HOGAN

THE SECRET TO SUCCESSFUL TEAMS

Peloitte's Global Human Capital Trends Report 2016, which reports the findings from a survey of more than 7,000 business leaders in 130 countries, showed that companies are placing a new emphasis on deconstructing their traditional hierarchical structures, "decentralising authority, moving toward product- and customer-centric organisations, and forming dynamic networks of highly empowered teams that communicate and coordinate activities in unique and powerful ways." According to the report:

- Only 38% of all companies and 24% of companies with more than 50,000 employees are functionally organied today.
- Over 80% of respondents were either currently restructuring their organisation or had recently completed the process. Only seven percent say they had no plans to restructure.

According to an analysis of the report in *The Economist*, "companies are abandoning

functional silos and organiing employees into cross-disciplinary teams that focus on particular products, problems, or customers. These teams are gaining more power to run their own affairs. They are also spending more time working with each other rather than reporting upwards."

On the surface, that seems like a great idea.

High-performing teams can provide an undeniable advantage over the competition, and some of the most forward-thinking companies in the world rely on small teams to drive new ideas and make tremendous leaps ahead in products and design.

For example, a small team of designers at Google was responsible for visually unifying all of its properties, and Cisco chairman John Chambers said adjusting the electronics company to focus on teams means product transitions that used to take as many as seven years now take as few as one.

SO WHAT'S THE PROBLEM?

ven the most staunchly traditional organisations – like hospitals and the U.S. military – are getting in on the trend. The Cleveland Clinic recently reorganied its medical staff into teams focused on particular treatment areas, and General Stanley McChrystal described in his book *Team of Teams* how the army's hierarchy hindered operations early in Iraq.

"I have no question that when you have a team, the possibility exists that it will generate magic, producing something extraordinary, a collective creation of previously unimagined quality or beauty," the late J. Richard Hackman said in an interview with the *Harvard Business Review*. "But don't count on it. Research consistently shows that teams underperform, despite all the extra resources they have."

Perhaps this is because, for the past several decades, one of the key assumptions many people make about team performance is that success depends on team members getting along. **But what if that's wrong?**

The need to get along with others is deeply ingrained in all people. From our earliest days, human survival depended on collective action. Our ancestors were tasked with surviving in a brutal environment, and group dwelling offered access to food and safety beyond the reach of an individual.

"In the Neanderthal days, in order to survive you had to survive with others," psychologist Dr. Warner Burke said in <u>The Science of Personality</u>, a documentary about how personality affects leadership and our everyday lives.

"You had these groups living in the forest in competition with one another, and the competition was quite deadly," said Hogan founder and chairman Dr. Robert Hogan. "If at some point [a rival group] decided they liked the resources you had better than what they had, they'd come to get them. If they were successful, they don't just take your resources away, they kill you and they eat you. And if you're someone's dinner, you get removed from the gene pool." A lthough modern people are less reliant on one another, for our ancestors, ostracisation meant death. What's left of that ancient instinct for survival is an acute sensitivity to threats of exclusion or rejection. That's why we assume that harmony is the most important ingredient in team functioning and why we tend to avoid confronting our teammates, because it increases our risks of getting exiled from the group.

It's also why most of the team-building tools and activities available focus on helping team members tiptoe around their colleagues from trust-building exercises designed to forge bonds between teammates to personality assessments that encourage participants to post what shape or colour they are on the doors of their offices so others know how to manage their emotions.

But a healthy amount of conflict is essential. It helps to immunise teams against common problems like lack of motivation, lack of creativity, poor communication and groupthink. On the other hand, it can be a tremendous source of innovation and help forge authentic bonds, increase morale, and unify a team's direction.

"Working through conflict with co-workers provides a forge for fusing the group," psychologist Sherrie Campbell wrote in *Entrepreneur*. "People are more likely to buy in to the result of a decision if they were allowed to be an integral part of the decision-making process. In this way, conflict provides each person a voice that's an essential component of effective teamwork. **Feeling heard and important are key psychological factors linked to inspiring and motivating each member to commit to an objective.**"

WORKING THROUGH CONFLICT WITH CO-WORKERS PROVIDES A FORGE FOR FUSING THE GROUP Clearly, some conflict is important to team functioning. But that's not to say all conflict is good, and too much conflict creates its own problems. Take as an example the anecdote shared by Emily Rozovsky, lead researcher in Google's people analytics department, in a February article in the *New York Times.* When Rozovsky started her MBA at Yale, she was assigned a study group, part of the curriculum designed to emphasise the team-focused learning she would encounter in the corporate world.

Everyone was smart and curious, and they had a lot in common: They had gone to similar colleges and had worked at analogous firms. These shared experiences, Rozovsky hoped, would make it easy for them to work well together. But it didn't turn out that way.

Instead, Rozovsky's study group was a source of stress. When the group met, teammates sometimes jockeyed for the leadership position or criticised one another's ideas. There were conflicts over who was in charge and who got to represent the group in class.

"People would try to show authority by speaking louder or talking over each other," Rozovsky told me. "I always felt like I had to be careful not to make mistakes around them."

Infighting, jockeying for power, low morale, and team members peeling off to pursue their own agendas are all common problems on corporate teams as well. How can you foster productive conflict while stamping out unproductive conflict? By paying attention to how personality shapes team roles, shared derailers, and team culture.

CHARGES

One of the main problems with teams is how they're typically formed.

"There is significant literature devoted to creating high-functioning teams, most of which focuses on the proper mix of functional roles which are dictated, for the most part, by one's title and position," said Dave Winsborough, vice president of innovation for Hogan X. "Many leaders choose team members purely on the basis of functional skill — treating them as fungible assets or the individual components of a machine. Others pick people who are like them, which kills diversity and breeds groupthink. Alternatively, they just assemble the smartest folks they can find."

"None of these tactics work," he continued. "Because, as research shows, the dynamics of interpersonal relationships depend on individuals' personalities, not on hard skills or expertise. You can put world-class talent together on a team, and it may still fail to perform as a cohesive unit. In fact, the only way to create a team that's worth more than the sum of its individual contributors is to select members on the basis of personality."

People have two roles within a team: **functional** and **psychological**.

Functional roles are determined by a person's position or title—Chief Financial Officer, lead engineer, accountant, etc.

Psychological roles are those to which people naturally gravitate based on their personalities.



PSYCHO LOGICAL ROLES

"When individuals are formed into a team with a designated task, there is an awkward phase in which everyone is searching for how he or she fits in—his or her psychological role," Winsborough said. "We found that there are five psychological roles to which people naturally gravitate: **results, relationships, process, innovation, and pragmatism.**"

For a team to function properly, its psychological roles have to be balanced. First, there has to be enough diversity among team members that each role is filled. This sounds simple enough, but people are naturally attracted to others who are like themselves, meaning self-formed teams are likely to be fairly homogenous. Second, there have to be enough individuals in each role to provide critical mass. In other words, no single person can fill more than one roll, so there have to be enough people to get the job done. When psychological roles are correctly balanced, the natural push and pull between the different roles creates healthy conflict that can help teams function more effectively.

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Hackman said key to forming a high-performing team is for leaders to "rid their minds of sentimental egalitarianism." The most successful teams, he asserted, have a clear leader.

The results role is comfortable acting in a managerial capacity, communicating the common vision, organising work, holding team members accountable for their contributions, and evaluating outcomes.

"Without someone to take charge and establish goals and timelines and hold individual members accountable to their commitments, teams tend to drift away from their goals over time," said Ryan Ross, managing partner at Hogan.

"TOO MANY RESULTS-ORIENTED TEAM MEMBERS CAN RESULT IN IN-FIGHTING AND COMPETITION FOR LEADERSHIP ROLES."

PELATIONSHIPS

The relationships role is the natural counter to the results role. Results people tend to be blunt and push hard for success, where people in the relationships role are more concerned with maintaining concord and cooperation within the team.

"Relationship-oriented team members are important because they maintain harmony within the group," Ross said. "However, they can be focused on getting along rather than performance, so it's important to balance them with results-oriented members to keep the team moving forward."

NO MATTER HOW TALENTED THE MEMBERS OF YOUR TEAM, IT DOES YOU LITTLE GOOD IF THEY WON'T WORK TOGETHER.



CASE STUDY: The NICE TEAM THAT Went nowhere

Team performance depends on having a clear mission—a sense of purpose—and the right people to deliver it.

In the face of widespread and systematic safety failures, including worker deaths, a large organisation created a new health and safety team and gave it power and autonomy to identify and fix the problems and policies that were putting their workers in danger. Six months into the mission, the team was meandering and hadn't made any impact. Although the mission was really clear, the team consisted of people who were powerfully driven by relationships but with no drive or ambition for results. They were genuine, friendly people who put a lot of effort into reaching out across the organisation, but couldn't deliver results.

In this instance, our advice to the CEO was changing the membership, starting with a stronger, more assertive leader. That was a tough call, and in light of the recent shift to install this group, one he was reluctant to take.

He persevered with the current membership for another 12 months, providing stronger and stronger direction for the team. But personality is hard to change. Two years later, there was another restructure, and the team that went nowhere was disbanded. UNDERSTITUTION OF THE OWNER OWNER OF THE OWNER OWN

People who are drawn to the innovation role are big-picture thinkers. They are great at spotting trends and patterns quickly, enjoy solving problems, and generate creative solutions. They are able to anticipate problems and recognise when the team needs to adapt or change course.

THE PROBLEM WITH BIG-PICTURE THINKERS IS THEY ALSO TEND TO HAVE A PROBLEM WITH PRACTICALITY.



Individuals who naturally focus on process are concerned with implementation, the details of execution, and the use of systems to complete tasks. They are reliable, organised, and conscientious about following rules and protocol.

"Without enough people in the process role, teams tend to lack self-discipline," Ross said.

WITH TOO MANY PEOPLE IN THE PROCESS ROLE, TEAMS CAN BECOME RIGID AND LACK THE TACTICAL AGILITY THEY NEED TO OVERCOME OBSTACLES AS THEY ENCOUNTER THEM.

PRAGMATISM

Every team needs a good pragmatist a practical, somewhat hard-headed challenger of ideas and theories. They promote realistic approaches and aren't easily swayed by the need to preserve harmony or innovation for its own sake.

"Without enough of these individuals, teams tend to spend a lot of time pursuing ideas that seem great at first, but prove impossible to implement," Ross said.

"Too many of them, however, and the team becomes too critical and closed-minded to allow new ideas to develop." A TEAM WITH THE RIGHT BALANCE OF PEOPLE IN RESULTS, RELATIONSHIPS, INNOVATION, PROCESS AND PRAGMATISM ROLES WILL ENSURE DIVERSITY OF VIEWPOINTS AND PROMOTE THE KIND OF PRODUCTIVE CONFLICT THAT IS CRITICAL TO TEAM FUNCTION.

SHARED DERAILERS

If balancing psychological roles will help you foster productive conflict within your team, understanding the team's shared derailers will help you understand how conflict is likely to play out, and help you guard against team-killing behaviours.

Derailers, or dark-side personality characteristics, are traits that under normal circumstances could be considered strengths—being ambitious, competitive or outgoing, for example. Under increased stress or pressure, however, those same qualities can turn into behaviours that strain relationships and cause interpersonal rifts that can hinder team performance. If too many members of the team share the same derailers, they can become team derailers, which fall into three categories:

DISTANCING DERAILERS

help individuals manage anxiety or pressure by pushing others away.

AGITATING DERAILERS

help individuals manage situations by manipulating or controlling others.

ACQUIESCING DERAILERS

help individuals manage their stress and anxiety by building alliances with others.



THE CASE OF The Colourful Leadership team

When GeneBank's* board of directors demanded its new CEO double the global supplier of dairy and beef genetics' revenue to \$1 billion, the first thing he did was develop a new executive team.

This was a dramatic shift, and required new skills in acquisition, global marketing, data science, and logistics. The team would also have to lead a deeply sceptical, science-based organisation into a future with much higher expectations.

Our research shows that the players on top teams are invariably dominant and outgoing, which can hinder the development of psychological safety and an overarching goal, key conditions for performance. It proved so here as the team excelled at driving for results and low on process. They also had a distinctive, shared dark-side risk of being colourful - the tendency to be dramatic, attention-seeking, and easily bored.

The organisation soon saw the impact of the team's profile. They were goal driven, competitive, and ambitious. The organisation felt as if it had received a huge shot of energy. Targets were increased, standards were raised, and individuals held accountable. The team was exciting to be around and made strong efforts to connect with each other and the wider organisation.

At the same time, three other behaviours emerged that caused frustration and resentment. Although driven and focused, the team didn't listen well to the organisation. Second, goals stacked on goals and little attention was paid to sequencing or resourcing. Finally, the team was distractible, and the strategy accumulated pet projects.

*Not the company's actual name.

TEAM CULTURE

If balancing psychological roles helps facilitate productive conflict and understanding group derailers helps prevent destructive conflict between team members and between the team and those outside the team, understanding team culture is what makes functioning through conflict possible.

People's core motives, values, and preferences affect every aspect of their lives, from what they find rewarding to their behaviour. When the majority of a team's members share the same values, it forms the basis for team norms, culture, and decision-making.

Shared team values have 3 main impacts on the team:

Coherence – Having common values helps team bonding and makes teamwork easier and more enjoyable. Conflict tends to be more productive on teams with shared values, focusing more on substantive, technical, or professional differences.

Greater efficiency –Team members are on the same page with regard to tasks and situations, understand each other's needs, and trust one another more than individuals in teams without shared values.

Stability – Shared values increase the individual's commitment to the team and its purpose, which increases team motivation and reduces turnover. Members who stay longer with a team are more likely to engage in activities and make decisions that benefit the group over selfish gains.

The Hogan Team Report is designed to help team members understand how their personality-based strengths, weaknesses, and values will impact their and their team's performance. Drawing on the powerful science of the **Hogan Personality Inventory**, the **Hogan Development Survey**, and the **Motives, Values, Preferences Inventory**, the Hogan Team Report helps teams understand their dynamics like never before:



Team strengths and weaknesses

The Hogan Team Report identifies team members' psychological roles, displaying the percentage of the team that plays each role and highlighting potential role gaps.



Potential team fracture lines

The Hogan Team Report identifies shared performance risks, or derailers, that emerge during times of stress and pressure and can interfere with team goals and relationships.



Team culture and shared values

The Hogan Team Report identifies the shared values that determine what we desire and are willing to work for, and how they are likely to contribute to team culture.

Achieving the right mix of psychological roles, team derailers, and culture is the key to fostering productive conflict and creating a productive team and a satisfied workforce. The Hogan Team Report is the ideal tool to achieve maximum results.