

Facilitating team interventions requires a particular blend of skills, especially when dealing with senior teams. Facilitators have to take the team through a well-designed development process that addresses the specific needs of the team, while managing the relationship dynamics between team members. The skills required include:

- Knowledge of team models and expertise in applying team development tools and techniques to address the needs of the team. Skilled facilitators are able to adapt their approach 'in the moment' and use a wide range of facilitation techniques to respond to the team's needs.
- Excellent facilitation skills, including the ability to surface difficult issues and make sure all participants are heard. Rob Sayers Brown, Product Manager, Global Assessment at LHH, said: *"A good team coach can give that 'truth talk' in terms of sharing what they're observing around any reticence the team may have to tackle critical issues. Done skilfully, it can expose any bones of contention and help the team move past them."*
- Ability to create psychological safety and hold the space for the team so they feel safe airing concerns. This requires strong self-awareness, so the facilitator understands their own triggers that might derail the process. *"You often end up carrying a lot of the angst that sits with the team,"* said Richard Cleverly. *"So you have to be confident and comfortable in yourself to avoid bringing your own issues into the room. If the facilitator is insecure it will lead to team members feeling unsafe."*
- Having the confidence and courage to call out bad behaviour and hold team members to account.
- Keeping own ego in check. Facilitators need to give participants confidence they are there to help the team improve, not to boost their own profile or demonstrate competence.
- Judgment and a sensitivity to interpersonal dynamics to know what issues to call out, when to push participants to go further, and when to hold back. This can include assessing the energy levels in the room and finding ways to break tension, for example through humour. Jan Schlueter at Swiss Re, said: *"You have to be solidly grounded in order to deal with the characters you are faced with and to be able to hold the space when the going gets tough."*

Sometimes, team facilitators will face resistance or team members questioning their competence or authority. Often, this is less to do with the facilitator's capability, and more to do with the discomfort the team members may be feeling. It's important that team facilitators have appropriate supervision in order to support them in developing their team coaching skills and to provide an outlet for dealing with issues that arise.

3.5
DEVELOPING AN EFFECTIVE TOP TEAM

> *"The CHRO role is a delicate one. You have to be at the same time an equal partner on the management team and a partner to the CEO around team direction and performance."*
>
> **ANNE VAN DASSEN MUELLER, CHIEF HR OFFICER, STOLT NIELSEN**

In this research we considered the particular challenge of developing top teams, and the role that the CHRO plays. Orla Leonard, Senior Partner and Head of Teams at RHR International, said: *"The top team is different because everything begins and ends with them and they are dealing with a higher level of complexity. They still have to mobilise and align people around strategies, goals and objectives, but they also set the tone and culture for the organisation. Top teams often underestimate the extent to which their behaviours set the tone – people follow what leaders do, not what they say."*

As we discussed above, it is not always clear that the top team is in fact a 'real' team, especially where they come together as a group of individuals, each responsible for running their own business or function. Part of the work of developing the top team is to help it define its collective purpose: what are we uniquely responsible for collectively as a leadership team beyond our individual responsibilities? Or are we just a committee for rubber stamping decisions? Where can we identify opportunities for synergies across business units?

3.6
FACILITATING TOP TEAMS

We interviewed some CHROs about the role they play in supporting the effectiveness of their executive teams. The role often involves walking a tightrope. On the one hand they are an equal member of their executive team, making a full contribution as a key team member. On the other hand they play a pivotal role in ensuring that the executive team is set up for success and functions effectively. They also tend to be the first port of call when there are issues around the effectiveness of the top team. Maria Antoniou, Chief Human Resources Officer at Morgan Advance Materials, said: *"In every company where I've been CHRO, it's been part of the role to be custodian of team dynamics around the top table. But at the same time, the CHRO has to be a confidant of the individuals around that table, and skilfully manage feedback between those individuals and the CEO."*

The CHROs we interviewed considered supporting the effectiveness of the executive team to be a key part of their role. This has a number of implications:

- Sometimes they have to make a difficult call or hold people to account for their behaviour. Sarah Hamilton-Hanna, Chief People Officer at TT Electronics, said: *"Often I end up being the one who has to say the things that nobody wants to hear."* This aspect of the role takes courage.
- They have to pay special attention to building a bond of trust with the CEO. *"It's not enough to be a technically competent HR person,"* said Maria Antoniou. *"You have to build intimacy with the CEO, based on trust, so they can be your first port of call to discuss issues with the executive team."* Some CHROs report that they sometimes play a proxy role on behalf of the CEO, paying particular attention to building the right relationships across the team to help colleagues resolve issues without having to involve the CEO. They may also alert the CEO to team dynamic issues that need to be resolved or coach other members of the team to prepare for difficult conversations with the CEO.
- The CHRO also must balance independence with having a close relationship with the CEO. Executive team colleagues need to have confidence that the CHRO's intentions are positive and they need to avoid playing a political line. *"You have to be seen to be independent, and not just the mouthpiece of the CEO,"* said Kirstin Furber, People Director at Channel 4. *"You have to be seen to be working in service of what the organisation is trying to achieve."*
- The CHRO is expected to set an example around team behaviours, especially vulnerability. Barry Hoffman said: *"Part of the job is to be brave and set the tone. If you genuinely want people to bond, share and be vulnerable you have to be prepared to go first, to tell your story and open up."*

At the IMD team effectiveness event, Professor of Marketing and Management Seán Meehan shared his insights on facilitating top teams. He led a discussion on the unique purpose of executive teams, which is summarised below.

Many of the characteristics that we may attribute to top teams, such as decision-making or supporting the organisation's growth, are not actually unique to top teams. Instead, top teams have two unique responsibilities. The first is managing and leading change processes. This is particularly important in today's business environment, when external contexts are constantly evolving and change is constant. Their second responsibility is dealing with crises, such as the COVID-19 pandemic, and ultimately guiding the business to emerge stronger from these events. Therefore, where top team members really create value is by making critical decisions about where the organisation should go next, understanding the implications of these decisions for the organisation, and managing the change process. These unique responsibilities have implications for selecting and forming top teams. Organisations often tend to create a top team by picking the heads of different departments (e.g. the head of finance, the head of HR). However, organisations need to also consider whether the people on the top team are those who are best equipped to deal with the two responsibilities outlined above – adapting the organisation to change and dealing with crises.

Professor Meehan highlighted the range of skills that top team members need to meet these key responsibilities. This includes high levels of trust, belief in one another's judgement, commitment to the organisation, alignment around the purpose, and abandonment of their own personal agenda or agenda of their function. Top team members are also always on display; their actions are highly visible and they role model behaviour (including possibly role modelling negative behaviour) whether they intend to or not. Considering all this, the following steps can help with facilitating top team interventions:

- If you are asked to facilitate a top team, first consider whether you will actually be given the remit to help (or will you just be taking on a 'master of ceremonies' role?). It's also important to understand the problem that you're trying to solve and why your help is needed specifically.
- Acknowledge the politics that are inherent within top teams – it's likely that most people on the team want the CEO's job. Acknowledge and consider how you can work with this, but be willing to call it out when necessary. It's important to leave your own political agenda outside the door when you are facilitating the top team. Be careful not to allow your alliances to get in the way of being an effective facilitator.
- Simple frameworks, approaches and questions are impactful and can help colleagues to become unstuck. For example, simply asking whether they are all in agreement on the business' value proposition can be very productive.
- If a CEO asks you to help design an intervention, they are likely enlisting support to help them achieve a goal and overcome resistance among the team. In this scenario, you should first satisfy yourself that the CEO's position is a reasonable one – consider alternatives and offer up different arguments, perhaps playing devil's advocate. This process will help you to create trust, and you will be well-prepared for the intervention. Then, meet on a one-to-one basis with all parties involved to listen to their concerns and get clarity on the issues to be resolved in the intervention. A well-designed intervention allows you to play a supporting rather than leading role, blending into the background as the team works to resolve the issues together.
- Participants in the intervention will be concerned about your role and the value you bring – you need to be prepared to be challenged on this. Your interventions should be limited but powerful, for example using metaphor, bringing in parallel examples or providing a perspective that unlocks new thinking.

CONNECTING TEAMS, STRATEGY AND TALENT AT **SWISS RE**

As part of its turnaround strategy for a specific business unit, Swiss Re has developed a top team intervention that takes a more strategic view of developing an effective top team. Jan Schlueter, Head of Executive Development, worked with a newly appointed CEO of the business unit to work out what the business strategy meant in terms of leadership competencies and specific critical roles required within the team to drive the strategy. Then they assessed the existing team against those competencies to identify at a team level where the strengths, weaknesses and gaps were. This included using Hogan assessments to build a team profile and identify potential derailers of the team. The process involves a facilitated dialogue with the business leader and their team to discuss the composition and working practices of the team, with a particular focus on how they leverage diversity and build psychological safety.

There is also an individual element which connects to succession management. Each team member meets individually with the leader to define their development plan. *"The difference from what you tend to see in succession management is that we are not treating individual and team development as separate things,"* said Schlueter. *"We are looking at both team and individual at the same time."* As a result of following this process, the leader has a clearer understanding of what is required from the team to deliver the strategy, as well as development plans for individuals within the team.

TEAM
EFFECTIVENESS

4.0
CONCLUSIONS AND RECOMMENDATIONS

Team work has become more widespread in recent years – we are all working in more teams, in more meetings and with more people in these meetings. Indeed, many of us are suffering from teamworking overload. Teams themselves have also become more complex, with a quickening pace of change, virtual, hybrid and agile working, a wider range of stakeholders, and working on multiple teams simultaneously becoming the norm. Our research shows that teamworking is both inevitable and essential. Therefore the skill of building effective teams is a critical capability for HR professionals to develop.

Teams can be a driving force for growth, innovation and performance in organisations. However, there are costs associated with developing and supporting effective teams. We need to make informed choices about where there is business value to be gained from investing in teams, and where the investment is not worth it.

The following recommendations emerged from our research:

1. **You have to be wise about choosing where to invest in a team.** It won't be possible to support every group, therefore you have to identify where building a high-performing team will have greatest payback.
2. **Focus your team effectiveness efforts on those areas of the business where the potential benefits of high-performing teams will have greatest impact on critical business outcomes,** such as increased sales, cost reduction, improved time to market or successfully launching new products and services.
3. **Prioritise cross-functional, multi-disciplinary or diverse teams** where individuals may lack experience of working across organisational boundaries or may need additional support to build trust, create psychological safety and manage conflicts. Investment is particularly worthwhile where relational dynamics within the team are critical to the team achieving its goals.

4 **Teams often evolve to have more members than necessary,** which exponentially increases the number of touch points and complexity of communications. Teams should have enough people to generate sufficient ideas, but not too many to create unnecessary relational complexity. If possible, cap team membership at eight people or fewer – research shows that productivity drops if team size increases above this. Additionally ensure that teams are not too homogenous, and that team diversity is supported by a culture of psychological safety.

5 **Make expectations explicit both with team members and their stakeholders.** Do we want to be a high-performing team or are we comfortable with being an effective working group? What does the situation demand? Are we prepared to put in the additional effort required to move along the curve towards becoming a high-performing team?

6 **Carefully plan the right sequencing of interventions.** Professor Toegel's work suggests that teams need to first establish a charter or agreed set of norms before they can move to trust building. This involves finding the answers to questions such as: What is the team uniquely here to achieve as a collective? How will we work together and make decisions? What role does each individual play in delivering team outcomes? How will we hold each other to account for performance? Going through this process of developing shared norms is the first step in building trust. It's only once a team agreement and trust are created, that you can move to developing a team feedback culture and, ultimately, drive team learning and performance.

7 **Little and often is best in terms of team interventions.** Research shows that team effectiveness is built through sustained habits and repeated behaviours, rather than one-off interventions. Consider regular check-ins at the start of meetings to allow team members to share the emotional space they are experiencing, which can help build and maintain trust.

8 **Teach team leaders how to create and sustain psychological safety.** It can be established by leaders being fully present in conversations, actively encouraging speaking up and reporting mistakes, being inclusive in decision-making, acknowledging that they don't know all the answers and inviting participation from all team members.

9 **Consider how your toolkit for supporting team effectiveness needs to be updated to reflect the increased prevalence of virtual and hybrid working,** which require greater effort in terms of developing team norms, communication practices and decision-making processes.

5.0 APPENDIX

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