The Next Generation Team

An "Outside-in" Perspective

Written By:

Suzanne Bates, CEO
Andy Atkins, SVP, Research, Innovation and Practice
Michael Seitchik, Director of Research and Assessment

Bates Communications

The Idea of the Team

It's commonly understood today that simply hiring great individual leaders won't be enough to make your company successful. The work of the organization gets done in teams. We operate in fast-paced environments with big mandates and complex issues, so our teams need to work, and they need to work together. The days of the hero leader, and even the heroic team, are fading in the rear-view mirror. The differentiator in great companies today is how teams, and teams of teams, perform.

Interestingly, much of what we know about modern-day teams began percolating in the 1980s and '90s, when academic experts published research on team dynamics. This foundational knowledge gave us the rationale for helping teams develop shared purpose, clear roles and responsibilities, ownership and accountability, team norms, values and operating principles.

In the early 2000s, the thinking on teams evolved further, as leadership experts including Patrick Lencioni brought to life the concept of constructive conflict as essential to good decision-making. More recently, Google's Project Aristotle exemplified a forward-thinking approach to developing data on what enables its teams to perform well. This became the foundation for a team model that highlights specific behaviors that enable Google teams to perform well.

Our ideas of teams have also, in recent times, been informed by popular culture, especially sports. The business media sometimes draws analogies between pro sports and business. While these are inspiring stories, they cannot alone explain business success. Sports teams and business teams operate in very different contexts.

We are still searching for the complete formula for assembling winning business teams. Teams that have everything going for them sometimes fall short and fail. What are we missing?
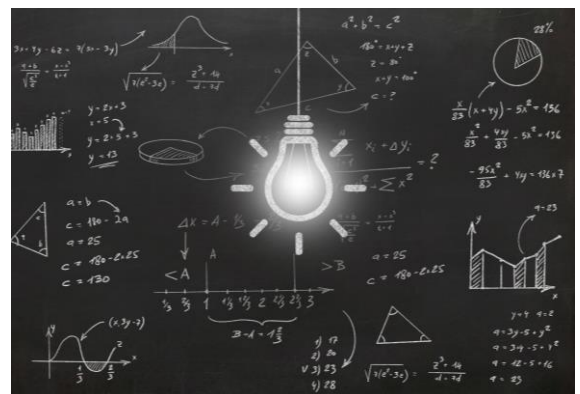
What's Missing from the Team Formula

What we know about teams isn't wrong, it just isn't *sufficient* to tell the whole story.

We need a broader view of the factors that make teams successful, which begins with how they actually operate inside organizations. Remarkably, there's a "duh" factor to this – it's right in front of us. Teams are never separate entities. They work within systems. What's required is applying "systems thinking" to unravel the rest of the story.

That story is about how the team comes together, and it's also about how it works with others. This may seem like a flash of the blindingly obvious, but up to now, it hasn't been measured.

Most facilitators today use individual assessments to help teams appreciate who else is on the team, and what their tendencies are, so they can understand one another. Sometimes facilitators use team assessments that provide feedback on the team as a unit, especially on topics such as conflict and

collaboration. What these assessments don't do is provide data and insight about how the team is working with the rest of the organization.

External Success Factors

After three decades of working with executives and teams, we had a hypothesis. This phenomenon of teams needing to work with other teams was right under our noses, but we needed to identify what qualities made them good at this, and then measure them. We developed research and a model that brought to life many qualities of teams never measured.

Later, as we compiled data from the early round of assessments based on that model, we stumbled onto statistical evidence of the critical nature of the team's external success factors. The results were far clearer and more compelling than we had expected.

The results were so obvious we had to name this the "outside-in" perspective that complements what we typically measure, which is what teams do on the "inside." The data together on both of these aspects of teamwork become highly predictive of the team's potential for success. They are far more likely to perform above and beyond and deliver results.

Completing the View of the High-Performing Team

Google's Project Aristotle finds that psychological safety, dependability, structure and clarity, meaning, and impact are all significant drivers of team effectiveness. These five factors primarily reflect how the team works together, on the inside. There is a strong correlation to results that makes Google's work critical to our understanding of all teams.

We set out to build on this inside perspective by adding measures of "outside-in" team performance with our clients. We were looking to understand how the team operates in the eco-system of the organization. Our data analysis shows clear distinctions between teams that have this perspective, and those that don't.

Incorporating the Outside-In Perspective
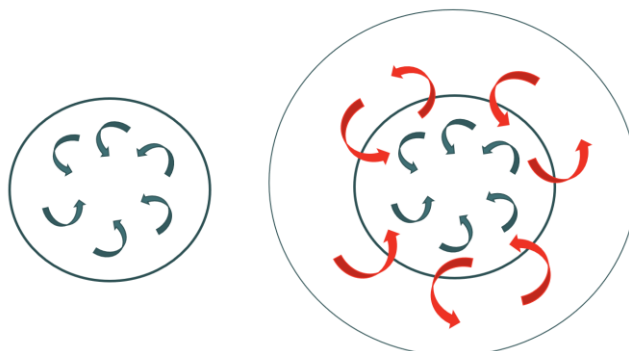
How Much Difference Do "Outside-in" Factors Make?

In our study, overall, respondents rated teams as effective about 56% of the time. However, if the team was at least average in incorporating a big picture perspective, and in taking into account their impact on others, they were viewed by themselves and the organization as effective about 83% of the time. And, if the team's external focus ratings rose to the top 25%, they could be predicted to be rated as effective 94% of the time.

Our methodology was to ask the question, "is this team effective?" at the beginning of the survey. We correlated this answer to responses to a 90-question assessment of team performance. We found the teams with both the outside-in (external) and the inside (internal) factors were so much more effective, it's hard to imagine another single factor that could possibly predict this kind of success.

What this means is organizations that measure both factors will be able to develop a more robust model of team performance. They will also be able to correlate findings to outputs in project management. They'll be able to see the patterns between inter-team and intra-team behaviors and rapid milestone achievement, speed to delivery, customer satisfaction, continuous improvement innovation, agility, efficiency, productivity and other measures that supercharge growth and profitability.

> *"If the team's external focus ratings rose to the top 25%, they could be predicted to be rated as effective 94% of the time."*

Consider the case of Maggie and Kevin, leaders of two teams and direct reports to the CEO of a cloud-based technology services company. Each of the teams faced similar internal challenges as well as inter-team challenges. For example, each team lacked a spirit of candor and avoided conflict. They weren't surfacing issues. They needed to adopt a positive attitude and skills in resolving those issues. All this was important and needed to be addressed.

However, what also surfaced in the survey of the teams was that they were working at cross-purposes with each other. They had mission-critical, joint responsibilities for product design and development. Their lack of awareness and difficulty in overcoming disagreements was grinding each team's efforts to a halt and derailing their ability to collaborate. This was costing the company significant time and resources, wasting energy, and impeding execution of the strategy.

We assessed both the internal and external factors by gathering 360 feedback on each team through the Bates LTPI™. We started by giving each team its results, and then met with the teams jointly.

The teams immediately saw and embraced not just what was going on within their own teams, but the factors between the teams that were even greater obstacles. They developed protocols for communicating, set shared goals, began meeting regularly, started making decisions together and moved their projects forward.

They also committed jointly to a realistic but accelerated product release schedule. They reduced redundant work, managed the pipeline together, and mapped an expansion into new global markets. Early results showed these efforts were bolstering the company's market leading position and would be critical to driving growth.

What Gets Measured Gets Done

Great teams learn to operate with a truly enterprise mindset. They solve problems with a sophisticated understanding of the big picture context. Absent data on whether others see them as enterprise minded, they may think they're doing the right things. Or, if they are having trouble, they may suspect they aren't coordinating with others, but they don't know what to do. This often leads to blame and misunderstanding.

Exponential Improvement in Team Performance

When we developed our assessment instrument, the Bates Leadership Team Performance Index or LTPI™, we drew on the latest global research in approximately 250 studies, including work published by Harvard, Wharton, MIT and the London School of Business.

"The powerful outcome of measuring and providing feedback on both internal and external factors is clear in the data. If you only look at skills, behaviors, and dynamics exhibited among team members you are missing half the picture of what makes for a high performing team."

We considered a wide set of team-related disciplines including team dynamics, trust, group psychology, systems thinking, decision science, diversity and inclusion, bias, social constructionism, reliance, and even humor. By starting from a broader perspective, we discovered factors rarely considered and built a highly comprehensive new model of team performance.

The LTPI™ organizes team behaviors into 15 facets in three dimensions.

CULTURE Qualities of the team's character that create mutual trust	CREDIBILITY Qualities of a team that inspire faith in the team	COLLABORATION Behaviors that align and engage members to drive execution
Candor Being open, real, genuine, transparent, and sincere in team interactions	**Enterprise Focus** Awareness of and fidelity to putting first the interests of the enterprise; acting to contribute to the organization's success	**Commitment** Feeling engaged, passionate, and energized, and taking pride in the work of the team
Trust Living up to high standards and mutual accountability	**Courage** Facing difficulty or uncertain situations by acting in a bold, timely, decisive manner; challenging authority for a purpose	**Coordination** Working together to get aligned around commitments, ownership and outcomes
Support Demonstrating care, sharing credit, and providing assistance	**Resilience** Being calm, steady, resolute, and focused in times of challenge or crisis; agile and adaptive in the face of challenge	**Belonging** Valuing and respecting differences; fostering an environment where all experience a fullness of membership and affiliation
Both/And Thinking Appreciating that complexity means opposing ideas can both contain truths.	**Awareness** Being attuned and attentive to the interdependence with other teams, and their differing points of view	**Communication** Communicating in a timely, productive, positive way; using appropriate methods; working toward clarity and understanding
Curiosity The humility to solicit input and other points of view, and to regularly evaluate the team's effectiveness	**Shared Vision** Rallying around a powerful future state for the team that supports and aligns with the enterprise's vision	**Decision Savvy** Identifying the right problems to solve; fostering and encouraging constructive conflict; making decisions all can support

What Does the "Outside-in" Perspective Really Mean?

We can break down the "outside-in" perspective into two categories. The first is a "big picture" perspective. The second is "big bang" impact on others.

"Big Picture" Team Perspective

A big picture perspective could be characterized by the phrase, "What's in it for all of us?" Big picture teams seek out a diverse set of opinions and sources of data to make the best decisions in the moment. Teams that are insulated by their own insights and limited information struggle to manage competing functional interests because they have a narrow context. They can become parochial in their thinking and miss opportunities to take risks, innovate, and go big.

Insulated teams can also get trapped by "either/or" thinking. They start with the view, "We must either do this, or that," without considering a combined answer that could meet the criteria of success for all. Whenever one faction wins and another loses, everyone loses.

The LTPI™ assessment helps teams see a different way, by measuring "both/and" thinking. This looks at the team's ability to focus on outcomes and find a third alternative. They stop fighting for their favorite ideas and figuring out a better path forward. It isn't about compromise so much as creativity. This eliminates internal friction and enables teams of teams to drive faster, better organizational outcomes.

Sample items related to the "big picture"

In measuring whether teams have a "big picture" perspective we ask teams and their other raters to score the team on behaviors such as these:
- ❖ *The team accesses outside resources to help the team make better decisions*
- ❖ *The team interacts regularly with customers and others outside their organization to challenge the team's assumptions and thinking*
- ❖ *The team monitors and anticipates disruptive changes in the competitive environment*
- ❖ *The team distills and analyzes complex information to get to the heart of what matters for the enterprise strategy*
- ❖ *The team makes timely decisions even without 100% of the information*

"Big Bang" Impact on Others

The second factor we measure in a team's external savvy is the degree to which it is attuned to the impact of its decisions on others. This quality enables teams to act with a sophisticated understanding of organizational dynamics and competing priorities. They take into account the multitude of needs, interests and potential conflicts, and act in ways that preserve the vital interests of the enterprise as a whole.

In considering their impact, they are respecting the interests of all while building commitment for action. They are able to more quickly mobilize people and rally them around change and transformation. You might say this quality is characterized by the phrase "walk in others' shoes."

The LTPI™ assessment can help teams realize they may be working in isolation, failing to take into account consequences. It can raise awareness when teams fall into "been there and done that" mode. It can also help less experienced teams mitigate failure points.

Sample items related to the "big bang"

In measuring the team's "big bang" ability to anticipate and coordinate action, we look at behaviors that include:

- *The team takes into account how their decisions affect others*
- *When making decisions, the team discusses possible unintended consequences of those decisions on other teams, the organization, and customers*
- *The team consistently involves the right people in the right decisions*
- *The team anticipates how others not on the team will feel about their decisions*
- *The team is attuned to the changing wants and needs of key stakeholders*

Summary

Our early findings are extremely encouraging, indicative of a breakthrough in understanding what makes high performing teams and organizations. There is enough data and statistical evidence to believe the "outside-in" perspective will go a long way to helping teams see how to perform in complex business environments.

Teams know intuitively that they are interdependent. They want to succeed. They feel the sting when their Herculean efforts as a team fall short because they weren't coordinated with other teams. This data can help teams quickly cut through the red tape. It can speed up your business and help you compete in a fast-changing, competitive marketplace.

By providing teams with data gathered in LTPI™ assessments and facilitating their work on both "internal" and "outside-in" qualities, you can accelerate their performance. The first step is accurately measuring both qualities with a science-based assessment. Our objective is to help organizations create next-generation enterprise teams, and teams of teams, that raise the bar and help their organizations thrive.