

RADY UNDERGRAD

SUMMER 2016

MGT 18

Managing Diverse Teams

Professor Mary A. McKay



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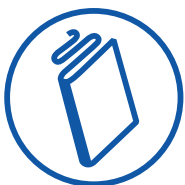
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MGT 18: MANAGING DIVERSE TEAMS

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E X C H A N G E

Making the Difference: Applying a Logic of Diversity

by Scott E. Page

Executive Overview

Each year, corporations spend billions of dollars on diversity training, education, and outreach. In this article, I explain why these efforts make good business sense and why organizations with diverse employees often perform best. I do this by describing a logic of diversity that relies on simple frameworks. Within these frameworks, I demonstrate how collections of individuals with diverse tools can outperform collections of high “ability” individuals at problem solving and predictive tasks. In problem solving, these benefits come not through portfolio effects but from *superadditivity*: Combinations of tools can be more powerful than the tools themselves. In predictive tasks, diversity in predictive models reduces collective error. It’s a mathematical fact that diversity matters just as much as highly accurate models when making collective predictions. This logic of diversity provides a foundation on which to construct practices that leverage differences to improve performance.

Along the moving sidewalks inside Paris’ Charles de Gaulle airport, you cannot help but notice a sequence of HSBC advertisements meant to show diverse perspectives. One shows two identical pictures of a half-full glass of water. Across one glass, the caption reads *moitié vide*, under the other *moitié plein*. A second advertisement shows two identical pictures of an apple with a bite taken out. *Défendu* scrolls across one apple and *recommandé* across the other. These ads encourage us to think of HSBC as a firm that sees a problem from more than one perspective—and they also provide a welcome diversion from the inefficiencies of the airport. This multiple perspective taking allows HSBC to add value, or so we are intended to believe.

The HSBC ads reflect a broader trend. Each

year, corporations spend billions related to promoting positive messages about diversity both internally and externally. Why profit-seeking businesses commit so many resources to constructing diverse workforces and creating welcoming organizational cultures stems from two trends. First, businesses have become more global and hence more ethnically diverse. Firms sell to diverse consumers and hire from a diverse pool of candidates. The world, as has been said, is now flat, and consequently, organizations must cope with diversity. Second, the practice of work has become more team focused. The fixed hierarchy has given way to the evolving matrix (Mannix & Neale, 2006). In the past, welders positioned two stations apart on an assembly line need not get along. They need not validate one another’s worldview. The same cannot be said of a team of scriptwriters or oncologists, who must learn to understand the language and actions of one another.

This article is adapted from Scott E. Page’s book *The Difference: How the Power of Diversity Creates Better Groups, Firms, Schools, and Societies*, published in 2007 by Princeton University Press.

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This coincident emergence of diverse workforces and team-based work makes leveraging diversity a central concern of most organizations. A first question to ask is whether it's a good thing from a business perspective. Does it hurt or help the bottom line? A substantial empirical literature addresses the question of whether diversity improves team performance (Williams & O'Reilly, 1998). A brief summary of that literature reveals that the answer depends on several factors. Particularly important is *what people believe* (Ely & Thomas, 2001). If people do not believe in the value of diversity, then when part of a diverse team they're not as likely to produce good outcomes. That expectations shape behavior and that behavior shapes outcomes should not come as a big surprise. How though to change expectations? How does an organization get its employees to believe that diversity leads to better outcomes? Taking out advertisements or printing up human resources documents with elaborate graphics and catchy tag lines won't make it so. Managers and employees need, to quote Springsteen, "a reason to believe."

Simple, clean logic can provide that reason. In this brief article, I derive links between cognitive differences among team members and better collective outcomes at specific tasks: *problem solving* and *prediction*. I build those links using conceptual frameworks that borrow from psychology, computer science, and economics. These links not only provide a foundation for understanding when, how, and if diversity produces benefits—the reason to believe—they also point toward specific policies and practices that can leverage the power of diversity.

The bottom line: Diversity can improve the bottom line. It may even matter as much as ability.

Diverse Perspectives and Heuristics

I begin by formalizing the loose notion of a *perspective*. No end of brochures and advertisements sing the praises of diverse perspectives, but what are they? Here, I define a perspective to be a representation of the set of the possible: the set of the semiconductor designs, welfare policies, or fall leather coats. Two people possess diverse perspec-

tives if they mentally represent the "set of the possible" differently. For example, one person might organize a collection of books by their authors' last names; another person might organize those same books by color and size. One professor might arrange students' names by class rank; another professor might order those same students alphabetically.

How a person represents the set of the possible determines "what is next to what." For example, *The Catcher in the Rye* may seem rather disconnected from Mao's *Little Red Book*, but they are adjacent in a perspective that organizes books by color and size. Perspectives matter because "what is next to what" determines how a person locates new solutions. The linkage between perspectives and locating solutions can be clarified with an example. Suppose you are making butternut squash soup. You've pureed the sautéed onion and added the cream and baked squash, but the result tastes bland. Arrayed before you is an enormous spice rack. You're thinking that perhaps you'll add cumin. You sniff the cumin. It smells fine, but next to it, you see curry. So you smell the curry and decide it will be wonderful. You only try the curry because it sits adjacent to the cumin. Had the spices been arranged differently, say by color, you might have added cinnamon instead. What is next to what—in this case curry is next to cumin—determines where you look.

This same logic extends to almost any problem-solving situation: *Two people with different perspectives test different potential improvements and increase the probability of an innovation.*

Diverse perspectives may be the cause of most breakthroughs, but this does not mean that all diverse perspectives prove helpful. Someone who sees a problem from a different perspective will notice different *candidate* solutions. But those candidate solutions need not improve the status quo. Diverse perspectives prove most valuable if they embed information relevant to the problem being solved. For example, in trying to increase fuel efficiency, a perspective that focuses on the weight of parts will likely yield good ideas. A perspective that considers their color probably won't. Therefore, while organizations should encourage bringing diverse perspectives to a prob-

lem, they must also have some method for identifying useful perspectives.

Perspectives describe how people see a problem, but they do not fully capture the act of problem solving. When solving problems, people also use heuristics. Heuristics are methods or tools to find solutions. In my description of searching for a spice to add to the soup, I've assumed that you looked at adjacent jars. This is an example of a *heuristic*. Heuristics take many forms and vary in their sophistication from simple rules of thumb to complicated algorithms. To give a flavor for how heuristics operate, I describe here a famous simple heuristic known as *do the opposite*. In a classic episode of the television show *Seinfeld*, Jerry's bumbling friend George Costanza comes to the realization that every decision he has made in his life has been the wrong one. This realization results in an epiphany: He should *do the opposite*. He should do the reverse of whatever he thinks is best. If the rules in his head tell him to be kind, he should be rude. If they tell him to arrive early, he should show up late. If they tell him to dress casually, he should dress formally. The irony, of course, is that doing the opposite of what he thinks is right is the only "right" thing George has ever done, and by the end of the show he achieves personal and professional success. Diverse heuristics, like diverse perspectives, improve problem solving, but they do so in a different way.

Whereas perspectives change "what is next to what," heuristics change how a person searches for solutions. Imagine two engineers working for a manufacturing company trying to improve the speed of an assembly line. The first engineer's heuristic might be to try to break down individual tasks into smaller tasks. The second engineer's heuristic may be to switch the order of the tasks. The two heuristics differ, and because they differ, they identify different candidate solutions, increasing the probability of a breakthrough.

This brief description of diverse perspectives and heuristics and how they operate reveals only part of the power of diversity. What I've shown is that by seeing problems differently (diverse perspectives) and by looking for solutions in different ways (diverse heuristics), teams, groups, and organizations can locate more potential innovations. I

now show that these individual improvements can be combined, creating *superadditivity*. Superadditivity exists when the total exceeds the sum of the parts, when $1+1 = 3$.

The idea that $1+1 = 3$ may seem counterintuitive. Yet, when we add heuristics, either the two heuristics are the same (i.e., each points to the same solution, and therefore $1+1 = 1$) or the two heuristics differ (in which case $1+1 = 3$). Why three? Let's do the math. Let's go back to our assembly line problem. The first heuristic might advocate dividing a task that consists of six spot welds into two tasks. The second heuristic might advocate gluing on a piece of trim prior to the welding. The third heuristic comes from doing both—dividing the task *and* switching the order. Thus, any time you have two heuristics, you can create a third by combining the two heuristics. A similar logic shows that $1+1+1 = 7$. Far from being a meaningless buzzword, superadditivity can be real, but only if people bring diverse perspectives and solutions to a problem.

The logic that diversity creates superadditive benefits differs from the standard portfolio analogy for diversity. According to the portfolio analogy, a firm wants diversity so as to be able to respond to diverse situations just as a stock investor wants a diverse portfolio of stocks. Just as a diverse portfolio guarantees a good payoff regardless of the state of the world, a diverse set of employees ensures that someone exists within the firm to handle any situation that arises. The portfolio analogy, though accurate in some cases, breaks down when applied to team-based problem solving. There's no give and take between stocks in a portfolio. One stock doesn't say to another stock, "I never thought of the problem that way." Nor can stocks build on solutions thought of by existing stocks. That just doesn't make any sense.

I do not mean to imply that diversity does not provide insurance as suggested by the portfolio analogy. It does. However, the value of insurance against risk should not obscure the potentially larger superadditive benefits that accrue from having employees with diverse perspectives and heuristics.

Before moving on to more theoretical results, I

want to inject a brief comment about identity diversity. In the framework that I have described, diverse perspectives and heuristics underpin diversity's benefits. These more cognitively based notions of differences are distinct from identity-based distinctions such as race, gender, age, ethnicity, and so on. Though conceptually distinct, cognitive and identity diversity often correlate empirically. This correlation arises because perspectives and heuristics that people apply to problems do not come from thin air. They are the product of training, practice, and life experiences. How we see the world is informed and influenced by our values, our identities, and our cultures. People often reason by analogy. Each person's unique set of life experiences provides the engine for these analogies. Diverse identities, therefore, often translate into diverse perspectives and heuristics.

Problem Solving: Diversity Trumps Ability

I have just outlined the basic logic for how diverse perspectives and heuristics can improve problem solving. I now want to push this logic a little further and touch on some formal results. First, I want to describe some experiments that I ran while an assistant professor at Caltech. For fun, I constructed a computer model of diverse problem solvers confronting a difficult problem. In my model, I represented diversity as differences in the ways problem solvers encoded the problem and searched for solutions, i.e., *diverse perspectives* and *heuristics*. I then stumbled upon a counterintuitive finding: Diverse groups of problem solvers—groups of people with diverse perspectives and heuristics—consistently outperformed groups composed of the best individual performers. So, if I formed two groups—one random (and therefore diverse) and one consisting of the best individual performers—the first group almost always did better. In other words, *diversity trumped ability*.

This counterintuitive finding led me to try to identify sufficient conditions for this to be true. What assumptions did I have to make for diverse groups, on average, to outperform groups of the best individuals? That turned out to be a rather

difficult task. So, following the logic of my own model, I enlisted the help of someone else, Lu Hong, a person with a different set of perspectives and heuristics than my own, to help me identify those conditions. Together, we found a set of conditions that, if they hold, imply that diversity trumps ability.

To show what these conditions are and why they matter, I will describe a simple model. Suppose that I begin with an initial pool of problem solvers from which I draw a random (e.g., diverse) team and a team of the best individual problem solvers. Each of these teams will have some moderate number of people, whereas the initial pool of people could be quite large. It could consist of everyone who works for a firm or every faculty member at a university. I then compare the collective performance of the team of the best problem solvers against the collective performance of the randomly selected problem solvers.

Before I go too far, I want to remind you of the goal. Keep in mind that the diversity-trumps-ability result won't always hold. It holds given certain conditions. If, for example, the teams have only a single member, the team of the best problem solvers will consist of the best individual, and the team of random problem solvers will consist of a random person. Therefore, the first team will outperform the second. Of course, in this case ability doesn't trump diversity because the second team isn't diverse. It has only one person. Thus, having the teams have more than one person will be a condition for the result to hold.

The question Lu and I asked was, what other conditions are needed? If those conditions are unrealistic, then we should not expect diversity to trump ability in practice. If those conditions seem mild, then perhaps we should. That's one reason that we "do the math," so that we can see when logic holds and when it doesn't. Doing the math has other benefits as well, not the least of which is that we better understand how diversity produces benefits, which better enables us to leverage it in practice.

The first condition we identified relates to the difficulty of the problem. Easy problems don't require diverse approaches.

Condition 1: The Problem Is Difficult: *No individual problem solver always locates the best solution.*¹

Without this condition, diversity cannot trump ability. If any individual problem solver always finds the best solution, then the collection of the best problem solvers (which by definition contains the best problem solver) always locates the best solution. For example, if we need to find the answer to a standard engineering problem, we can just ask an engineer who can give us the correct answer. We have no need to put together an interdisciplinary team. For harder problems, like designing an aircraft engine, we need a team. And that team needs diverse thinkers.

Condition 2: The Calculus Condition: *The local optima of every problem solver can be written down in a list. In other words, all problem solvers are smart.*

The second condition concerns the ability of the problem solvers. All of the possible problem solvers must have some ability to solve the problem. We cannot set loose a bunch of anthropologists and economists in the physics lab and hope they produce cold fusion. To formalize the idea that the problem solvers must have relevant cognitive tools, Lu and I assumed that the problem solvers got stuck in only a reasonable number of places. In the language of mathematics, such points are called *local optima*. We decided to call this restriction the *Calculus Condition*. We did this because people who know calculus can take derivatives, and therefore have a reasonable number of local optima. Here's why. Think of a problem as creating a mathematical function in which high values are good solutions. The derivative equals the slope of that function, which like the slope of a mountain is either positive (uphill), negative (downhill), or zero (on a peak or a plateau). On a peak the derivative equals zero; the slope goes neither up nor down. Calculus enables a person to find points with derivatives equal to zero. Therefore, people who know calculus can find peaks. Economists don't know calculus when it comes to phys-

ics, but they probably do know calculus when asked about tax policy.

Condition 3: The Diversity Condition: *Any solution other than the global optimum is not a local optimum for some non-zero percentage of problem solvers.*

The third condition requires that for any proposed solution other than the global optimum, some problem solver can find an improvement on that solution. In formal terms, this means that the intersection of the problem solvers' local optima contains only the global optimum. We call this the *Diversity Condition*, as it assumes diversity among the problem solvers. This condition does not say that given any solution some problem solver can immediately jump to the global optimum. That assumption would be much stronger and would rarely be the case. The assumption says, instead, that some problem exists who can find an improvement. That improvement need not be large. It need only be an improvement.

Condition 4: Reasonably Sized Teams Drawn from Lots of Potential Problem Solvers: *The initial population of problem solvers must be large, and the teams of problem solvers working together must consist of more than a handful of problem solvers.*

The final condition requires that the initial pool of problem solvers must be reasonably large and that the set of problem solvers who form the teams must not be too small. The logic behind this condition becomes clear in extreme cases. If the initial set consists of only 15 problem solvers, then the best ten should outperform a random ten. With so few problem solvers, the best ten cannot help but be diverse and therefore have different local optima. At the same time, the teams that work together must be large enough that the random collection can be sufficiently diverse. Think of it this way: We need to be selecting people from a big pool, and we need to be constructing teams that are big enough for diversity to come into play.

These four conditions—(a) the problem has to be hard, (b) the people have to be smart, (c) the people have to be diverse, and (d) the teams have to be reasonably big and chosen from a large pool—prove sufficient for diversity to trump abil-

¹ If the best problem solver finds the optimal solution 99.9% of the time, the collection of randomly selected problem solvers will not outperform the group of the best.

ity. They're not the only conditions under which the result holds, but if they're satisfied, diversity will almost always trump ability.²

The Diversity Trumps Ability Theorem: *Given conditions 1 to 4, a randomly selected collection of problem solvers almost always outperforms a collection of the best individual problem solvers.*

This theorem is no mere metaphor, cute empirical anecdote, or small-sample empirical effect that may or may not be true with more trials. It's a logical truth like the Pythagorean Theorem (Hong & Page, 2004). The reason diversity trumps ability is not deep: The best problem solvers likely have similar perspectives and heuristics. The random problem solvers bring diverse ways of thinking. Therefore, the best problem solvers all get stuck in the same places. The random problem solvers don't.

The Diversity Trumps Ability Theorem implies that hiring people of high individual abilities may be less important than hiring people with diverse skills if those employees will work as part of a team. The logic of the theorem does not imply the irrelevance of ability. People need not remove those "my child is an honor student at Neil Armstrong Junior High" bumper stickers from their minivans, nor should universities randomly allocate admission slots. Ability still matters, but so does diversity. And, as the theorem shows, once an ability threshold has been met, diversity matters more than ability.

These comparisons between diversity and ability require some care. Comparing ability to diversity is not unlike comparing a shiny apple to a fruit basket. Ability is a property of an individual—a nice shiny apple. Diversity is a property of a collection of people—a basket with many kinds of fruit. Rather than think of them as opposing concerns, we should see diversity and ability as complementary: The better the individual fruits, the better the fruit basket.

Problem solving is a central task for many organizations, but it is not the only task for which diversity improves performance. Diversity also

improves collective predictions. As I now show, the so called "wisdom of crowds" comes not from having just smart people in the crowd, but from having smart people with diverse predictive models.

Predictive Models and the Wisdom of Crowds

When a company decides which product to launch, when venture capitalists decide where to invest, and when stock analysts decide when to buy or sell, they're making predictions. In putting together teams of people to make predictions, we might think that we want smart people, i.e., accurate individual predictors. And that's true. But it's also true that we want diverse predictors. We want people who differ in how they make predictions. Diversity should not be a second-order concern—multicolored sprinkles on the cake of ability; it merits equal billing. As in problem solving, diversity matters just as much as ability, and ideally, an organization or team would have an abundance of both.

To show the value of diversity in prediction, I need to define formally what I mean by a *predictive model*. Predictive models rely on *interpretations*. Interpretations are the mappings we make from the real world into categories. Categories, in turn, are conceptual boxes, or placeholders. For example, if I see a restaurant called Del Churro, I place it in the category *Mexican restaurants*. That may be true or it may not (most likely it is). I then predict that I'll enjoy eating there because I like Mexican food.

These interpretations underpin statistical predictive models as well. When stock analysts run regressions they restrict what dimensions, or attributes, they consider. In doing so, they create boxes. They use these boxes to construct a predictive model. In the best-selling book *Blink*, Malcolm Gladwell describes several instances in which experts' predictive models use very simple interpretations (2005). Gladwell loads his book with examples, including the story of an expert who instantly recognized a multimillion-dollar sculpture as fake even though scientific analysis had found otherwise, and one of an expert who can predict (using lots of analysis) whether a married couple will stay together just by looking at a

² In mathematics, the phrase *almost always* means with probability one.

few dimensions of their relationship. Gladwell's work shows the value of simple heuristics, an idea that receives a more formal treatment in the work of Gerd Gigerenzer and Peter Todd (1999).

As my example of the Mexican restaurant suggests, we need not think of predictive models as applying to just important events like stock market price changes or the causes of a disease. We apply predictive models almost every time we think. And our predictive models rely on interpretations. A popular predictive model for when a television show has reached its peak relies on categorizing episodes based on specific events. "Jumping the shark" (a reference to Fonzie jumping over a shark tank on his motorcycle, which signified the long decline of *Happy Days*, can take many forms. It could be a wedding that resolves building tension, or a death. It could be the appearance of a special guest star. Nancy Reagan showing up on the television program *Diff'rent Strokes* was clearly jumping the shark.³

In making these predictions, be they about television shows or IPOs, people rely on predictive models that in turn rely on interpretations. Note that predictive models and interpretations differ from heuristics and perspectives. An interpretation categorizes part of the world. It's the mapping

of that big gray cloud into the category "rain cloud." A predictive model tells us what we think will happen: "It looks like rain." Predictive models are thoughts. Heuristics are courses of action. A heuristic tells us what to do: "It's raining—let's run for cover," or what not to do: "We get just as wet by running, so let's walk." A perspective is not an action. It is a representation of the world. Each person possesses all of these: perspectives, heuristics, interpretations, and predictive models. And each of us differs in the particular collection of these tools that we hold inside our heads.

The Diversity Prediction Theorem

Having constructed a model of how people make predictions, I can now turn to analyzing the role that diversity plays in the ability of a team, group, or crowd to make a prediction. I am going to consider some real-world data to show the importance of diversity. If we are going to look at some data, we might as well look at something important. So let's look at NFL draft predictions. (The actual reasons for considering this example are that the predictors have a stake in being correct and sufficient variance exists in the predictions to make the case interesting.)

The table below shows predictions for the top dozen picks in the 2005 NFL draft from seven

³ See www.jumptheshark.com.

Table 1
Experts' Predictions of 2005 NFL Draft

Player\Expert	Wright	Adler	Fanball	SNews	Zimm	Prisco	Judge	Crowd
Smith	1	1	1	1	1	1	1	1.0
Brown	2	2	4	2	2	5	2	2.7
Edwards	3	3	2	7	3	2	3	3.3
Benson	4	4	13	4	8	4	8	5.9
Williams	8	5	5	5	4	13	4	6.4
Jones	16	9	6	8	6	6	9	8.1
Williamson	13	14	12	12	13	7	7	9.7
Rolle	6	6	8	10	9	8	6	7.9
Rogers	9	8	9	9	16	9	9	9.9
Williams	7	7	7	6	7	12	12	8.0
Ware	11	15	14	24	11	11	13	13.9
Merriman	12	11	3	11	12	10	11	10.1
Sq Error	158	89	210	235	112	82	75	34.4

prognosticators.⁴ The players are listed in the order that they were selected. Each predictor provides a ranking of the draftees. The names in the columns identify the predictors. These experts' predictions came from detailed analyses. They don't call them draft experts for nothing. These people—er, men—devote long days and nights to evaluating team needs, player skills, and a host of other factors.

The last row of the table shows the total squared error for each predictor. I calculated this number by summing the squared errors of the prediction for each player. To calculate that number, I take the actual draft position of each player, subtract the predicted position, and square the difference. So, when the *Sporting News* (SNews) predicted Braylon Edwards to go seventh, their error on that pick was $(3 - 7)^2$, which equals 16. If we look at the errors across the predictors, we see that they differ in their accuracy. The best has an error of 75. The worst predictor has an error of 235. The average of the individual errors equals 137.3. Comparing the accuracy of the individual predictors to the accuracy of the crowd reveals that the crowd is more accurate than any of its members.⁵ That won't always be true, but the crowd will always be more accurate than its average member. The wisdom of crowds, therefore, does exist, but the brilliance of crowds does only every once in a while.

By itself, this example doesn't prove that diversity is valuable. It just shows that in this one instance a diverse group of predictors was more accurate than any member of the group. To show why diversity deserves the credit for the crowd's success, I need to introduce one more statistical term, which I call the *prediction diversity*. Prediction diversity is nothing more than the variance of the experts' predictions. A little math shows that in the NFL example, the prediction diversity equals 102.9. Notice the relationship between the crowd's error (34.4), the average individual error (137.3), and the prediction diversity (102.9): Col-

lective error equals average error minus prediction diversity. This equality is not an artifact of our example. It is always true. I call this the *Diversity Prediction Theorem*.

The Diversity Prediction Theorem: *Collective Error = Average Individual Error – Prediction Diversity*

Let's think for a moment what this theorem means. It says that prediction diversity matters just as much as individual prediction accuracy when putting together a crowd of predictors. Equations such as this move us from some loose intuition that diverse points of view might be useful to an explicit characterization of how useful. Diversity isn't just something of marginal value. *Diversity matters just as much as individual ability*. That is not a feel-good statement. It's a mathematical fact.

Putting the Logic to Work

These two theorems—the Diversity Trumps Ability Theorem and the Diversity Prediction Theorem—provide a foundation for claims that diversity provides benefits. That is, as they say, a good thing. But feeling good is not enough. Organizations can use this logic as more than a justification for policies that seek out diverse employees. Organizations can leverage this logic to be more innovative and productive. In what follows, I describe some direction for how this might be done.

Lesson #1: Move Beyond the Portfolio Analogy and Promote Interactions

As I mention above, many arguments for diversity lean on the portfolio analogy. For the same reason that a financial adviser advocates building a diverse portfolio of stocks, a firm should have diverse employees. The portfolio analogy sees diversity as a form of insurance. And it's true that diversity often performs that function. However, the portfolio analogy misses a key part of the logic: the "*superadditivity*" of diverse tools. People have perspectives, heuristics, interpretations, and predictive models.

When a collection of people work together to

⁴ The analysts are Scott Wright from *NFL Countdown*, James Adler from *About.com*, the Fanball Staff at *Fanball.com*, the *Sporting News*, Paul Zimmerman from *Sports Illustrated*, and Pete Prisco and Clark Judge from *CBS Sportsline*.

⁵ The crowd, in this case, is the sum of all of the analysts.

solve a problem, and one person makes an improvement, the others can often improve on this new solution even further. Problem solving is not the realization of a state but a process of innovation in which improvements build on improvements. This superadditivity can be found in many real-world examples. For example, attendees at the 1904 St. Louis World's Fair could choose from a wide array of food choices: ice cream, cookies, cakes, waffles, and so on. One hot day during the fair, an ice cream vendor ran out of cups. A Syrian waffle vendor in the booth next door named Ernest Hami improvised by rolling up waffles to make cones. The rest, as they say, is history.⁶ The parts of the portfolio—the waffles and the ice cream—combined to create something new, and better: the ice cream cone. The key here is that the waffles and the ice cream interacted, and through that interaction produced a superadditive benefit. Diverse teams of people can produce similar gains, but they need to interact in order to do so.

Lesson # 2: Contain Multitudes

The logic I have presented implies that rather than having a single perspective, interpretation, heuristic, or predictive model, people and organizations should have many. We must become Whitmanesque and contain multitudes. The advantages of containing multitudes should be clear. Diverse perspectives and heuristics improve problem solving. Diverse interpretations and predictive models lead to more accurate predictions. Crowds are not wise, but crowds of models are.

One way to maintain this diversity is to mimic evolution. From evolution, we know that diversity together with crude selective pressures can solve hard problems. In evolution, genetic mutation maintains diversity. Those mutations that increase fitness survive; those that do not fall by the wayside. The same effects occur within groups of people. Good attempts survive. Bad ones don't. Experimentation can lead to a better "best" individual performer. More important, it can result in better collective performance. Increasing diversity

improves collective performance at prediction and problem solving.

Consider the following thought experiment. Suppose that we have to predict the amount of leather produced by a cow. This requires knowing the surface area of a cow. Even the complicated surfaces from calculus class are far more regular than your average cow. Fortunately, a book by John Harte (1985) on modeling offers a solution to this problem. *We can imagine a spherical cow*. I am going to ignore how we'd milk this spherical cow. Calculating the surface area of the spherical cow requires high school level math. That number won't be correct. It's an estimate, a prediction.

Someone else might decide to construct a different predictive model. She might imagine cows shaped like boxes. She might even tape together a few Gateway computer boxes until she reached cow-like proportions. Someone else might imagine elliptical cows. Either of these two other models may prove more accurate than the spherical cow model. If so, that's great. That doesn't mean that we should toss out the spherical cow model. The greatest benefit may well come from having multiple models that can be averaged into a crowd. The crowd of cow models may well be better than the best.

The amount of experimenting that makes sense depends upon the circumstances. Clearly, the lower the costs of experimenting and the more important the problem, the more we should experiment. We should also err on the side of more searching when a problem is connected to other problems. If we can understand how proteins fold, we can make headway on lots of other problems. Cognitive tools flow freely between domains. And by combing tools, we can find even larger breakthroughs (Axelrod & Cohen, 2000).

Lesson #3: Look Outside: Consult Dissenters

When an organization confronts problems, it may lock in on a particular perspective. In an organization, common perspectives facilitate communication and the development of more advanced heuristics, but they also create common local optima. Thus, if one person gets stuck and if everyone sees the problem the same way, then everyone is stuck. Now, it could be that an organization's

⁶ Unbeknownst to Hami, Italo Marchiony, a recent Italian immigrant to New York, had patented the ice cream cone in 1903.

shared perspective makes every problem easy so that solutions are always optimal. Experience suggests otherwise. The only organizations that always make optimal decisions lie nestled within the pages of introductory economics books. Given that organizations make mistakes and sometimes do so systematically, every so often they bring in people from the outside. These outside consultants are not necessarily smarter than the people who already work there. They're just different. They bring with them different perspectives and heuristics that can improve outcomes.

An example from within the academy provides empirical grounding. Most universities organize themselves into departments. This hinders diversity for obvious reasons. These departments largely monitor themselves, so deans and provosts look for signs of external validation to see how these departments perform, such as the placement of graduate students, the number of publications by faculty in top journals, and the frequency of attempts by other schools to hire away faculty. These signals indicate if a department performs well, but they provide almost no clue for *how* a department could perform better. For this reason, universities periodically invite committees composed of scholars from other schools who work in the same discipline or a closely related one to provide suggestions for how the department might improve. How do they do this? They gather information about the current state of the department and advocate certain changes. Are these visitors more able than the people in the department? Probably not. But they are different. And they leverage those differences to make improvements.

These visiting committees can be thought of as a type of consultant. In fact, they are consultants (they just do not get paid as much as real consultants). And, clearly, this same line of thinking explains a benefit of consultants: They're able to provide diversity to help departments or companies improve. Sure, some companies trot out highly paid consultants in fancy suits to add credibility to decisions that directors have already made—"Look, McKinsey agrees with me!" And yes, some consulting companies perform services that firms do not have the capacity or ability to do themselves, but many consultants do consult. And

when doing so they make improvements. (No, really.) Otherwise, there would not be so many consulting companies, and consultants wouldn't be paid so much money. But the fact that these consultants add value does not mean that they are giants of the earth, smarter and more capable than others. A freshly minted MBA need not know more about dog food than Purina or more about manufacturing processes than General Motors or Toyota to add value. She need only be moderately capable and different. In difference lies value.

The careful reader will notice the subversive nature of this logic. I might have described visiting committees and consultants as experts, but I did not. Instead, I've described them as people who think differently. Visiting committees and consultants challenge the status quo. They are what Cass Sunstein (2003) might call "dissenters." In politics dissenters identify new policy dimensions, and they force us to abandon our existing predictive models. Dissent is useful. Without it societies would falter. Organizational consultants—whether academic, nonprofit, or for profit—are dissenters too, paid dissenters.

Lesson # 4: Create Prediction Markets

Given the potential wisdom of crowds, an organization might benefit from creating internal information markets to make predictions. Information markets have substantial appeal to businesses and organizations. They can be highly accurate and low cost. Currently, most large companies and organizations hire people to construct models to predict future demands, sales, or, in the case of political parties, votes. Without these predictions long-range planning becomes difficult, if not impossible. By creating an internal prediction market, an organization can leverage the wisdom of its own crowd. This prediction market could supplement or even replace the experts' predictions. Some companies, such as Hewlett Packard and Google, have already done this. Chen and Plott (2002), for example, report that Hewlett Packard used managers to predict printer sales. The managers' predictions proved to be as good as, and in some cases better than, the experts'.

Consider an auto company that wants to predict what types of cars will sell best in the coming

five years—a prediction that auto manufacturers address regularly, and one that they often get wrong. They could set up an internal market that includes all of the company's engineers. This probably would not work. Their engineers probably do not have much knowledge about consumer trends—they're engineers! They may as well ask them to predict the Oscars. These information markets require that participants have reasonable models. For this reason, if these same engineers were asked to predict which of two vehicle designs would prove more durable, the information market would perform well. For this task, the engineers possess diverse and reasonable models (they understand different parts of the vehicle). Owing to that diversity, they can collectively predict well.

Lesson # 5: Focus on Relevant Diversity

For organizations, what counts is relevant diversity, and again how much they should weigh diversity relative to individual performance depends on the context. A firm that is hiring people for a job for which they have a well-defined ability measure may not reap many benefits from diversity. This would be true for a company hiring people to paint houses or to deliver messages by bicycle.

In contrast, consider a firm hiring people to design web pages. These potential hires would have to work together either directly or indirectly. In this case, the firm would want to consider diversity as much as ability. The firm should look for able people with diverse training, experiences, and identities. Unfortunately, human resources professionals can't just look at someone and see her perspectives or heuristics.

The opaqueness of cognitive differences explains why firms interview, administer tests, ask for recommendations, and sample previous work. They're trying to make inferences about the tools applicants possess. Someone with a computer science degree probably knows more programming heuristics than someone with a degree in biology. And someone who has worked for five years selling cars probably brings finer and more interesting interpretations of consumer types than someone who has been confined to a cubicle writing man-

uals for DVD players. But what of the undergrad riding the skateboard with all of those tattoos and piercings? Many people in corporate America would think, "He looks different from us." Does that mean that they should hire him? The answer depends. If the kid on the skateboard knows the equivalent of calculus for the problem—if the job at hand is, say, designing bowling shirts or tennis shoes—they might want to think about doing so. But if the firm invests in derivatives and the skateboarder stopped taking math classes in fifth grade, then the firm would do better to look elsewhere.

Enlightened employers seek out diversity. Owing to their success, Google can hire almost anyone they like. Google could just hire the top students from the engineering schools like MIT, Caltech, Stanford, Illinois, Michigan, Georgia Tech, and Cal-Berkeley. These people would all be smart, but they might be trained similarly. They also might have had similar college experiences. And they might be far from representative in the identity groups to which they belong.

Given that Google organizes itself in work teams that solve problems, success depends on both ability and diversity. That's why Google doesn't pursue a strategy of hiring only the people with the best grades from the best schools. In their own description of "who we're looking for," Google's first criterion is diversity—"people with broad knowledge and expertise in many different areas of computer science and mathematics"—as is their last: "people with diverse interests and skills." People who think alike get stuck. So Google samples widely. They look for diversity in training, experience, and identity. Computer science graduates from Santa Clara work alongside former math professors. But Google is also aware of the Calculus Condition. They seek diverse people with knowledge in mathematics and computer science. They're not seeking poets. That said, if a good mathematical epidemiologist showed up at their door, they'd hire her.

Many identity attributes correlate with or influence how we think. Leveraging diversity requires more than greater racial and gender balance. Forgetting this can result in lost opportunities. The United States Army has substantial

identity diversity at every rank. But because of the hierarchical nature of the military, they do not have much age diversity within a rank, so the people making the same kinds of decisions and giving advice to the same people are likely all about the same age. This reduces perspective and predictive model diversity. Some of the strongest evidence in all of the empirical diversity literature relates to demographic diversity. Those who arrive at the same time think the same way (Pfeffer, 1982). Therefore, maintaining age diversity can be crucial to success.

Firms might also test applicants for cognitive diversity relative to one another and to their current employees. Testing for diversity isn't as hard as it sounds. One consulting company asks job applicants to predict the annual sales for a standard household product, something like rubber bands, peanut butter, lug nuts, or size C batteries. This company wants to identify applicants who understand that total demand equals the sum of individual demands (recall the Calculus Condition in the Diversity Trumps Ability theorem). They also want to identify people who think differently. They achieve both goals by learning if and how the applicants segment the market of consumers. Among those applicants who get the question about the C batteries, those who parse households in interesting ways, such as households with male children, have a good chance of getting hired. Those applicants who divide the country into regions probably do not. And yet the company wouldn't want all people who identified young boys as big users of batteries. They'd want some people who identified other market segments, like campers. Asking silly questions doesn't just get silly answers, it reveals diversity in thinking. That's why Google asks prospective employees how many golf balls fit in a school bus.

Lesson #6: The Samuel Paul Bowie Caveat

We can go too far in pursuing skill difference. In our pursuit of diversity, we must keep in mind the need to balance diversity with ability. We need only recall the 1984 NBA draft, in which the Portland Trail Blazers picked Samuel Paul Bowie, a seven-foot center from Kentucky, over a forward from North Carolina named Michael Jordan, per-

haps the greatest basketball player of all time. Reasons for the Bowie pick vary. Some claim that Jordan's talents had been obscured by North Carolina's team-oriented style of play.

I'm willing to cut the Blazers some slack. Portland's error could have resulted from having the wrong predictive model. Portland executives had reason to believe in the value of a good center. They had won a title just a few years earlier with an injury-prone Bill Walton at the pivot. Further supporting their case, only one team from 1959 to 1984 had won an NBA title without an all-star center. Add to this the fact that Portland already had an excellent tandem at small forward and shooting guard—Clyde Drexler and Jim Paxson—and the Bowie decision looks reasonable. But with the benefit of hindsight, choosing Bowie, an example of choosing diversity over ability, looks silly. If Michael Jordan's available, draft him. Sometimes ability trumps diversity.

Lesson #7: Avoid Lumping by Identity and Stereotyping

Employers often use identity as a crude proxy for cognitive diversity. And it's true that the types of cognitive diversity that I've discussed correlate with identity. Even so, organizations probably can do better than to rely on coarse identity classifications to categorize people. People are multifaceted and multi-tooled. We all have different experiences and training as well as different identities. Those experiential and training differences also translate into diverse toolboxes.

Mapping people into identity groups often over-lumps. Placing a recent immigrant from Nairobi, Kenya; a grandson of a sharecropper from the Mississippi Delta; and the daughter of a dentist from Barrington, Illinois, into the same category—African Americans—obscures differences, as does placing the granddaughter of a miner from Copper Harbor, Michigan; a son of Gloria Vanderbilt (that would be Anderson Cooper); and a recently married former au pair from Lithuania into the box labeled "non-Hispanic white." Similarly, having an Asian American box that lumps together people whose ancestors came from Singapore, Malaysia, China, Japan, and Korea bunches together diverse cultural identities. Each

of these lumps of people, if unpacked, would prove cognitively diverse.

This lumping also ignores combinations of identities. A group consisting of five French men, three Korean men, two Kenyan women, and a woman from Singapore contains a man and Kenyans but it does not contain Kenyan men and therefore may not be able to look at the problem in the same way that a Kenyan man might. And again, there is no single way in which a Kenyan man would look at a problem.

This insight also can be used to temper our enthusiasm for pipelines used to recruit minorities. These programs nurture potential employees or students from underrepresented groups. They may improve numbers, but they can limit the amount of cognitive diversity that a firm gets. By hiring only African American engineers who graduated from Berkeley and attended the same summer internship program, a company like Cisco sacrifices cognitive diversity on the altar of identity accounting. Their employees look different, but they may not think differently. Thus, the use of pipelines probably has a negative effect on the benefits of diversity. It probably reduces the performance of identity-diverse firms. The greater identity diversity gained through the pipeline could be more than offset by their lack of experiential, demographic, or training diversity. Far better that Cisco forms a consortium of companies to create multiple pipelines to obtain what might be called within-lump diversity. Or even better, perhaps society might be structured in such a way that those pipelines are not needed.

Lumping people by identity group creates stereotypes and stigmatization. Many people think men are smarter than women, that people who grew up on farms work harder, and that Italians can cook better than the English. We describe people as typical Europeans or as fraternity boys. These stereotypes are predictive models. They place people in categories and make predictions based on those categorizations. If informed by lots of experience, these predictive models may be more accurate than not, provided we've lumped correctly. It is probably empirically true that on average, Italians probably are better cooks than English people, and frat boys do eat a lot of food

(and drink a lot of beer). But some do not. No evidence suggests that men are on average smarter than women.

Stereotypes, therefore, are to be avoided. In addition to being crude predictive models, they create three other problems. First, because stereotypes are predictive models about people, and not about physical phenomena, they can influence behavior and become self-reinforcing (Jackson & Fryer, 2002). People may evaluate women as less effective than men at task performance, even if by objective standards the women perform as well. This might happen if enough people carry around a crude predictive model that says that men are better workers than women. This can reduce incentives for women to work hard, and thus the stereotypes become self-fulfilling. Any stereotype—that Asians do better in math, that Indians are better spellers, that British people are wittier, or that African Americans are more creative—can induce self-fulfilling behavior. If we make stereotypical inferences about people who belong to an identity group, we reduce their incentives to accumulate tools outside these stereotypes. We limit opportunity. To use Glenn Loury's phrasing (2000; 2002), stereotypic predictive models stigmatize.

Second, stereotypes hinder collective performance by restricting how people think. People feel compelled to represent their identity groups when they are underrepresented in a group. If a person totes along the fundamental preferences of his identity group, he may lose track of the organization's goals (Brewer & Brown, 1998; McGrath, Arrow, & Berdahl, 2000; Tajfel & Turner, 1986). At the societal level, identity-based concerns with justice and equality of opportunity have a place, a central one. Organizations should not, like Mussolini, concern themselves only with having the trains run on time. Trying to act and think as a woman or an Asian or a black male, instead of as oneself, hurts group performance. People need not strip themselves of their identities, but they shouldn't let their core identities confine them.

To use the language of Kwame Appiah (2005), identities root us. They should provide us with meaning and purpose, but they should not limit

us. People should be allowed to be different, to possess multiple identities, and to pursue a range of experiences and training. As Toni Morrison put it, "In *Tar Baby*, the classic concept of the individual with a solid, coherent identity is eschewed for a model of identity which sees the individual as a kaleidoscope of heterogeneous impulses and desires, constructed from multiple forms of interaction with the world as a play of difference that cannot be completely comprehended."⁷

Finally, the use of stereotypes limits predictive diversity when evaluating people. By definition, stereotypes are widely shared predictive models. By applying stereotypes, people are not thinking differently at the individual level, and collectively won't make accurate predictions. This logic underpins the Diversity Prediction Theorem. Good collective predictions require abandoning stereotypes. People should look for attributes or categories that differ from those of others but still make sense.

Lesson #8: Maintain Humility in the Face of Mystery

My final piece of advice returns to the question of why organizations should promote diversity. The frameworks that I have presented can be used to support proactive diversity policies. They show that individual diversity contributes to collective benefits. These results are theoretical, not empirical. They do not necessarily imply that companies, organizations, and universities that hire and admit diverse people can expect instant results, and that ability should be sacrificed on some altar of difference. To the contrary, the analysis suggests a need to balance the two. In the Diversity Trumps Ability Theorem, this takes the form of a threshold the problem solvers must satisfy (the Calculus Condition). In the Diversity Prediction Theorem, the tradeoff is more direct. Sometimes, organizations should trade some ability for diversity, but ideally, they should seek more of both.

I previously discussed why high-tech firms wouldn't want only freshly minted graduates from MIT and Caltech. People with different training

and experiences may add more to the conversation than people who score better according to traditional measuring sticks. Employers and universities need to understand this logic and hire and admit accordingly.

The link between identity diversity and cognitive diversity is more subtle and mysterious. Nevertheless, for similar reasons, leading companies and universities shouldn't want all white men or all Asian women. Identity diversity often correlates with cognitive diversity and often does so strongly. The extent of that correlation depends upon the problem. As life experiences often frame how people see social issues, for public policy problems identity differences can translate directly into diverse perspectives. On more scientific and technical problems, the linkages are less direct. Yet this does not mean that they do not exist. The sources of innovation remain mysterious; life experiences can serendipitously provide insights. By building diverse teams of employees, organizations increase their chances of making a breakthrough.

Organizations should, therefore, continue to pursue pro-diversity policies, but those policies should reflect the potential for diversity to improve outcomes. Diversity matters not just because it is the right thing to do. Diversity matters because it can increase the bottom line by introducing more perspectives, heuristics, interpretations, and predictive models. These diverse cognitive tools can in turn improve an organization's ability to solve problems and make accurate predictions.

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⁷ See womenshistory.about.com/od/quotes/a/toni-morrison.htm

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Good managers often make unethical decisions—and don't even know it.

How (Un)ethical Are You?

by Mahzarin R. Banaji, Max H. Bazerman, and
Dolly Chugh

Answer true or false: “I am an ethical manager.”

If you answered “true,” here’s an uncomfortable fact: You’re probably not. Most of us believe that we are ethical and unbiased. We imagine we’re good decision makers, able to objectively size up a job candidate or a venture deal and reach a fair and rational conclusion that’s in our, and our organization’s, best interests. But more than two decades of research confirms that, in reality, most of us fall woefully short of our inflated self-perception. We’re deluded by what Yale psychologist David Armor calls the illusion of objectivity, the notion that we’re free of the very biases we’re so quick to recognize in others. What’s more, these unconscious, or implicit, biases can be contrary to our consciously held, explicit beliefs. We may believe with confidence and conviction that a job candidate’s race has no bearing on our hiring decisions or that we’re immune to conflicts of interest. But psychological research routinely exposes counter-intentional, unconscious biases. The preva-

lence of these biases suggests that even the most well-meaning person unwittingly allows unconscious thoughts and feelings to influence seemingly objective decisions. These flawed judgments are ethically problematic and undermine managers’ fundamental work—to recruit and retain superior talent, boost the performance of individuals and teams, and collaborate effectively with partners.

This article explores four related sources of unintentional unethical decision making: implicit forms of prejudice, bias that favors one’s own group, conflict of interest, and a tendency to overclaim credit. Because we are not consciously aware of these sources of bias, they often cannot be addressed by penalizing people for their bad decisions. Nor are they likely to be corrected through conventional ethics training. Rather, managers must bring a new type of vigilance to bear. To begin, this requires letting go of the notion that our conscious attitudes always represent what we think they do. It also demands that we abandon our faith in our own objectivity and our

ability to be fair. In the following pages, we will offer strategies that can help managers recognize these pervasive, corrosive, unconscious biases and reduce their impact.

Implicit Prejudice: *Bias That Emerges from Unconscious Beliefs*

Most fair-minded people strive to judge others according to their merits, but our research shows how often people instead judge according to unconscious stereotypes and attitudes, or “implicit prejudice.” What makes implicit prejudice so common and persistent is that it is rooted in the fundamental mechanics of thought. Early on, we learn to associate things that commonly go together and expect them to inevitably coexist: thunder and rain, for instance, or gray hair and old age. This skill—to perceive and learn from associations—often serves us well.

But, of course, our associations only reflect approximations of the truth; they are rarely applicable to every encounter. Rain doesn’t always accompany thunder, and the young can also go gray. Nonetheless, because we automatically make such associations to help us organize our world, we grow to trust them, and they can blind us to those instances in which the associations are not accurate—when they don’t align with our expectations.

Because implicit prejudice arises from the ordinary and unconscious tendency to make associations, it is distinct from conscious forms of prejudice, such as overt racism or sexism. This distinction explains why people who are free from conscious prejudice may still harbor biases and act accordingly. Exposed to images that juxtapose black men and violence, portray women as sex objects, imply that the physically disabled are mentally weak and the poor are lazy, even the most consciously unbiased person is bound to make biased associations. These associations play out in the workplace just as they do anywhere else.

In the mid-1990s, Tony Greenwald, a professor of psychology at the University of Washington, developed an experimental tool called the Implicit Association Test (IAT) to study unconscious bias. A computerized version of the test requires subjects to rapidly classify words and images as “good” or “bad.” Using a keyboard, test takers must make split-second “good/bad” distinctions between words like “love,” “joy,”

“pain,” and “sorrow” and at the same time sort images of faces that are (depending on the bias in question) black or white, young or old, fat or thin, and so on. The test exposes implicit biases by detecting subtle shifts in reaction time that can occur when test takers are required to pair different sets of words and faces. Subjects who consciously believe that they have no negative feelings toward, say, black Americans or the elderly are nevertheless likely to be slower to associate elderly or black faces with the “good” words than they are to associate youthful or white faces with “good” words.

Since 1998, when Greenwald, Brian Nosek, and Mahzarin Banaji put the IAT online, people from around the world have taken over 2.5 million tests, confirming and extending the findings of more traditional laboratory experiments. Both show implicit biases to be strong and pervasive. (For more information on the IAT, see the sidebar “Are You Biased?”).

Biases are also likely to be costly. In controlled experiments, psychologists Laurie Rudman at Rutgers and Peter Glick at Lawrence University have studied how implicit biases may work to exclude qualified people from certain roles. One set of experiments examined the relationship between participants’ implicit gender stereotypes and their hiring decisions. Those holding stronger implicit biases were less likely to select a qualified woman who exhibited stereotypically “masculine” personality qualities, such as ambition or independence, for a job requiring stereotypically “feminine” qualities, such as interpersonal skills. Yet they would select a qualified man exhibiting these same qualities. The hirers’ biased perception was that the woman was less likely to be socially skilled than the man, though their qualifications were in fact the same. These results suggest that implicit biases may exact costs by subtly excluding qualified people from the very organizations that seek their talents.

Legal cases also reveal the real costs of implicit biases, both economic and social. Consider *Price Waterhouse v. Hopkins*. Despite logging more billable hours than her peers, bringing in \$25 million to the company, and earning the praise of her clients, Ann Hopkins was turned down for partner, and she sued. The details of the case reveal that her evaluators were explicitly prejudiced in their attitudes. For example, they had commented that Ann “overcompensated for being a woman”

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and needed a “course at charm school.” But perhaps more damning from a legal standpoint was blunt testimony from experimental research. Testifying as an expert witness for the defense, psychology professor Susan Fiske, now at Princeton University, argued that the potential for biased decision making is *inherent* in a system in which a person has “solo” status—that is, a system in which the person is the only one of a kind (the only woman, the only African-American, the only person with a disability, and the like). Judge Gerhard Gesell concluded that “a far more subtle process [than the usual discriminatory intent] is involved” in the assessments made of Ann Hopkins, and she won both in a lower court and in the Supreme Court in what is now a landmark case in discrimination law.

Likewise, the 1999 case of *Thomas v. Kodak* demonstrates that implicit biases can be the basis for rulings. Here, the court posed the question of “whether the employer consciously intended to base the evaluations on race or simply did so because of unthinking stereotypes or bias.” The court concluded that plaintiffs can indeed challenge “subjective evaluations which could easily mask covert or unconscious race discrimination.” Although courts are careful not to assign responsibility easily for unintentional biases, these cases demonstrate the potential for corporate liability

that such patterns of behavior could unwittingly create.

In-Group Favoritism: *Bias That Favors Your Group*

Think about some of the favors you have done in recent years, whether for a friend, a relative, or a colleague. Have you helped someone get a useful introduction, admission to a school, or a job? Most of us are glad to help out with such favors. Not surprisingly, we tend to do more favors for those we know, and those we know tend to be like ourselves: people who share our nationality, social class, and perhaps religion, race, employer, or alma mater. This all sounds rather innocent. What’s wrong with asking your neighbor, the university dean, to meet with a coworker’s son? Isn’t it just being helpful to recommend a former sorority sister for a job or to talk to your banker cousin when a friend from church gets turned down for a home loan?

Few people set out to exclude anyone through such acts of kindness. But when those in the majority or those in power allocate scarce resources (such as jobs, promotions, and mortgages) to people just like them, they effectively discriminate against those who are different from them. Such “in-group favoritism” amounts to giving extra credit for group membership. Yet while discriminating against those

Are You Biased?

Are you willing to bet that you feel the same way toward European-Americans as you do toward African-Americans? How about women versus men? Or older people versus younger ones? Think twice before you take that bet. Visit implicit.harvard.edu or www.tolerance.org/hidden_bias to examine your unconscious attitudes.

The Implicit Association Tests available on these sites reveal unconscious beliefs by asking takers to make split-second associations between words with positive or negative connotations and images representing different types of people. The various tests on these sites expose the differences—or the alignment—between test takers’ conscious and unconscious attitudes toward people of different races, sexual orientation, or physical characteristics. Data gathered from over

2.5 million online tests and further research tells us that unconscious biases are:

- **widely prevalent.** At least 75% of test takers show an implicit bias favoring the young, the rich, and whites.
- **robust.** The mere conscious desire not to be biased does not eliminate implicit bias.
- **contrary to conscious intention.** Although people tend to report little or no conscious bias against African-Americans, Arabs, Arab-Americans, Jews, gay men, lesbians, or the poor, they show substantial biases on implicit measures.
- **different in degree depending on group status.** Minority group members tend to show less implicit preference for their own group than majority group members show for theirs. For example, African-Americans report strong preference for their group on explicit measures but show relatively less implicit preference in the tests. Conversely, white Americans report a low explicit bias for their group but a higher implicit bias.
- **consequential.** Those who show higher levels of bias on the IAT are also likely to behave in ways that are more biased in face-to-face interactions with members of the group they are biased against and in the choices they make, such as hiring decisions.
- **costly.** Research currently under way in our lab suggests that implicit bias generates a “stereotype tax”—negotiators leave money on the table because biases cause them to miss opportunities to learn about their opponent and thus create additional value through mutually beneficial trade-offs.

Would you be willing to risk being in the group disadvantaged by your own decision?

who are different is considered unethical, helping people close to us is often viewed favorably. Think about the number of companies that explicitly encourage this by offering hiring bonuses to employees who refer their friends for job opportunities.

But consider the finding that banks in the United States are more likely to deny a mortgage application from a black person than from a white person, even when the applicants are equally qualified. The common view has been that banks are hostile to African-Americans. While this may be true of some banks and some loan officers, social psychologist David Messick has argued that in-group favoritism is more likely to be at the root of such discriminatory lending. A white loan officer may feel hopeful or lenient toward an unqualified white applicant while following the bank's lending standards strictly with an unqualified black applicant. In denying the black applicant's mortgage, the loan officer may not be expressing hostility toward blacks so much as favoritism toward whites. It's a subtle but crucial distinction.

The ethical cost is clear and should be reason enough to address the problem. But such inadvertent bias produces an additional effect: It erodes the bottom line. Lenders who discriminate in this way, for example, incur bad-debt costs they could have avoided if their lending decisions were more objective. They also may find themselves exposed to damaging publicity or discrimination lawsuits if the skewed lending pattern is publicly revealed. In a different context, companies may pay a real cost for marginal hires who wouldn't have made the grade but for the sympathetic hiring manager swayed by in-group favoritism.

In-group favoritism is tenacious when membership confers clear advantages, as it does, for instance, among whites and other dominant social groups. (It may be weaker or absent among people whose group membership offers little societal advantage.) Thus for a wide array of managerial tasks—from hiring, firing, and promoting to contracting services and forming partnerships—qualified minority candidates are subtly and unconsciously discriminated against, sometimes simply because they are in the minority: There are not enough of them to counter the propensity for in-group favoritism in the majority.

Overclaiming Credit: Bias That Favors You

It's only natural for successful people to hold positive views about themselves. But many studies show that the majority of people consider themselves above average on a host of measures, from intelligence to driving ability. Business executives are no exception. We tend to overrate our individual contribution to groups, which, bluntly put, tends to lead to an overblown sense of entitlement. We become the unabashed, repeated beneficiaries of this unconscious bias, and the more we think only of our own contributions, the less fairly we judge others with whom we work.

Lab research demonstrates this most personal of biases. At Harvard, Eugene Caruso, Nick Epley, and Max Bazerman recently asked MBA students in study groups to estimate what portion of their group's work each had done. The sum of the contribution by all members, of course, must add up to 100%. But the researchers found that the totals for each study group averaged 139%. In a related study, Caruso and his colleagues uncovered rampant overestimates by academic authors of their contribution to shared research projects. Sadly, but not surprisingly, the more the sum of the total estimated group effort exceeded 100% (in other words, the more credit each person claimed), the less the parties wanted to collaborate in the future.

Likewise in business, claiming too much credit can destabilize alliances. When each party in a strategic partnership claims too much credit for its own contribution and becomes skeptical about whether the other is doing its fair share, they both tend to reduce their contributions to compensate. This has obvious repercussions for the joint venture's performance.

Unconscious overclaiming can be expected to reduce the performance and longevity of groups within organizations, just as it diminished the academic authors' willingness to collaborate. It can also take a toll on employee commitment. Think about how employees perceive raises. Most are not so different from the children at Lake Wobegon, believing that they, too, rank in the upper half of their peer group. But many necessarily get pay increases that are below the average. If an employee learns of a colleague's greater compensation—while honestly believing that he himself is

more deserving—resentment may be natural. At best, his resentment might translate into reduced commitment and performance. At worst, he may leave the organization that, it seems, doesn't appreciate his contribution.

Conflict of Interest: *Bias That Favors Those Who Can Benefit You*

Everyone knows that conflict of interest can lead to intentionally corrupt behavior. But numerous psychological experiments show how powerfully such conflicts can unintentionally skew decision making. (For an examination of the evidence in one business arena, see Max Bazerman, George Loewenstein, and Don Moore's November 2002 HBR article, "Why Good Accountants Do Bad Audits.") These experiments suggest that the work world is rife with situations in which such conflicts lead honest, ethical professionals to unconsciously make unsound and unethical recommendations.

Physicians, for instance, face conflicts of interest when they accept payment for referring patients into clinical trials. While, surely, most physicians consciously believe that their referrals are the patient's best clinical option, how do they know that the promise of payment did not skew their decisions? Similarly, many lawyers earn fees based on their clients' awards or settlements. Since going to trial is expensive and uncertain, settling out of court is often an attractive option for the lawyer. Attorneys may consciously believe that settling is in their clients' best interests. But how can they be objective, unbiased judges under these circumstances?

Research done with brokerage house analysts demonstrates how conflict of interest can unconsciously distort decision making. A survey of analysts conducted by the financial research service First Call showed that during a period in 2000 when the Nasdaq dropped 60%, fully 99% of brokerage analysts' client recommendations remained "strong buy," "buy," or "hold." What accounts for this discrepancy between what was happening and what was recommended? The answer may lie in a system that fosters conflicts of interest. A portion of analysts' pay is based on brokerage firm revenues. Some firms even tie analysts' compensation to the amount of business the analysts bring in from clients, giving analysts

an obvious incentive to prolong and extend their relationships with clients. But to assume that during this Nasdaq free fall all brokerage house analysts were consciously corrupt, milking their clients to exploit this incentive system, defies common sense. Surely there were some bad apples. But how much more likely it is that most of these analysts believed their recommendations were sound and in their clients' best interests. What many didn't appreciate was that the built-in conflict of interest in their compensation incentives made it impossible for them to see the implicit bias in their own flawed recommendations.

Trying Harder Isn't Enough

As companies keep collapsing into financial scandal and ruin, corporations are responding with ethics-training programs for managers, and many of the world's leading business schools have created new courses and chaired professorships in ethics. Many of these efforts focus on teaching broad principles of moral philosophy to help managers understand the ethical challenges they face.

We applaud these efforts, but we doubt that a well-intentioned, just-try-harder approach will fundamentally improve the quality of executives' decision making. To do that, ethics training must be broadened to include what is now known about how our minds work and must expose managers directly to the unconscious mechanisms that underlie biased decision making. And it must provide managers with exercises and interventions that can root out the biases that lead to bad decisions.

Managers can make wiser, more ethical decisions if they become mindful of their unconscious biases. But how can we get at something outside our conscious awareness? By bringing the conscious mind to bear. Just as the driver of a misaligned car deliberately counteracts its pull, so can managers develop conscious strategies to counteract the pull of their unconscious biases. What's required is vigilance—continual awareness of the forces that can cause decision making to veer from its intended course and continual adjustments to counteract them. Those adjustments fall into three general categories: collecting data, shaping the environment, and broadening the decision-making process.

Collect data. The first step to reducing unconscious bias is to collect data to reveal its

Are your company's high achievers all cast from the same mold?

presence. Often, the data will be counterintuitive. Consider many people's surprise to learn of their own gender and racial biases on the IAT. Why the surprise? Because most of us trust the "statistics" our intuition provides. Better data are easily, but rarely, collected. One way to get those data is to examine our decisions in a systematic way.

Remember the MBA study groups whose participants overestimated their individual contributions to the group effort so that the totals averaged 139%? When the researchers asked group members to estimate what each of the other members' contributions were *before* claiming their own, the total fell to 121%. The tendency to claim too much credit still persisted, but this strategy of "unpacking" the work reduced the magnitude of the bias. In environments characterized by "I deserve more than you're giving me" claims, merely asking team members to unpack the contributions of others before claiming their own share of the pot usually aligns claims more closely with what's actually deserved. As this example demonstrates, such systematic audits of both individual and group decision-making processes can occur even as the decisions are being made.

Unpacking is a simple strategy that managers should routinely use to evaluate the fairness of their own claims within the organization. But they can also apply it in any situation where team members or subordinates may be overclaiming. For example, in explaining a raise that an employee feels is inadequate, a manager should ask the subordinate not what he thinks he alone deserves but what he considers an appropriate raise after taking into account each coworker's contribution and the pool available for pay increases. Similarly, when an individual feels she's doing more than her fair share of a team's work, asking her to consider other people's efforts before estimating her own can help align her perception with reality, restore her commitment, and reduce a skewed sense of entitlement.

Taking the IAT is another valuable strategy for collecting data. We recommend that you and others in your organization use the test to expose your own implicit biases. But one word of warning: Because the test is an educational and research tool, not a selection or evaluation tool, it is critical that you consider your results and others' to be private information. Simply

knowing the magnitude and pervasiveness of your own biases can help direct your attention to areas of decision making that are in need of careful examination and reconsideration. For example, a manager whose testing reveals a bias toward certain groups ought to examine her hiring practices to see if she has indeed been disproportionately favoring those groups. But because so many people harbor such biases, they can also be generally acknowledged, and that knowledge can be used as the basis for changing the way decisions are made. It is important to guard against using pervasiveness to justify complacency and inaction: Pervasiveness of bias is not a mark of its appropriateness any more than poor eyesight is considered so ordinary a condition that it does not require corrective lenses.

Shape your environment. Research shows that implicit attitudes can be shaped by external cues in the environment. For example, Curtis Hardin and colleagues at UCLA used the IAT to study whether subjects' implicit race bias would be affected if the test was administered by a black investigator. One group of students took the test under the guidance of a white experimenter; another group took the test with a black experimenter. The mere presence of a black experimenter, Hardin found, reduced the level of subjects' implicit anti-black bias on the IAT. Numerous similar studies have shown similar effects with other social groups. What accounts for such shifts? We can speculate that experimenters in classrooms are assumed to be competent, in charge, and authoritative. Subjects guided by a black experimenter attribute these positive characteristics to that person, and then perhaps to the group as a whole. These findings suggest that one remedy for implicit bias is to expose oneself to images and social environments that challenge stereotypes.

We know of a judge whose court is located in a predominantly African-American neighborhood. Because of the crime and arrest patterns in the community, most people the judge sentences are black. The judge confronted a paradox. On the one hand, she took a judicial oath to be objective and egalitarian, and indeed she consciously believed that her decisions were unbiased. On the other hand, every day she was exposed to an environment that reinforced the association between black men and crime. Although she consciously rejected

racial stereotypes, she suspected that she harbored unconscious prejudices merely from working in a segregated world. Immersed in this environment each day, she wondered if it was possible to give the defendants a fair hearing.

Rather than allow her environment to reinforce a bias, the judge created an alternative environment. She spent a vacation week sitting in a fellow judge's court in a neighborhood where the criminals being tried were predominantly white. Case after case challenged the stereotype of blacks as criminal and whites as law abiding and so challenged any bias against blacks that she might have harbored.

Think about the possibly biased associations your workplace fosters. Is there, perhaps, a "wall of fame" with pictures of high achievers all cast from the same mold? Are certain types of managers invariably promoted? Do people overuse certain analogies drawn from stereotypical or narrow domains of knowledge (sports metaphors, for instance, or cooking terms)? Managers can audit their organization to uncover such patterns or cues that unwittingly lead to stereotypical associations.

If an audit reveals that the environment may be promoting unconscious biased or unethical behavior, consider creating countervailing experiences, as the judge did. For example, if your department reinforces the stereotype of men as naturally dominant in a hierarchy (most managers are male, and most assistants are female), find a department with women in leadership positions and set up a shadow program. Both groups will benefit from the exchange of best practices, and your group will be quietly exposed to counterstereotypical cues. Managers sending people out to spend time in clients' organizations as a way to improve service should take care to select organizations likely to counter stereotypes reinforced in your own company.

Broaden your decision making. Imagine that you are making a decision in a meeting about an important company policy that will benefit some groups of employees more than others. A policy might, for example, provide extra vacation time for all employees but eliminate the flex time that has allowed many new parents to balance work with their family responsibilities. Another policy might lower the mandatory retirement age, eliminating some older workers but creating advancement op-

portunities for younger ones. Now pretend that, as you make your decisions, you don't know which group you belong to. That is, you don't know whether you are senior or junior, married or single, gay or straight, a parent or childless, male or female, healthy or unhealthy. You will eventually find out, but not until after the decision has been made. In this hypothetical scenario, what decision would you make? Would you be willing to risk being in the group disadvantaged by your own decision? How would your decisions differ if you could make them wearing various identities not your own?

This thought experiment is a version of philosopher John Rawls's concept of the "veil of ignorance," which posits that only a person ignorant of his own identity is capable of a truly ethical decision. Few of us can assume the veil completely, which is precisely why hidden biases, even when identified, are so difficult to correct. Still, applying the veil of ignorance to your next important managerial decision may offer some insight into how strongly implicit biases influence you.

Just as managers can expose bias by collecting data before acting on intuition, they can take other preemptive steps. What list of names do you start with when considering whom to send to a training program, recommend for a new assignment, or nominate for a fast-track position? Most of us can quickly and with little concentration come up with such a list. But keep in mind that your intuition is prone to implicit prejudice (which will strongly favor dominant and well-liked groups), in-group favoritism (which will favor people in your own group), overclaiming (which will favor you), and conflict of interest (which will favor people whose interests affect your own). Instead of relying on a mental short list when making personnel decisions, start with a full list of names of employees who have relevant qualifications.

Using a broad list of names has several advantages. The most obvious is that talent may surface that might otherwise be overlooked. Less obvious but equally important, the very act of considering a counterstereotypical choice at the conscious level can reduce implicit bias. In fact, merely thinking about hypothetical, counterstereotypical scenarios—such as what it would be like to

What list of names do you start with when considering whom to send to a training program, recommend for a new assignment, or nominate for a fast-track position?

Just considering a counterstereotypical choice at the conscious level can reduce implicit bias.

trust a complex presentation to a female colleague or to receive a promotion from an African-American boss—can prompt less-biased and more ethical decision making. Similarly, consciously considering counterintuitive options in the face of conflicts of interest, or when there's an opportunity to overclaim, can promote more objective and ethical decisions.

The Vigilant Manager

If you answered “true” to the question at the start of this article, you felt with some confidence that you are an ethical decision maker. How would you answer it now? It's clear that neither simple conviction nor sincere intention is enough to ensure that you are the ethical practitioner you imagine yourself to be. Managers who aspire to be ethical must challenge the assumption that they're always unbiased and acknowledge that vigilance, even

more than good intention, is a defining characteristic of an ethical manager. They must actively collect data, shape their environments, and broaden their decision making. What's more, an obvious redress is available. Managers should seek every opportunity to implement affirmative action policies—not because of past wrongs done to one group or another but because of the everyday wrongs that we can now document are inherent in the ordinary, everyday behavior of good, well-intentioned people. Ironically, only those who understand their own potential for unethical behavior can become the ethical decision makers that they aspire to be. 

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PRIMER ON SOCIAL IDENTITY: UNDERSTANDING GROUP MEMBERSHIP

The way a person conceives of her or himself has a great deal to do with how that person operates in the world and, to the point of our exploration in this course, how that person manages relationships. Our understanding of ourselves is multifaceted, akin to the many faces of an exquisite diamond. Geert Hofstede, the cross-cultural organizational scholar, made sense of these many ways of seeing ourselves in a simple way. He proposed an “identity pyramid” like that depicted in Figure 1, in which multiple conceptions of ourselves are represented. Each of us has a similar makeup of identities. At the top of the pyramid is our sense of ourselves as unique individuals, made up of a variety of personal traits and experiences. At this level, we see ourselves as complex and special, and we resist any tendency to simplify, stereotype, or make generalizations about who we are. At the base of the pyramid, we see ourselves as part of the fabric of humanity, sharing a set of universal characteristics that define us as *homo sapiens*. For example, we all share a biological and genetic makeup that is remarkably common and we all share a range of emotions.

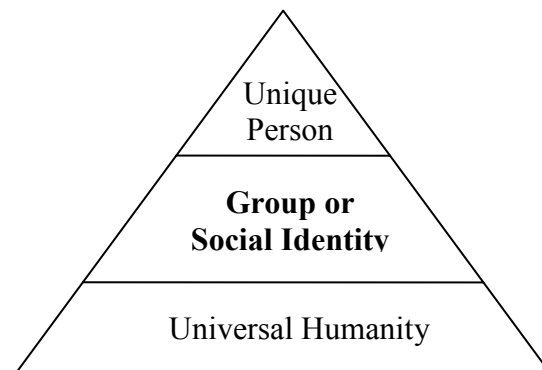


Figure 1

The midsection of the pyramid illustrates the part of our identity that is grounded in our group memberships. We all are part of particular groups that may be defined by such characteristics as gender, ethnicity, national origin, sexual orientation, or race, to name only a few group categories. Although the nature of the group membership may make it more or less salient for us, we nonetheless possess these group memberships. In their collaboration, Henry Tajfel and John Turner articulated a theory that describes our experiences and behaviors as members of groups—Social Identity Theory (SIT).

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Social Identity Theory

According to Social Identity Theory (SIT), people tend to classify themselves and others into various social categories, such as organizational membership, religious affiliation, gender, and age cohort. This social classification serves two functions. First, it segments and orders the social environment, providing the person with a systematic way of defining others. A person is assigned the prototypical characteristics of the category to which he or she is classified. Granted, such assignments are not necessarily reliable—consider damaging and hurtful stereotypes—but we make them anyway as a method of understanding our social world.

The second function of social classification is to enable the individual to locate or define *him- or herself* in the social environment. SIT, like Hofstede, conceptualizes the self-concept as comprised of a *personal* identity encompassing idiosyncratic characteristics (e.g., bodily attributes, abilities, psychological traits, interests) and a *social* identity encompassing salient group classifications. Social identification, therefore, is the perception of oneness with, or belongingness to, some human collective. For example, a woman may define herself in terms of the group(s) with which she classifies herself—I am Chinese; I am female; I am a member of the Darden graduating class. She perceives herself as an actual or symbolic member of the group(s), and she perceives the fate of the group(s) as her own. As such, social identification provides a partial answer to the question, “Who am I?”

Note that the definition of others and the self are largely “relational and comparative;” they define oneself relative to individuals in other categories. The category of *young* is meaningful only in relation to the category of *old*. It should be noted, however, that social identification is not an all-or-none phenomenon. Although many social categories are indeed categorical (e.g., Chinese, heterosexual, a member of XYZ Co.), the extent to which the individual identifies with each category is clearly a matter of degree. Further, such identities tend to be viewed positively inasmuch as the individual vests more of his or her sense of self in valued personas. Thus, people working at menial jobs in a bank often distance themselves from their implied identity (e.g., This is only a stopgap job; I'm having to save enough to start my own business).

Social identification appears to derive from the Tolman's¹ venerable concept of *group identification*. Indeed, I will use social and group identification interchangeably. Writings about group identification suggest three principles that are relevant to *our* discussion. First, identification is viewed as a perceptual cognitive construct that is not necessarily associated with any specific behaviors or affective states. To identify, an individual need not expend effort toward the group's goals; rather, an individual need only perceive him- or herself as psychologically intertwined with the fate of the group. As noted below, this conceptualization distinguishes identification from related concepts such as effort on behalf of the group (behavior) and loyalty (affect).

¹ Tolman, Edward C. “Identification and the postwar world.” *Journal of Abnormal & Social Psychology* 38 (1943)

Second, social/group identification is seen as personally experiencing the successes and failures of the group. Often, identification is maintained in situations involving great loss or suffering, missed potential benefits, task failure and even expected failure.

Finally, social identification is distinguishable from internalization. Whereas identification refers to self in terms of social categories (“I am an X”), internalization refers to the incorporation of values, attitudes, and so forth within the self as guiding principles (“I believe Y”). Although certain values and attitudes typically are associated with members of a given social category, acceptance of the category as a definition of self does not necessarily mean acceptance of those values and attitudes. An individual may define herself in terms of the organization she works for, yet she can disagree with the prevailing values, strategy, system of authority, and so on.

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NOTE ON HUMAN BEHAVIOR

Differences at Work: The Individual Experience

In organizations, we are increasingly called on to work with people who differ from us in many ways. This has made life in companies much more complex. Moreover, as we know, individuals at work are more than just their professional selves.¹ We all bring multiple identities with us into the workplace. Some of these identities are rooted in our functional role and professional experience, while others reflect our personal lives. Some of these identities are visible to others, but for our other identities, we can decide whether and to what degree they are revealed.

The mix of visible and invisible differences makes the workplace a rich environment for learning about ourselves and others. It also creates challenges, raising questions that can go to the heart of who we are and how we relate to the people with whom we work. This note presents some basic concepts and findings from social science research that can help you anticipate and manage some of the complexities of differences at work.

Social Categorization and Stereotyping Are Fundamental Psychological Processes

Research shows that individuals respond to differences in predictable ways. In fact, humans rely on social categorization and stereotyping to establish their identities, at least in part, by comparing themselves to others.² A research review described the process this way:

[I]ndividuals are assumed to have a desire to maintain a high level of self-esteem. This is often done through a process of social comparison with others. In making these comparisons, individuals must first define themselves.³ The process of self-categorization has been shown to be both fundamental and powerful.⁴

[Researchers] noted that the process of self-categorization often relies on “primitive generic social categories such as race, gender, and age.”⁵ [Moreover] any attribute or social category that is underrepresented in a given group is likely to become salient as a possible basis for categorization. For instance, being a Southerner in a group of Northerners or a poet among mathematicians highlights differences that might not otherwise be salient. [A]s several studies have noted, certain demographic characteristics such as race, sex, and age, are [considered to be “master statuses,”⁶ a foreground identity that dominates others’ views of the individual, and are] . . . likely to be [viewed as] salient under most circumstances.⁷

“Otherness” is typically seen as a deficiency. This process [of self-categorization] results in increased stereotyping [of “others”], polarization [of groups], and anxiety.⁸

Further, the effects of [social] categorization have been shown, under some circumstances, to lead to self-fulfilling [prophecies]; that is, individuals evoke behavior [in others] that

Professor Sandra J. Sucher prepared this note as the basis for class discussion. The author is grateful for the contribution of Professor Robin J. Ely.

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matches their expectations. For instance, [researchers] showed how [white] interviewers of African Americans conducted shorter interviews with more displays of negative verbal cues [relative to white interviewers of whites]. Such signals are likely to evoke similar responses from the recipients, leading to what [researchers] refer to as “the chaining of nonproductive behavior.”⁹

Stereotypes Are “Social Constructs”

As you can see from the above research, stereotypes, or the characterizations of different groups (and individuals within groups), are *social constructs*. Stereotypes are not inherently or inexorably “true,” but are, rather, implicitly accepted descriptions or associations that develop among members of a society or group about themselves and others. Stereotypes may be transient or long-lasting, but they are nonetheless grounded in a particular historical and social context, as the following description by a sociologist in the U.S. in the mid-1940s illustrates:

Thus, the American Catholic priest, according to a popular stereotype, is Irish, athletic, and a good sort who with difficulty refrains from profanity in the presence of evil and who may punch someone in the nose if the work of the Lord demands it. Nothing could be farther from the French or French-Canadian stereotype of the good priest.¹⁰

We Also Hold Unconscious and “Implicit” Associations

Researchers have found that, even in the absence of conscious stereotypes, we may nonetheless harbor implicit biases or make associations of which we are largely unaware. “Far more appears to go on in the cognitive background, beyond the perceiver’s conscious attentional focus, than naïve theories of human behavior suggest. In other words, much of what we do is ‘mindless,’ ‘proceeding on automatic pilot.’”¹¹ Researchers have devised methods for studying these implicit associations or biases, one of which is described below:¹²

In the mid-1990s, Tony Greenwald, a professor of psychology at the University of Washington, developed an experimental tool called the Implicit Association Test (IAT) to study unconscious bias. A computerized version of the test requires subjects to rapidly classify words and images as “good” or “bad.” Using a keyboard, test takers must make split-second “good/bad” distinctions between words like “love,” “joy,” “pain,” and “sorrow” and at the same time sort images of faces that are (depending on the bias in question) black or white, young or old, fat or thin, and so on. The test exposes implicit biases by detecting subtle shifts in reaction time that can occur when test takers are required to pair different sets of words and faces. Subjects who consciously believe that they have no negative feelings toward, say black Americans or the elderly, are nevertheless likely to be slower to associate elderly or black with the “good” words than they are able to associate youthful or white faces with “good” words.¹³

Since 1998, when Greenwald, Brian Nosek, and Mahzarin Banaji put the IAT online, people from around the world have taken over 2.5 million tests, confirming and extending the findings of more traditional laboratory experiments. Both [kinds of research] show implicit biases to be strong and pervasive.¹⁴

[According to the researchers,] [u]nconscious biases are:

Widely prevalent: At least 75% of test takers show an implicit bias favoring the young, the rich, and whites.

Robust: The mere conscious desire not to be biased does not eliminate unconscious bias.

Contrary to conscious intention: Although people tend to report little or no *conscious* bias against African Americans, Arabs, Arab-Americans, Jews, gay men, lesbians, or the poor, they show substantial biases on implicit measures.¹⁵

Stereotyping and Implicit Biases Can Impact Behavior

As we have seen, stereotypes, biases, and prejudice can be both conscious and unconscious; they are often evidenced in behavior. A review of sociological studies in the U.S. found, for example, that

[W]hites with a criminal conviction, something that imparts a significant stigma, can have an easier time finding work than African Americans with no record.¹⁶ [In a second study] [w]hen two sets of fictitious individuals with identical resumes respond to ads for jobs, those with African American names are much less likely to be invited for interviews in comparison to white sounding names.¹⁷

Implicit biases influence behavior, as seen in this study that illustrates how implicit biases can prevent qualified candidates from being considered for certain types of jobs:

One set of experiments examined the relationship between participants' implicit gender stereotypes and their hiring decisions. Those holding stronger implicit biases were less likely to select a qualified woman who exhibited stereotypically "masculine" personality qualities, such as ambition or independence, for a job requiring stereotypically "feminine" qualities such as interpersonal skills. Yet they would select a qualified man exhibiting these same qualities. The hirers' biased perception was that the woman was less likely to be socially skilled than the man, although their qualifications were in fact the same.¹⁸

Individuals Can Experience Different Realities at Work

The processes of social categorization, social construction of stereotypes, and direct and implicit bias can help us understand the ways in which differences among people (and groups of people) are perceived and may be acted upon in the workplace. Even without conscious intent on the part of unwitting "perpetrators," slights, hurtful, or discriminatory acts can be made. What is the other side of this equation? If we are the target of such actions, how do we feel, act, and respond?

The research presented thus far suggests that members of negatively stereotyped groups, especially those whose differences from the majority are visible or known, can experience *a different reality at work*. This reality grows from the experience of being viewed through the lens of their "master status"—the "foreground" part of their identity seen as most salient by members of the organization or group. Here is how two African American executives, interviewed by researchers, described this phenomenon. While their insights are based on race, they might well be echoed by individuals from a variety of different identity groups:

"In a very general way," says Deborah Raleigh, vice president of a national retail and food manufacturer, "it means that as a minority in a majority group, I will be different. Even if I do the same things that everybody else does, it will be viewed as different because I'm different. And so I either live with that or get over it in order to survive."¹⁹ . . . Another African American corporate manager recalls a similar insight she had when she first attended a black college. After her first month, she noticed that because of the nearly all-black environment, she felt almost physically different, lighter somehow. "I finally realized that for the first time in my life, I wasn't dealing with race. I wasn't carrying it around with me, seeing it in others' eyes," she said. "It was wonderful, and I wondered if this is what it felt like to be white and not have to think of race every day, almost every moment."²⁰

Stereotype Threat—One Response to Bias

Expecting differential treatment can sometimes lead members of groups that have been negatively stereotyped to experience and act on *stereotype threat*, a fear of confirming a negative opinion held of the group they are seen to belong to, which can impair their performance. Of course many individuals display resilience, drawing on skills and life experiences to avoid falling into such patterns, and it is important to not prematurely draw conclusions about the presence of stereotype threat or its impact on the perspective or performance of any individual. Nonetheless, stereotype threat has been well documented, and evidence of its impact has been found in individuals belonging to a wide array of identity groups, both those in the minority, and those in the majority.²¹

The important dynamic identified by stereotype threat is not, as is sometimes believed, that the target of the negative group stereotype underperforms because they *themselves* lack self-confidence and hold a low expectation for their performance that they then fulfill. Rather, it is the fear that *others* will misperceive them in stereotypical ways that causes targets of negative stereotypes to underperform. This point is reinforced by researchers who have studied the effects of common stereotypes such as “girls are not good at math,” “white men are athletically inferior to black men,” “white students have less mathematical ability than Asian students,” and “black students are intellectually inferior to white students.” In each case, researchers have found that awareness of such stereotypes leads to underperformance:

[Stereotype threat] can have a disruptive effect on performance—ironically resulting in the individual confirming the very stereotype he or she wanted to *disconfirm*. Anyone can experience anxiety while performing a task with important implications . . . but stereotype threat places an additional burden on members of stereotyped groups. They feel “in the spotlight,” where their failure would reflect negatively not only on themselves, but on the larger group to which they belong.²² [In addition,] the presence of stereotype threat means that performance *itself* may convey biased information about a person’s true ability. So the well-intentioned manager who relies on objective performance data without understanding the impact of stereotype threat [may] still unfairly underestimate performance.²³

Summary

Since we bring multiple identities with us into the workplace, we are sure to experience the tensions, complexities, and opportunities of diversity in many different ways. This review of a few fundamental concepts can arm us with new insights into our own and others’ experiences at work, and provide us with ideas for how to shape these experiences in positive and productive directions.

Endnotes

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² Tajfel, H., *Human groups and social categories: Studies in social psychology*, Cambridge, England; Cambridge University Press, 1981; and Turner, J., *Rediscovering the social group: A social categorization theory*, Oxford, U.K.: B. Blackwell, 1987. Note: this research has by and large been conducted in Western cultures. For a discussion of the applicability of this model to members of East Asian cultures, see, for example, Yuki, M., "Intergroup Comparisons versus Intergroup Relationships: A Cross-Cultural Examination of Social Identity Theory in North American and East Asian Cultural Contexts," *Social Psychology Quarterly*, Vol. 66, No. 2 (2003): 166–183 (special issue, "Social Identity: Sociological and Social Psychological Perspectives").

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⁸ Ibid., p. 84.

⁹ Ibid.

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¹¹ Krieger, L.H., & Fiske, S.T., Symposium on Behavioral Realism, "Behavioral Realism in Employment Discrimination Law: Implicit Bias and Disparate Treatment," *California Law Review*, Vol. 94: 997 (2006), p. 17.

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¹³ While not disputing the conclusion that the IAT measures implicit *associations*, other researchers challenge whether the variations in response time reported on the IAT should be assumed to provide evidence of actual *attitudes* of prejudice. See, for example, Arkes, H.R., & Tetlock, P.E., "Attributions of Implicit Prejudice, or 'Would Jesse Jackson 'Fail' the Implicit Association Test?'" *Psychological Inquiry*, Vol. 15, No. 4 (2004): 257–278; and Karpinski, A., & Hilton, J. L., "Attitudes and the Implicit Association Test," *Journal of Personality and Social Psychology*, 81 (2001): 774–788.

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²⁰ Ibid., p. 7.

²¹ See, for example, Steele, C.M., Spencer, S.J., & Aronson, J., "Contending with Group Image: The Psychology of Stereotype and Social Identity Threat, *Advances in Experimental Social Psychology*, Vol. 34 (2002): 379–441; Maass, A., and Cadinu, M., "Stereotype Threat: When Minority Members Underperform," *European Review of Social Psychology*, 14 (2003): 243–275; and Roberson, L., & Kulik, C.T., "Stereotype Threat at Work," *Academy of Management Perspectives* (2007): 24–40.

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SANDRA J. SUCHER

Social Identity Profile¹

HBS students have long reported that their most powerful learning experiences occurred when they – and the members of their section – were able to engage in a robust exchange of views. The experiences, background, and life histories of members of the section are what give life to the HBS learning model, and sections that learn well together work hard to create an environment that allows the many sides of each section mate to be expressed in the classroom.

This “Social Identity Profile” is designed to enable you to describe the various aspects of your own social identity and to reflect on the situations in which certain elements become important. Our discussion of these profiles will enable us to explore, in tangible ways, the many facets of each of us as individuals, and the similarities and differences among us. Only you will see your unique profile, and you may share as little or as much of the details of it in discussion as you choose.

To complete the profile on the reverse side of this page, enter the details of your social identity in the corresponding “Group Membership” rows (e.g., for “gender,” if you identify as a woman, then “women” is your group membership).

In the columns, you will be asked to consider how different aspects of your social identity become top of mind (for you or others) in two contexts: W = your prior work setting(s); H = here at HBS. For each column, check those group memberships that, in your experience, best fit the description in that column. Try to prioritize the top three for each column.

¹ Adapted from Robin J. Ely, “Leading Culturally Diverse Teams,” HBS Module Note 406-097 (Boston: Harvard Business School Publishing, 2006).

Professor Sandra J. Sucher prepared this note as the basis for class discussion.

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Social Identity	Group Membership	You are <i>most</i> aware of		You are <i>least</i> aware of		Makes you <i>most</i> comfortable		Makes you <i>least</i> comfortable		Has greatest effect on how <i>you</i> see <i>yourself</i> (positive or negative)		Has greatest effect on how <i>others</i> see <i>you</i> (positive or negative)	
		W	H	W	H	W	H	W	H	W	H	W	H
Gender													
Race													
Ethnicity													
Sexual Orientation													
Religion													
Social Class													
Age													
Physical Ability													
Physical Appearance													
National Origin													
Citizenship													
First Language													
Marital Status													
Parental Status													
Educational Background													
Industry/Firm													
Job Function													
Talents /Interests													
Military / Community Svc													
Political Affiliation													
Other 1													
Other 2													
Other 3													



ROBIN ELY

Managing a Public Image: Kevin Knight

Early in his first year of the MBA program at Harvard Business School, Kevin Knight, a 25-year-old African-American, walked out of a required leadership class with a sinking feeling. He was unhappy with his participation in the class and was worried about the impression he had made on his section mates. The class had been discussing a case involving a disagreement between a white female manager, Jane Kravitz, and her African-American male subordinate, Lyndon Twitchell.¹ The two-part case, “Jensen Shoes,” presented each character’s side of the story, and the class had gotten into a terse discussion over the merits of each character’s position.

Going into the class, Knight had not felt that either character was fully wrong or right and had not taken sides. To his surprise however, during the class debate, he found himself defending Lyndon Twitchell. Two years later, Knight still vividly recalled his anxiety about his contributions to the discussion of the Jensen Shoes case:

I knew some of the first-year African-American students had identified the case as one we should pay attention to and maybe voice a unified opinion on. A group of about 10 of them were getting together in advance of the class to discuss the case and see if there was any message they needed to get across regarding some of the subtleties of the case and maybe in terms of breaking down stereotypes. I hadn’t read the case in time for the meeting, and anyway, I didn’t feel it was necessary to huddle like that before class. Coming from a historically black college where the discussion is always from an African-American perspective, whether male or female, I had never thought of getting together before a class to form a joint opinion about a reading. To me, it was a little bit peculiar, but I understood that obviously at HBS we are in the minority, so people wanted to make sure that, whatever message came across, it be clear. My feeling was that I could never claim to represent the entire African-American population and that if I just read the case on my own and brought whatever I felt was relevant to the table, it would probably be good enough.

The professor had instructed the class to read one person’s side of the story first, wait a while, and then read the other’s story. I read Jane Kravitz’s story first, and I did that intentionally to make sure I wouldn’t be biased. My stance going into the case discussion was that there was a lot of ambiguity in the case and that the relationship between Jane and Lyndon could be interpreted in a number of different ways. There were very few hard facts, and it would be difficult to side with one character or the other.

¹ Mary C. Gentile, “Jensen Shoes: Jane Kravitz’s Story,” HBS Case No. 395-120, and “Jensen Shoes: Lyndon Twitchell’s Story,” HBS Case No. 395-121 (Boston: Harvard Business School Publishing, 1994).

Professor Robin Ely and Senior Researcher Ingrid Vargas prepared this case. HBS cases are developed solely as the basis for class discussion. Certain details have been disguised. Cases are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.

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During the class discussion, a white student, Steve, stated that Lyndon had not been clear enough in his communications with Jane. I raised my hand to disagree with Steve and pointed to a passage of dialogue in the case where I felt Lyndon had clearly, and without being unnecessarily forceful, stated his position to Jane. I should have stopped there, but then Steve quoted another part of the case supporting his point, and to my dismay, I found myself responding to him in defense of Lyndon. We went back and forth in a heated exchange until the professor stopped us and went on to another topic.

I had resolved before going to class not to come down strongly on one side or the other, and I became really concerned that some of the other students might have misinterpreted my position as simply coming to the defense of a fellow African-American. Maybe if I had thought that Lyndon was 100% correct, I would have come out even more strongly for him, but in this case things weren't so clear-cut. I was torn because the expectation would be for me to come out on the side of Lyndon, and I didn't want to fall into a stereotype, but I also didn't want to back Jane and look like I was going for the other extreme. I was really just trying to stick to the facts of the case.

After the class I was upset with myself because I felt I had not represented myself the way I wanted to. My concern was that I didn't want to go in there and be viewed simply as a voice for African-Americans—I wanted to be more a voice of someone who was reasonable and rational. I felt especially badly because it was early in the semester and my section hadn't heard much from me yet, and now I thought, "Wow—this is the impression my section mates are going to have of me."

Some people come to HBS with preconceived stereotypes or images of African-Americans, and you don't want to do anything that reinforces the stereotype. Even if you feel passionate about something, you may want to restrain a certain amount of emotion. I remember a lot of specific conversations with other black students who said they didn't want to come off a certain way. They would talk about not wanting to appear too emotional or defensive. They also did not want to seem intimidating—both through their presence and their voice. So we all made a conscious effort to avoid those behaviors. I think I was very conscious of it, probably more so than I would have liked to admit back then. These concerns probably caused me to temper my participation in class by leading me to think about my comments more and to play down the energy and enthusiasm I had for a topic. I guess people just want to fit in so much—to belong—that they steer away from aspects of their personality or character that could be misconstrued or that people might have a hard time accepting.

When I first got to HBS I was very concerned about the image I portrayed and how I came across to other people. I wanted to be known as someone who could make logical, clear, concise statements. I didn't want to be cast one-dimensionally as a defender of the African-American people. At the same time, however, I was at HBS to develop leadership skills. And while I may be a little bit more reserved than some other people, I'm passionate about many things, and I want to bring that passion to my work.

Looking back, I realize my section mates probably didn't see how engaged I was and may have thought of me as someone off to the side who contributed only when necessary. I didn't allow people to see all of my different sides. I sometimes wonder what kind of leader I might be now if I'd done my time at HBS differently.

Exhibit 1 Public Image Chart: Kevin Knight

My “Public Image”	What I Do/ Don’t Do	Benefits to Me	Benefits to Others	Anxieties, Fears, Stresses, Concerns I Feel	Anxieties, Fears, Stresses, Concerns Others Feel	Costs to Me and Others
Ideal: - Intelligent - Thoughtful - Logical - Independent - Reasonable - Self-assured - Consistent - Fair - Confident - Team player - Leader	- Make sure people see that I look at all sides of a situation (esp. the facts) before making a judgment - Listen to all views - Dress conservatively - Speak slowly and deliberately - Take clear and rational positions	- Get respect of others - People consider me to be intelligent - People aren’t afraid of me - People solicit my advice - People like to work with me - I usually get the jobs I seek	- I’m calm and not intimidating - I’m a good team player - People feel comfortable around me	- Sometimes it seems like people don’t want a logical approach - Don’t want to have conflict with people - Worry that people will judge me without knowing who I really am - Stress about saying the wrong thing; upsetting someone - Worry that some of my black friends see me as a sell-out (because I’m not vocal about things I care about) - Worry that I’m too cautious; pander to the mainstream in order to fit in	- People sometimes think I don’t care or that I don’t like them - I am an enigma to a lot of people	- I sometimes feel like I’m not part of the crowd - Don’t share much of myself too widely (just close friends) - I’m not approachable - Don’t always express my true feelings - Don’t always defend what I believe in strongly enough
Dreaded: - Excitable - Opinionated - Aggressive - Angry - Emotional - Reactive - Defensive	- Don’t say anything if I don’t know all the facts - Show too much emotion - Argue in public - Lose my cool - Let anyone know if they’ve “gotten” to me					

Source: Worksheet adapted from Learning as Leadership, Inc., San Rafael, California.



JEFFREY T. POLZER

Identity Issues in Teams

"I lost everything—twice. But worse than losing the wealth was losing my identity."

—John Rogos, cofounder of cductive.com, after he had sold his company for stock and then watched the price crash.¹

People's identities profoundly shape their behavior and interactions with others. After all, your identity is your view of *who you are*, comprised of your thoughts and beliefs about yourself. Identity includes any way that you choose to define yourself—however you might complete the sentence "I am ____."

Some examples: *I am... a Harvard MBA... smart... a father... an investment banker... a team player... a Texan... the boss... a woman... a loyal member of my firm... Korean... the technical expert on this team.*

A close look at these examples reveals that identity stems from three sources.² *Social identities* are the components of your identity that are based on the groups to which you belong, both large and small. These groups include small teams, functional departments, organizations, and even countries—for example, being an HBS alumnus, a Hewlett-Packard employee, or a French citizen. Other aspects of your identity are based on your *relationships* with specific individuals—being the CEO's hand-picked protégé, or having a close relationship with a member of your family. Idiosyncratic *personal characteristics*, such as being an extrovert, a skilled public speaker, or athletic, are a third source of identity.

Although every person has many potential sources of identity, not all of these group memberships, relationships, and personal characteristics share center stage in guiding behavior and interaction. Instead, some elements are *core* to your identity in that they are relevant across most situations you encounter on a daily basis. For instance, many people find that their gender and age are core components of their identity. *Peripheral* elements of your identity, in contrast, are relevant only in particular circumstances. Witness how some people think about their undergraduate affiliation only when a specific incident brings it to mind.

¹ Quoted in *Fast Company*, Issue 63, p. 65.

² S. Brickson, "The impact of identity orientation on individual and organizational outcomes in demographically diverse settings," *Academy of Management Review* 25 (2000): 82–101.

Professor Jeffrey T. Polzer and Senior Research Associate Hillary Anger Elfenbein prepared this note as the basis for class discussion.

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At a fundamental level, your identity provides stability and coherence to help you navigate your way through day-to-day activities. Identity is especially helpful during social interaction, as it guides the way you present yourself and act toward others. Because teamwork is comprised of complex social interactions, teams are especially fertile venues in which a variety of identity-related issues may unfold. Consider how identities might influence the people that a top consulting firm assembled to work with an important client:

Yousef was the team leader, a rising star at the firm who had impressed the client when they worked together previously. People around the firm acknowledged that Yousef was exceptionally talented, unusual even compared to others at the high-powered firm. He was now leading a team after joining the firm only two and a half years earlier, right out of college. The firm had never promoted anyone to the Associate level so quickly and at such a young age (Yousef was 25), but the partners believed it was appropriate given his outstanding performance. The partners put Yousef in charge of managing the new team.

From the background information Yousef acquired about his team members, he thought they were all very talented and together possessed an excellent mix of skills for the project at hand. He was excited to work with them on the project.

Bob was a new Harvard MBA who joined the team as an Associate just after finishing the firm's training sessions. He had been a software developer for seven years before attending business school. Bob was excited about the opportunity to develop hands-on general management skills, and hoped not to be typecast as a "quaint jock." Bob also saw the assignment as an opportunity to display leadership skills, because he reasoned that Yousef's inexperience meant that he would welcome Bob's help and experience in running the team.

Alejandra had been with the firm for three years since joining as a Business Analyst out of college, and was considering whether to leave to attend business school. She saw her creative abilities as one of her greatest strengths, but always seemed to have to spend her time "running the numbers."

David had just joined the firm at the Associate level after working for 20 years in one manufacturing firm. He was uncertain about whether he would have the skills to succeed in this new environment. After working his way up the ladder at a company that valued seniority and where the day-to-day work was more predictable, he wondered whether he could fit in with so many young people on projects that changed continually. The organizational culture was so different.

The team had a rocky start. At the first meeting, Yousef assigned tasks to each person. However, at the second meeting Yousef discovered that Bob had re-assigned his task to Alejandra, and instead spent his time mapping out an alternative to Yousef's action plan. The work that Bob gave Alejandra was a series of financial models and, although she completed them, she seemed to do the very minimum possible. David rarely spoke at all and, when others asked for his opinion, he surprised them with his defensiveness.

Teams are fraught with problems like these, and people are often befuddled by their teammates' seemingly irrational behavior. If we push ourselves to look beyond people's immediate behavior and search for underlying causes, we see that an understanding of people's identities can illuminate many behaviors that are otherwise difficult to explain. This note provides a framework for understanding how to recognize and manage identity issues in teams.

Identity Guides Interaction

Considering how the members of this consulting team conceive of their own identities can help us to understand the underlying cause of their troublesome beginning. Yousef viewed himself as a capable manager; Bob thought of himself as a new Harvard MBA ready to shine; Alejandra saw

herself as a creative person; and David viewed himself as a competent engineer perhaps out of his element. These identities guided their expectations, preferences, actions, and responses to one another. We are more likely to be motivated about and committed to tasks and roles that fit with our self-perceived identity. Our identity guides both what we choose to do and what we rebel against. *Identity threats*³ occur when the treatment people receive signifies that others either do not recognize or respect their identity. In the workplace, this can occur when people are assigned work that is incongruent with their identity. For example, being asked to perform a menial task can threaten the identity of someone who believes they are exceptionally talented and should spend their time using their talents. Likewise, in the consulting team described above, David appears to experience identity threat when asked to contribute to areas for which he is unsure he is qualified.

Expressing Our Own Identity

Most of us possess a deep-seated desire to have others understand and respect us for who we really are. To this end, we display many cues called *identity markers* to communicate elements of identity to those around us. Physical appearance is an especially rich medium for communicating identity. Consider the impression you might form when seeing people dressed in either three-piece suits, casual clothes, or service uniforms; these identity markers reveal a great deal about people's roles in the workplace. An office can also reveal a wealth of identity-relevant information—company or school adornments, plaques or diplomas exhibited in prominent locations, photographs of family and friends, levels of neatness or decoration, and, of course, the size and location of the office, all send signals about underlying identity.⁴ Even body posture and demeanor communicate identities to others. A CEO may project importance in her bearing or the new employee may exude naiveté. Other identity markers can be more explicit, such as the statements we make when introducing ourselves to let colleagues know about our backgrounds, skills, or affiliations. All of these factors communicate information to our colleagues about our identity.

There were a number of identity markers apparent in the consulting team's first meeting. It was held on a "casual Friday" and Yousef wore the fleece sweatshirt he received at project leader training. He also led the meeting and began by discussing roles and expectations. Alejandra's outfit was very stylish and creative. Every now and then, Bob twisted around his finger his class ring from a prominent engineering school. Before the meeting even started, David made a pointed remark about a political candidate that revealed some of his beliefs about the importance of self-reliance.

Two motivations underlie people's efforts to express core elements of their identity to others. The first is a *self-enhancement* motive, driven by a desire to maintain a positive self-image. This is the motive that leads us to engage in impression-management activities, especially in professional settings in which reputations cast a long shadow. For example, in an interview you attempt to impress the interviewer by communicating identity elements that signal an appropriate fit for the job, by looking the part and behaving professionally while sending signals about your strengths. We do not communicate identity-relevant information solely for the benefit of others, however. When we bring others to see us in a favorable light, we tend to boost our own self-image as we bask in their approval. To a large extent, how we feel about ourselves is a reflection of how other people view us. Feeling proud to be a Harvard MBA, for example, results in part from believing that other people are

³ B. M. Wiesenfeld and P. F. Hewlin, "Splintered identity and organizational change: The predicament of boundary-spanning managers," in M. Neale, E. Mannix, and J. Polzer (Eds.), *Research on Managing Groups and Teams: Identity Issues*, Vol. 5 (Oxford: Elsevier Press, 2002).

⁴ S. D. Gosling, S. J. Ko, T. Mannarelli, and M. E. Morris, "A room with a cue: Personality judgments based on offices and bedrooms," *Journal of Personality and Social Psychology* 82 (2002): 379–398.

impressed by this affiliation. In short, identity processes help us build and maintain a positive self-image and corresponding reputation.

Having others think highly of you clearly has advantages. Yet, striving too hard to continually make a positive impression does not come without costs, even when these efforts are successful. Because few people are without weaknesses, unmitigated positive impressions sometimes indicate that others do not fully understand you. One problem with this is that others might foist unrealistic expectations and demands on us. Moreover, unsubstantiated positive impressions can be disconcerting and stressful. These problems lead to a second motivation for communicating identity—the desire for *self-verification*, or to be known for *who we really are*. This includes the desire to make a good impression about one's strengths, but also to be understood for one's weaknesses. People who feel verified by those around them can act more authentically and comfortably because they are not constantly guarding against revealing any weaknesses.

Because it is satisfying to feel understood, it is common to feel discomfort when we sense that colleagues have an inaccurate perception of us. In mild cases, we might feel a bit distant and ill-at-ease around them. In more extreme cases of being misunderstood, we can even feel an *imposter syndrome*,⁵ in which we experience a workplace as unsafe because we worry about what will befall us when others realize that we are not what they suppose.

It can be unsettling for someone else to appraise you in a manner that is discrepant with your identity, regardless of whether the discrepancy is insulting or flattering. If you perceive yourself as very strong in finance, then you would probably feel uncomfortable on a team with colleagues who hesitate to seek your input on financial models. However, the reverse can be equally disconcerting—e.g., if you believe you are weak in finance, but your teammates turn to you continually for leadership in finance. In the consulting team described above, note that Yousef sees David in a more positive light than David sees himself.

The two reasons to communicate identity—self-enhancement and self-verification—sometimes can compete with each other. After all, wanting to be regarded positively, and wanting to be understood authentically may not always lead to the same outcome. Despite this potential incompatibility, both are important motivating forces. Most people feel rather positively about themselves on at least some dimensions, and in these cases both needs converge—we want others to view us positively as well. However, on dimensions for which we hold neutral or even negative perceptions of our skills and other aspects of identity, we often seek situations and people with whom we can let our guard down and act authentically. Teammates, however, like relatives, cannot always be chosen with an eye toward optimizing our well-being. Being trapped in a situation that limits authenticity can lead to dysfunctional behavior such as avoidance, withdrawal, stress, and conflict. In these cases, productivity suffers because the team fails to leverage members' strengths while putting undue pressure on people who fear having a weakness exposed.

In the next sections, we describe some of the forces influencing how identity-related behavior unfolds. These dynamics apply across a wide variety of teams in many different contexts, including business school study groups, top management teams, product development teams, and others.

⁵ M. R. Leary, K. M. Patton, A. E. Orlando, and W. Wagoner Funk, "The impostor phenomenon: Self-perceptions, reflected appraisals, and interpersonal strategies," *Journal of Personality* 68 (2002): 725–756.

Forming Impressions of Others

In order to understand the situation taking place in our consulting team example, we must also think about how each person appraises his or her teammates. The *impression formation* process includes any basis that we have to make judgments about the people around us.

We appraise the people around us continually. It can be difficult to notice the appraisal formation process as it occurs because it is so well rehearsed. Often, an impression has the most important impact early in a working relationship—after all, there's only one chance to make a "first impression." Forming immediate appraisals of other people upon meeting them is a fundamental and automatic social processes,⁶ and it takes place even with very little information.⁷ Once we form an initial impression, we then use further information to update the initial impression. Initial appraisals serve as "anchors" from which we frequently fail to sufficiently adjust in the face of new information.⁸

The impressions we form of others help us to work effectively with them. Teamwork requires colleagues to understand one another's personalities, habits, preferences, strengths, and weaknesses—in order to determine possible roles and contributions to the team effort. Without this information, it is impossible to perform an optimal division of labor that leverages each individual's talent and potential. Without this information, it is also difficult to avoid personality conflicts. Accurate information about the identity of each teammate allows members to assign appropriate responsibilities that are a good fit, and to interact with one another in a smooth and productive manner.

Although David worried that his inexperience in consulting might doom him to failure at his new job, Yousef did not see him that way. Yousef assumed that anyone hired by their prestigious consulting firm must be talented, especially with 20 years of experience, and must certainly have the potential to transition effectively into a new role. Thus, he treated David as a trusted member of the team, and solicited his opinion whenever possible. He believed that the team could benefit if David was more vocal in expressing his good ideas, and tried to convey to David that more input would be welcome.

Although forming appraisals of others is a fundamental social process, the word "appraisal" may be more common in the context of formalized performance appraisal systems used by most companies to measure performance. Human resources departments need to assess employee talent and productivity, which often involves collecting formal appraisals. Moreover, the recent trend of 360° appraisal programs⁹ emphasizes the importance of considering more than just the supervisor's appraisal to get an accurate indicator of performance. These appraisal systems formally acknowledge the importance of the identity-related processes in this note—processes that have day-to-day consequences far beyond the reach of formal evaluation systems.

⁶ L. Ross and R. E. Nisbett, *The person and the situation: Perspectives of social psychology* (New York: McGraw Hill, 2002).

⁷ N. Ambady, and R. Rosenthal, "Thin slices of expressive behavior as predictors of interpersonal consequences: A meta-analysis," *Psychological Bulletin* 111 (1992): 256–274.

⁸ A. Tversky, and D. Kahneman, "Judgment under uncertainty: Heuristics and biases," *Science* 185 (1974): 1124–1131.

⁹ See M. A. Peiperl, "Getting 360° feedback right," *Harvard Business Review* (2001): 142–147.

There are two main types of information used in the impression-formation process. *Categorical information* is based on the social categories to which others belong, whereas *individuating information* resides in the idiosyncratic personal attributes of the individual person.¹⁰

When we do not have sufficient information or motivation to know a person as a unique individual, it is common to appraise them based on their group or category memberships. It is fast and cognitively easy to use categorical information to form impressions of others, but this efficiency comes at the cost of accuracy. Stereotypes—a well-known form of categorization—assume that all members of a certain group are similar along certain dimensions. For example, stereotypes about workplace capability can be based on a person's age, gender, functional background, and other attributes. Although we are often uncomfortable discussing stereotypes, it is important to realize that people routinely use categorical information to make snap judgments of others. In fact, some stereotypes have a “kernel of truth”—for example, youth often does correlate negatively with expertise, although this relationship is far from perfect. Stereotypes are most troublesome when people apply them too strongly and persistently, especially in the face of contradictory evidence. For example, it would be a mistake to rely too heavily on the association between age and expertise. In our consulting team, Yousef worked hard to counteract the age stereotype that Bob seemed to use in his appraisal of Yousef, but suspected that he faced an uphill battle. More troubling still are the stereotypes about workplace capabilities that have no basis in fact, yet which some people apply quite freely. Unfortunately, these are sometimes the most difficult to eradicate.

A second route to forming impressions of others is to use individuating information—that is, observing specific cues or attributes about a person, including any of the identity markers discussed above that make that person distinct. Because using categorical information is faster and easier, however, we tend to incorporate individuating information into our appraisals only over a period of time or when we are highly motivated to know another person accurately.

Putting Together Identities and Impressions: Congruence in Teams

In any interaction, people are simultaneously attempting to accomplish two things: (1) to convey their own identities to their interaction partners, *and* (2) to appraise their partners accurately. Although sometimes these processes are explicit (introducing yourself as “a creative type”), more often they are implicit, yet are guiding behavior nonetheless. The biggest complication is that identity is a *two-way street*: you are managing others' impressions and forming impressions of others, and they are doing the same with you. These identity dynamics are especially potent in situations that are new to us, or when interacting with people we have not met before. While this may sound complicated, it occurs very naturally and fluidly because it is so well-rehearsed. In many respects, these processes underlie what we mean, in initial interactions, when we say that we are “getting to know one another.” Taken together, these processes are known as *identity negotiation*: the process of sorting out “who is who” in an interaction.¹¹ This process paves the way for a harmonious working relationship.¹² In some ways, successfully sorting out identities and impressions is at the root of achieving the elusive but oft-repeated “team chemistry.”

¹⁰ S. T. Fiske, and S. L. Neuberg, “A continuum of impression formation, from category-based to individuating processes: Influences of information and motivation on attention and interpretation,” *Advances in Experimental Social Psychology* (1990): 1–74.

¹¹ E. Goffman, *The Presentation of Self in Everyday Life* (New York: Anchor Books, 1959).

¹² W. B. Swann, Jr., “Identity negotiation: Where two roads meet,” *Journal of Personality and Social Psychology* 53 (1987): 1038–1051.

The ideal outcome of the identity negotiation process is to achieve *interpersonal congruence*, which occurs when self-perceptions are aligned with the appraisals made by colleagues. Congruence is a crucial factor in contributing to the success of teams. High congruence indicates that colleagues have clearly communicated relevant aspects of their own identity and have attended to one another's perspectives.

Congruence fosters both a productive as well as satisfying team environment. The mutual understanding that is the hallmark of interpersonal congruence facilitates a smooth division of labor that allows teams to use their human resources efficiently. Thus, teams that achieve congruence are likely to exhibit greater *behavioral integration*: that is, they can more easily share information, collaborate, and combine their individual perspectives to yield superior decisions. High levels of congruence indicate that team members feel comfortable expressing themselves to their colleagues, and that they do not need to compartmentalize themselves to appear differently with some audiences than with others. Research evidence reveals that diverse workgroups with high levels of congruence performed more effectively over time on complex and creative tasks, and also had greater social integration, group identification, and less dysfunctional conflict.¹³

When congruence among team members is low, there is much that can go wrong. Interpersonal interactions are prone to many small frictions, which result in more wasted time and energy due to petty conflicts. Many teams fail to realize their full potential due to *process losses* to productivity such as posturing, fighting for air time, attempts to impress one another, and other interpersonal clashes.¹⁴ These losses often occur because one or more team members do not agree with other members' appraisals of them.

The benefits of congruence enhance the productivity of team members as well as their openness to learning. When individuals feel that others regard them fairly and accurately, they generally also experience *psychological safety*¹⁵, which is the perception that one's workplace is a safe environment to take risks. For teams working on complex and interdependent tasks, psychological safety is a critical factor in promoting creativity and learning because it allows people to try new approaches without excessive fear of the dire consequences of failing. Further, psychological safety creates an environment in which individuals can give and receive feedback that allows them to learn and improve, without threatening their identity.

By contrast, teams that do not achieve congruence can be disruptive and exhausting working environments. In these teams, individuals often feel threats to their identity.

Yousef saw himself as a good mentor and coach for taking David aside to encourage him to contribute his opinions to the team conversations. David, however, assumed that Yousef was impatient with David's slow progress and was therefore trying to test his ideas. David responded by defending his work more vehemently in their team meetings. Feeling attacked by Yousef reinforced David's doubts about whether he could perform effectively. Bob, for his part, spent his time creating an alternative to Yousef's action plan because he believed that such a young and inexperienced project leader would appreciate some assistance. Although Yousef felt fully capable of handling the leadership position assigned to him, he nevertheless found himself fighting off the sense of being threatened by Bob's actions, which clearly signaled a lack of confidence in Yousef's ability to lead the team. Although Bob believed that he was helping the team, Yousef thought

¹³ J. Polzer, L. Milton, and W. Swann, "Capitalizing on diversity: Interpersonal congruence in small work groups," *Administrative Science Quarterly* 47 (2002): 296–324.

¹⁴ For a more detailed description of group processes, see L. Hill, "A Note on Team Process," Harvard Business School Case No. 402-032 (Boston: Harvard Business School Publishing, 2001).

¹⁵ A. Edmondson, "Psychological safety and learning behavior in work teams," *Administrative Science Quarterly* 44 (1999): 350–383.

Bob was stabbing him in the back. The conflict that erupted between them took valuable time and attention away from client services.

Enhancing Congruence: Action Steps

Given the importance of aligning self-perceptions with the appraisals made by colleagues, it is fortunate that there are many actions you can take to foster congruence in your own teams. Because congruence has several different components, you can improve it through several different mechanisms. The first method of increasing congruence is straightforward: it consists of communicating the core elements of your own identity to others as clearly as possible. Although this sounds simple, it helps people who do not feel verified, who sometimes complain to everyone except the very person whose treatment they abhor.

Alejandra found that her situation improved when she took the time to discuss with Yousef some of her learning goals for their project. In a private meeting, she told Yousef that she thought she had a lot of creativity that she could contribute to the group, but that she always seemed to be assigned quantitative tasks. She explained that she needed to test what she saw as her strengths in order to have good information while considering career choices, such as whether to attend business school. Yousef thought this was reasonable, and agreed to incorporate creative elements as much as possible into Alejandra's role. He was glad they had the conversation—his attention had been somewhat distracted by other issues and he had not understood why Alejandra seemed unsatisfied. After their meeting, Alejandra became more motivated and ultimately came up with an excellent insight about how to solve a key client problem at low cost.

The second method of improving congruence is to try to understand the core elements of your colleagues' identity. You can do this by paying more attention to their identity markers.

Bob assumed that his help and experience were required to run the team because he failed to pick up a variety of signals indicating that Yousef saw himself as a full-fledged team leader. Bob might have overcome his preconceptions about Yousef had he been more perceptive during Yousef's speech at the team kick-off about roles and expectations, or had he attended more carefully to Yousef's actions at later meetings. Some of these signals were subtle, like those concerning Yousef's demeanor and air of confidence, but these were combined with more direct actions such as providing the agendas and allocating responsibilities.

This example points to a second way to increase your understanding of your colleagues' identity: questioning your stereotypes. Bob believed that Yousef would have difficulty serving as a project leader because he was very young compared to others in the job. Stay mindful of how stereotypes may inadvertently and detrimentally affect your judgment of others' identity.

Perhaps the most important method of achieving congruence is to have open and honest conversations in which you join others in revealing the core elements of your identity. Of course, these discussions can be risky, especially if people have honest disagreements about someone's skill level. Revealing to someone how brilliant you are may leave you susceptible to being seen as arrogant by those who do not share your enthusiasm. Alternatively, the night before a friend's important presentation, you might find yourself giving him a pep talk as you discover, to your surprise, that he is not the confident orator you thought him to be. These examples highlight the need to be open to revising one's assumptions about oneself and others. Inquire, rather than assume.¹⁶ Identity-related processes are so fundamental and automatic that they often occur outside our awareness. In the language of Chris Argyris' *ladder of inference*,¹⁷ we often "climb" quickly from

¹⁶ P. M. Senge, *The fifth discipline: The art and practice of the learning organization* (New York: Doubleday, 1990).

¹⁷ C. Argyris, *Knowledge for action: A guide to overcoming barriers to organizational change* (San Francisco: Jossey-Bass, 1993).

an initial observation to an interpretation of it, then quickly assign a meaning based on the interpretation, and use these inferences to form an evaluation. This process of jumping to conclusions happens quickly and automatically. However, we can regain control over these processes by stopping to question how we move up and down the “ladder.”

Yousef later improved his working relationship with David, the recent hire from an engineering firm, by testing his assumptions. Yousef had assumed that David was a competent new member of the team who was hesitant to speak because he was shy. His attempts to ask David questions in the team meetings had led to upsetting outbursts. In a private meeting, Yousef told David his view of the situation, and asked whether David agreed with this version of the story. David was nervous but secretly relieved to have this opportunity to get the topic into the open. He had been spending a lot of his time at work worrying about whether he could do the job, and it was starting to undermine his performance and well-being. When David told Yousef that he had interpreted the questions as attempts to test him, Yousef was surprised and sorry. By understanding that David had concerns about his fit with the job, Yousef was able to write out a detailed work plan with multiple checkpoints, so that David had the chance for the frequent positive feedback that he needed.

The final method of increasing congruence is to bring your own self-perceptions in line with the appraisals of others. This can be valuable when you believe that other people have good information about your relative strengths and weaknesses. After all, there are some traits that are hard for us to see accurately in ourselves. As evidence, consider that a large majority of people believe they are “above average” on a wide variety of traits and abilities, such as trustworthiness, kindness, and even driving skills.¹⁸ They can’t all be right! Sometimes we are blind to a particular weakness, or even uncertain about a particular strength, and in these cases feedback from others can provide a learning opportunity. In our example, knowing that Yousef appraised him positively helped David come to see himself as competent in the context of their consulting company. Many companies that incorporate 360° appraisal systems do so in order to give employees the chance to revise their own self-perceptions according to appraisals from their colleagues. However, there is also a downside to bringing your own self-perceptions in line with the appraisals of others, if you believe the appraisals are incorrect, use harmful stereotypes, or are based on incomplete information.

The best time to set the stage for achieving high levels of congruence is during the launch of your team’s activities. First, as team leader, create an environment that is psychologically safe, in which all individuals feel comfortable expressing the core aspects of their identity as well as testing their assumptions about the identity of others. One way to do this is to take early interpersonal risks—for example, to reveal something about yourself such as a self-effacing story, a favorite hobby, or a personal anecdote that is indicative of your identity. Through reciprocity, this encourages others to feel comfortable doing the same. Second, seek out individuating information before you act on your initial judgments and assumptions about other people. Many effective managers routinely begin supervisory relationships by asking about their subordinates’ learning and performance goals, which leads to a discussion of their relative strengths and weaknesses. People with lower authority or status can also start such a conversation, although it may be more difficult to engage in actions that entail some risk. Nevertheless, although the leader plays a critical role in initiating the interpersonal processes that bring about high congruence, individual team members also have many opportunities to initiate a genuine exchange of identity-relevant information.

¹⁸ S. E. Taylor and J. D. Brown, “Illusion and well-being: A social psychological perspective on mental health,” *Psychological Bulletin* 103 (1988): 193–210.

The Importance of Identities in Today's Workplace

Several factors contribute to the increasing importance of identity issues in the modern workplace. First, over the last few decades there has been increasing teamwork and interdependence among colleagues. In more hierarchical environments, there was less need to continually learn about new colleagues and new roles, because employees changed positions less often and job requirements were more standardized. Roles and formal reporting relationships were more rigidly defined. Informal coordination, communication, and interaction with many colleagues were less of an imperative for succeeding than they are today.

Increasing workforce diversity also brings with it greater disparity in people's identities, and a corresponding need to sort out how people understand and relate to one another. Women and members of ethnic minority groups, for example, are together expected to fill 75% of new jobs over the next decade.¹⁹ Globalization also increases the diversity of the modern workplace. We tend to become more aware of our regional and national identities when we interact with people from different regions or countries. By contrast, one generation ago, colleagues were generally more similar to one another in their backgrounds, because people from only a relatively narrow demographic segment of society held managerial positions. Correspondingly, there was less variability in colleagues' identities.

Of course, diversity brings a variety of benefits to organizations in general, and to teams in particular. Yet, these changes in the workplace have led to an awareness of a paradox that accompanies diversity: differences in specialized skills, expertise, and backgrounds are necessary for teams to tackle complex, interdependent tasks, but these differences also create a challenge for team members who must work together productively without dysfunctional conflict.²⁰ Understanding how identities and impressions guide interaction provides the key to working through this paradox. By encouraging team members to express their own identities and to understand one another's core identities, teams can use the diverse perspectives of individual members without letting them cause misunderstandings and conflict.²¹ When others treat you in ways that verify your identity, over time you are likely to feel at liberty to express all of the ideas and viewpoints that correspond to your identity.²² When this happens, you can bring your talents to bear on the group task unfettered by the fear that others will judge your worth with every comment you make. When team members understand the identity dynamics that inevitably guide their interactions, they are far more likely to find ways to transform their differences into superior performance.

¹⁹ K. Y. Williams, and C. A. O'Reilly, "Demography and diversity in organizations: A review of 40 years of research," *Research in Organizational Behavior* 20 (1998): 77–140.

²⁰ K. Y. Williams and C. A. O'Reilly, "Demography and diversity in organizations: A review of 40 years of research," *Research in Organizational Behavior* 20 (1998): 77–140.

²¹ J. Polzer, L. Milton, and W. Swann, "Capitalizing on diversity: Interpersonal congruence in small work groups," *Administrative Science Quarterly* 47 (2002): 296–324.

²² R. J. Ely, and D. A. Thomas, "Cultural diversity at work: The effects of diversity perspectives on work group processes and outcomes," *Administrative Science Quarterly* 46 (2001): 229–273.

What makes the difference between a team that performs and one that doesn't?

BEST OF HBR 1993

The Discipline of Teams

by Jon R. Katzenbach and Douglas K. Smith

It won't surprise anyone to find an article on teams by Jon Katzenbach and Douglas Smith figuring into an issue devoted to high performance. While Peter Drucker may have been the first to point out that a team-based organization can be highly effective, Katzenbach and Smith's work made it possible for companies to implement the idea.

In this groundbreaking 1993 article, the authors say that if managers want to make better decisions about teams, they must be clear about what a team is. They define a team as "a small number of people with complementary skills who are committed to a common purpose, set of performance goals, and approach for which they hold themselves mutually accountable." That definition lays down the discipline that teams must share to be effective.

Katzenbach and Smith discuss the four elements—common commitment and purpose, performance goals, complementary skills, and mutual accountability—that make teams function. They also classify teams into three varieties—teams that recommend things, teams that make or do things, and teams that run things—and describe how each type faces different challenges.

Early in the 1980s, Bill Greenwood and a small band of rebel railroaders took on most of the top management of Burlington Northern and created a multibillion-dollar business in "piggy-backing" rail services despite widespread resistance, even resentment, within the company. The Medical Products Group at Hewlett-Packard owes most of its leading performance to the remarkable efforts of Dean Morton, Lew Platt, Ben Holmes, Dick Alberding, and a handful of their colleagues who revitalized a health care business that most others had written off. At Knight Ridder, Jim Batten's "customer obsession" vision took root at the *Tallahassee Democrat* when 14 frontline enthusiasts turned a charter to eliminate errors into a mission of major change and took the entire paper along with them.

Such are the stories and the work of teams—real teams that perform, not amorphous groups that we call teams because we think that the label is motivating and energizing. The difference between teams that perform and other groups that don't is a subject to which most of us

pay far too little attention. Part of the problem is that “team” is a word and concept so familiar to everyone. (See the exhibit “Not All Groups Are Teams: How to Tell the Difference.”)

Or at least that’s what we thought when we set out to do research for our book *The Wisdom of Teams* (HarperBusiness, 1993). We wanted to discover what differentiates various levels of team performance, where and how teams work best, and what top management can do to enhance their effectiveness. We talked with hundreds of people on more than 50 different teams in 30 companies and beyond, from Motorola and Hewlett-Packard to Operation Desert Storm and the Girl Scouts.

We found that there is a basic discipline that makes teams work. We also found that teams and good performance are inseparable: You cannot have one without the other. But people use the word “team” so loosely that it gets in the way of learning and applying the discipline that leads to good performance. For managers to make better decisions about whether, when, or how to encourage and use teams, it is important to be more precise about what a team is and what it isn’t.

Most executives advocate teamwork. And they should. Teamwork represents a set of values that encourage listening and responding constructively to views expressed by others, giving others the benefit of the doubt, providing support, and recognizing the interests and achievements of others. Such values help teams perform, and they also promote individual performance as well as the performance of an entire organization. But teamwork values by themselves are not exclusive to teams, nor are they enough to ensure team performance. (See the sidebar “Building Team Performance.”)

Nor is a team just any group working together. Committees, councils, and task forces are not necessarily teams. Groups do not become teams simply because that is what someone calls them. The entire workforce of any large and complex organization is *never* a team, but think about how often that platitude is offered up.

To understand how teams deliver extra performance, we must distinguish between teams and other forms of working groups. That distinction turns on performance results. A working group’s performance is a function of what its members do as individuals. A team’s perfor-

mance includes both individual results and what we call “collective work products.” A collective work product is what two or more members must work on together, such as interviews, surveys, or experiments. Whatever it is, a collective work product reflects the joint, real contribution of team members.

Working groups are both prevalent and effective in large organizations where individual accountability is most important. The best working groups come together to share information, perspectives, and insights; to make decisions that help each person do his or her job better; and to reinforce individual performance standards. But the focus is always on individual goals and accountabilities. Working-group members don’t take responsibility for results other than their own. Nor do they try to develop incremental performance contributions requiring the combined work of two or more members.

Teams differ fundamentally from working groups because they require both individual and mutual accountability. Teams rely on more than group discussion, debate, and decision, on more than sharing information and best-practice performance standards. Teams produce discrete work products through the joint contributions of their members. This is what makes possible performance levels greater than the sum of all the individual bests of team members. Simply stated, a team is more than the sum of its parts.

The first step in developing a disciplined approach to team management is to think about teams as discrete units of performance and not just as positive sets of values. Having observed and worked with scores of teams in action, both successes and failures, we offer the following. Think of it as a working definition or, better still, an essential discipline that real teams share: *A team is a small number of people with complementary skills who are committed to a common purpose, set of performance goals, and approach for which they hold themselves mutually accountable.*

The essence of a team is common commitment. Without it, groups perform as individuals; with it, they become a powerful unit of collective performance. This kind of commitment requires a purpose in which team members can believe. Whether the purpose is to “transform the contributions of suppliers into the satisfaction of customers,” to “make our com-

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pany one we can be proud of again,” or to “prove that all children can learn,” credible team purposes have an element related to winning, being first, revolutionizing, or being on the cutting edge.

Teams develop direction, momentum, and commitment by working to shape a meaningful purpose. Building ownership and commitment to team purpose, however, is not incompatible with taking initial direction from outside the team. The often-asserted assumption that a team cannot “own” its purpose unless management leaves it alone actually confuses more potential teams than it helps. In fact, it is the exceptional case—for example, entrepreneurial situations—when a team creates a purpose entirely on its own.

Most successful teams shape their purposes in response to a demand or opportunity put in their path, usually by higher management. This helps teams get started by broadly framing the company’s performance expectation. Management is responsible for clarifying the charter, rationale, and performance challenge for the team, but management must also leave enough flexibility for the team to develop commitment around its own spin on that purpose, set of specific goals, timing, and approach.

The best teams invest a tremendous amount of time and effort exploring, shaping, and agreeing on a purpose that belongs to them both collectively and individually. This “purposing” activity continues throughout the life of the team. By contrast, failed teams rarely develop a common purpose. For whatever reason—an insufficient focus on performance, lack of effort, poor leadership—they do not coalesce around a challenging aspiration.

The best teams also translate their common purpose into specific performance goals, such as reducing the reject rate from suppliers by 50% or increasing the math scores of graduates from 40% to 95%. Indeed, if a team fails to establish specific performance goals or if those goals do not relate directly to the team’s overall purpose, team members become confused, pull apart, and revert to mediocre performance. By contrast, when purposes and goals build on one another and are combined with team commitment, they become a powerful engine of performance.

Transforming broad directives into specific and measurable performance goals is the surest first step for a team trying to shape a pur-

pose meaningful to its members. Specific goals, such as getting a new product to market in less than half the normal time, responding to all customers within 24 hours, or achieving a zero-defect rate while simultaneously cutting costs by 40%, all provide firm footholds for teams. There are several reasons:

- Specific team-performance goals help define a set of work products that are different both from an organization-wide mission and from individual job objectives. As a result, such work products require the collective effort of team members to make something specific happen that, in and of itself, adds real value to results. By contrast, simply gathering from time to time to make decisions will not sustain team performance.

- The specificity of performance objectives facilitates clear communication and constructive conflict within the team. When a plant-level team, for example, sets a goal of reducing average machine changeover time to two hours, the clarity of the goal forces the team to concentrate on what it would take either to achieve or to reconsider the goal. When such goals are clear, discussions can focus on how to pursue them or whether to change them; when goals are ambiguous or nonexistent, such discussions are much less productive.

- The attainability of specific goals helps teams maintain their focus on getting results. A product-development team at Eli Lilly’s Peripheral Systems Division set definite yardsticks for the market introduction of an ultrasonic probe to help doctors locate deep veins and arteries.

Not All Groups Are Teams: How to Tell the Difference

Working Group

- Strong, clearly focused leader
- Individual accountability
- The group’s purpose is the same as the broader organizational mission
- Individual work products
- Runs efficient meetings
- Measures its effectiveness indirectly by its influence on others (such as financial performance of the business)
- Discusses, decides, and delegates

Team

- Shared leadership roles
- Individual and mutual accountability
- Specific team purpose that the team itself delivers
- Collective work products
- Encourages open-ended discussion and active problem-solving meetings
- Measures performance directly by assessing collective work products
- Discusses, decides, and does real work together

Building Team Performance

Although there is no guaranteed how-to recipe for building team performance, we observed a number of approaches shared by many successful teams.

Establish urgency, demanding performance standards, and direction. All team members need to believe the team has urgent and worthwhile purposes, and they want to know what the expectations are. Indeed, the more urgent and meaningful the rationale, the more likely it is that the team will live up to its performance potential, as was the case for a customer-service team that was told that further growth for the entire company would be impossible without major improvements in that area. Teams work best in a compelling context. That is why companies with strong performance ethics usually form teams readily.

Select members for skill and skill potential, not personality. No team succeeds without all the skills needed to meet its purpose and performance goals. Yet most teams figure out the skills they will need after they are formed. The wise manager will choose people for their existing skills and their potential to improve existing skills and learn new ones.

Pay particular attention to first meetings and actions. Initial impressions always mean a great deal. When potential teams first gather, everyone monitors the signals given by others to confirm, suspend, or dispel assumptions and concerns. They pay particular attention to those in authority: the team leader and any executives who set up, oversee, or otherwise influence the team. And, as always, what such leaders do is more important than what they say. If a senior executive leaves the team kickoff to take a phone call ten minutes after the session has begun and he never returns, people get the message.

Set some clear rules of behavior. All effective teams develop rules of conduct at the outset to help them achieve their purpose and performance goals. The most critical initial rules pertain to attendance (for example, “no interruptions to take phone calls”), discussion (“no sacred cows”), confidentiality (“the only things to leave this room are what we agree on”), analytic approach (“facts are friendly”), end-product orientation (“everyone gets assignments and does them”), constructive confrontation (“no finger pointing”), and, often the most important, contributions (“everyone does real work”).

Set and seize upon a few immediate performance-oriented tasks and goals. Most effective teams trace their advancement to key performance-oriented events. Such events can be set in motion by immediately establishing a few challenging goals that can be reached early on. There is no such thing as a real team without performance results, so the sooner such results occur, the sooner the team congeals.

Challenge the group regularly with fresh facts and information. New information causes a team to redefine and enrich its understanding of the performance challenge, thereby helping the team shape a common purpose, set clearer goals, and improve its common approach. A plant quality improvement team knew the cost of poor quality was high, but it wasn't until they researched the different types of defects and put a price tag on each one that they knew where to go next. Conversely, teams err when

they assume that all the information needed exists in the collective experience and knowledge of their members.

Spend lots of time together. Common sense tells us that team members must spend a lot of time together, scheduled and unscheduled, especially in the beginning. Indeed, creative insights as well as personal bonding require impromptu and casual interactions just as much as analyzing spreadsheets and interviewing customers. Busy executives and managers too often intentionally minimize the time they spend together. The successful teams we've observed all gave themselves the time to learn to be a team. This time need not always be spent together physically; electronic, fax, and phone time can also count as time spent together.

Exploit the power of positive feedback, recognition, and reward. Positive reinforcement works as well in a team context as elsewhere. Giving out “gold stars” helps shape new behaviors critical to team performance. If people in the group, for example, are alert to a shy person's initial efforts to speak up and contribute, they can give the honest positive reinforcement that encourages continued contributions. There are many ways to recognize and reward team performance beyond direct compensation, from having a senior executive speak directly to the team about the urgency of its mission to using awards to recognize contributions. Ultimately, however, the satisfaction shared by a team in its own performance becomes the most cherished reward.

The probe had to have an audible signal through a specified depth of tissue, be capable of being manufactured at a rate of 100 per day, and have a unit cost less than a preestablished amount. Because the team could measure its progress against each of these specific objectives, the team knew throughout the development process where it stood. Either it had achieved its goals or not.

- As Outward Bound and other team-building programs illustrate, specific objectives have a leveling effect conducive to team behavior. When a small group of people challenge themselves to get over a wall or to reduce cycle time by 50%, their respective titles, perks, and other stripes fade into the background. The teams that succeed evaluate what and how each individual can best contribute to the team's goal and, more important, do so in terms of the performance objective itself rather than a person's status or personality.

- Specific goals allow a team to achieve small wins as it pursues its broader purpose. These small wins are invaluable to building commitment and overcoming the inevitable obstacles that get in the way of a long-term purpose. For example, the Knight Ridder team mentioned at the outset turned a narrow goal to eliminate errors into a compelling customer service purpose.

- Performance goals are compelling. They are symbols of accomplishment that motivate and energize. They challenge the people on a team to commit themselves, as a team, to make a difference. Drama, urgency, and a healthy fear of failure combine to drive teams that have their collective eye on an attainable, but challenging, goal. Nobody but the team can make it happen. It's their challenge.

The combination of purpose and specific goals is essential to performance. Each depends on the other to remain relevant and vital. Clear performance goals help a team keep track of progress and hold itself accountable; the broader, even nobler, aspirations in a team's purpose supply both meaning and emotional energy.

Virtually all effective teams we have met, read or heard about, or been members of have ranged between two and 25 people. For example, the Burlington Northern piggybacking team had seven members, and the Knight Ridder newspaper team had 14. The majority of them have numbered less than ten. Small size

is admittedly more of a pragmatic guide than an absolute necessity for success. A large number of people, say 50 or more, can theoretically become a team. But groups of such size are more likely to break into subteams rather than function as a single unit.

Why? Large numbers of people have trouble interacting constructively as a group, much less doing real work together. Ten people are far more likely than 50 to work through their individual, functional, and hierarchical differences toward a common plan and to hold themselves jointly accountable for the results.

Large groups also face logistical issues, such as finding enough physical space and time to meet. And they confront more complex constraints, like crowd or herd behaviors, which prevent the intense sharing of viewpoints needed to build a team. As a result, when they try to develop a common purpose, they usually produce only superficial "missions" and well-meaning intentions that cannot be translated into concrete objectives. They tend fairly quickly to reach a point when meetings become a chore, a clear sign that most of the people in the group are uncertain why they have gathered, beyond some notion of getting along better. Anyone who has been through one of these exercises understands how frustrating it can be. This kind of failure tends to foster cynicism, which gets in the way of future team efforts.

In addition to finding the right size, teams must develop the right mix of skills; that is, each of the complementary skills necessary to do the team's job. As obvious as it sounds, it is a common failing in potential teams. Skill requirements fall into three fairly self-evident categories.

Technical or Functional Expertise. It would make little sense for a group of doctors to litigate an employment discrimination case in a court of law. Yet teams of doctors and lawyers often try medical malpractice or personal injury cases. Similarly, product development groups that include only marketers or engineers are less likely to succeed than those with the complementary skills of both.

Problem-Solving and Decision-Making Skills. Teams must be able to identify the problems and opportunities they face, evaluate the options they have for moving forward, and then make necessary trade-offs and decisions about how to proceed. Most teams need

People use the word "team" so loosely that it gets in the way of learning and applying the discipline that leads to good performance.

some members with these skills to begin with, although many will develop them best on the job.

Interpersonal Skills. Common understanding and purpose cannot arise without effective communication and constructive conflict, which in turn depend on interpersonal skills. These skills include risk taking, helpful criticism, objectivity, active listening, giving the benefit of the doubt, and recognizing the interests and achievements of others.

Obviously, a team cannot get started without some minimum complement of skills, especially technical and functional ones. Still, think about how often you've been part of a team whose members were chosen primarily on the basis of personal compatibility or formal position in the organization, and in which the skill mix of its members wasn't given much thought.

It is equally common to overemphasize skills in team selection. Yet in all the successful teams we've encountered, not one had all the needed skills at the outset. The Burlington Northern team, for example, initially had no members who were skilled marketers despite the fact that their performance challenge was a marketing one. In fact, we discovered that teams are powerful vehicles for developing the skills needed to meet the team's performance challenge. Accordingly, team member selection ought to ride as much on skill potential as on skills already proven.

Effective teams develop strong commitment to a common approach; that is, to how they will work together to accomplish their purpose. Team members must agree on who will do particular jobs, how schedules will be set and adhered to, what skills need to be developed, how continuing membership in the team is to be earned, and how the group will make and modify decisions. This element of commitment is as important to team performance as the team's commitment to its purpose and goals.

Agreeing on the specifics of work and how they fit together to integrate individual skills and advance team performance lies at the heart of shaping a common approach. It is perhaps self-evident that an approach that delegates all the real work to a few members (or staff outsiders) and thus relies on reviews and meetings for its only "work together" aspects, cannot sustain a real team. Every member of a

successful team does equivalent amounts of real work; all members, including the team leader, contribute in concrete ways to the team's work product. This is a very important element of the emotional logic that drives team performance.

When individuals approach a team situation, especially in a business setting, each has preexisting job assignments as well as strengths and weaknesses reflecting a variety of talents, backgrounds, personalities, and prejudices. Only through the mutual discovery and understanding of how to apply all its human resources to a common purpose can a team develop and agree on the best approach to achieve its goals. At the heart of such long and, at times, difficult interactions lies a commitment-building process in which the team candidly explores who is best suited to each task as well as how individual roles will come together. In effect, the team establishes a social contract among members that relates to their purpose and guides and obligates how they must work together.

No group ever becomes a team until it can hold itself accountable as a team. Like common purpose and approach, mutual accountability is a stiff test. Think, for example, about the subtle but critical difference between "the boss holds me accountable" and "we hold ourselves accountable." The first case can lead to the second, but without the second, there can be no team.

Companies like Hewlett-Packard and Motorola have an ingrained performance ethic that enables teams to form organically whenever there is a clear performance challenge requiring collective rather than individual effort. In these companies, the factor of mutual accountability is commonplace. "Being in the boat together" is how their performance game is played.

At its core, team accountability is about the sincere promises we make to ourselves and others, promises that underpin two critical aspects of effective teams: commitment and trust. Most of us enter a potential team situation cautiously because ingrained individualism and experience discourage us from putting our fates in the hands of others or accepting responsibility for others. Teams do not succeed by ignoring or wishing away such behavior.

Mutual accountability cannot be coerced any more than people can be made to trust

one another. But when a team shares a common purpose, goals, and approach, mutual accountability grows as a natural counterpart. Accountability arises from and reinforces the time, energy, and action invested in figuring out what the team is trying to accomplish and how best to get it done.

When people work together toward a common objective, trust and commitment follow. Consequently, teams enjoying a strong common purpose and approach inevitably hold themselves responsible, both as individuals and as a team, for the team's performance. This sense of mutual accountability also produces the rich rewards of mutual achievement in which all members share. What we heard over and over from members of effective teams is that they found the experience energizing and motivating in ways that their "normal" jobs never could match.

On the other hand, groups established primarily for the sake of becoming a team or for job enhancement, communication, organizational effectiveness, or excellence rarely become effective teams, as demonstrated by the bad feelings left in many companies after experimenting with quality circles that never translated "quality" into specific goals. Only when appropriate performance goals are set does the process of discussing the goals and the approaches to them give team members a clearer and clearer choice: They can disagree with a goal and the path that the team selects and, in effect, opt out, or they can pitch in and become accountable with and to their teammates.

The discipline of teams we've outlined is critical to the success of all teams. Yet it is also useful to go one step further. Most teams can be classified in one of three ways: teams that recommend things, teams that make or do things, and teams that run things. In our experience, each type faces a characteristic set of challenges.

Teams That Recommend Things. These teams include task forces; project groups; and audit, quality, or safety groups asked to study and solve particular problems. Teams that recommend things almost always have predetermined completion dates. Two critical issues are unique to such teams: getting off to a fast and constructive start and dealing with the ultimate handoff that's required to get recommendations implemented.

The key to the first issue lies in the clarity of the team's charter and the composition of its membership. In addition to wanting to know why and how their efforts are important, task forces need a clear definition of whom management expects to participate and the time commitment required. Management can help by ensuring that the team includes people with the skills and influence necessary for crafting practical recommendations that will carry weight throughout the organization. Moreover, management can help the team get the necessary cooperation by opening doors and dealing with political obstacles.

Missing the handoff is almost always the problem that stymies teams that recommend things. To avoid this, the transfer of responsibility for recommendations to those who must implement them demands top management's time and attention. The more top managers assume that recommendations will "just happen," the less likely it is that they will. The more involvement task force members have in implementing their recommendations, the more likely they are to get implemented.

To the extent that people outside the task force will have to carry the ball, it is critical to involve them in the process early and often, certainly well before recommendations are finalized. Such involvement may take many forms, including participating in interviews, helping with analyses, contributing and critiquing ideas, and conducting experiments and trials. At a minimum, anyone responsible for implementation should receive a briefing on the task force's purpose, approach, and objectives at the beginning of the effort as well as regular reviews of progress.

Teams That Make or Do Things. These teams include people at or near the front lines who are responsible for doing the basic manufacturing, development, operations, marketing, sales, service, and other value-adding activities of a business. With some exceptions, such as new-product development or process design teams, teams that make or do things tend to have no set completion dates because their activities are ongoing.

In deciding where team performance might have the greatest impact, top management should concentrate on what we call the company's "critical delivery points"—that is, places in the organization where the cost and value of the company's products and services are most

directly determined. Such critical delivery points might include where accounts get managed, customer service performed, products designed, and productivity determined. If performance at critical delivery points depends on combining multiple skills, perspectives, and judgments in real time, then the team option is the smartest one.

When an organization does require a significant number of teams at these points, the sheer challenge of maximizing the performance of so many groups will demand a carefully constructed and performance-focused set of management processes. The issue here for top management is how to build the necessary systems and process supports without falling into the trap of appearing to promote teams for their own sake.

The imperative here, returning to our earlier discussion of the basic discipline of teams, is a relentless focus on performance. If management fails to pay persistent attention to the link between teams and performance, the organization becomes convinced that “this year, we are doing ‘teams.’” Top management can help by instituting processes like pay schemes and training for teams responsive to their real time needs, but more than anything else, top management must make clear and compelling demands on the teams themselves and then pay constant attention to their progress with respect to both team basics and performance results. This means focusing on specific teams and specific performance challenges. Otherwise “performance,” like “team,” will become a cliché.

Teams That Run Things. Despite the fact that many leaders refer to the group reporting to them as a team, few groups really are. And groups that become real teams seldom think of themselves as a team because they are so focused on performance results. Yet the opportunity for such teams includes groups from the top of the enterprise down through the divisional or functional level. Whether it is in charge of thousands of people or just a handful, as long as the group oversees some business, ongoing program, or significant functional activity, it is a team that runs things.

The main issue these teams face is determining whether a real team approach is the right one. Many groups that run things can be more effective as working groups than as teams. The key judgment is whether the sum

of individual bests will suffice for the performance challenge at hand or whether the group must deliver substantial incremental performance requiring real joint work products. Although the team option promises greater performance, it also brings more risk, and managers must be brutally honest in assessing the trade-offs.

Members may have to overcome a natural reluctance to trust their fate to others. The price of faking the team approach is high: At best, members get diverted from their individual goals, costs outweigh benefits, and people resent the imposition on their time and priorities. At worst, serious animosities develop that undercut even the potential personal bests of the working-group approach.

Working groups present fewer risks. Effective working groups need little time to shape their purpose, since the leader usually establishes it. Meetings are run against well-prioritized agendas. And decisions are implemented through specific individual assignments and accountabilitys. Most of the time, therefore, if performance aspirations can be met through individuals doing their respective jobs well, the working-group approach is more comfortable, less risky, and less disruptive than trying for more elusive team performance levels. Indeed, if there is no performance need for the team approach, efforts spent to improve the effectiveness of the working group make much more sense than floundering around trying to become a team.

Having said that, we believe the extra level of performance teams can achieve is becoming critical for a growing number of companies, especially as they move through major changes during which company performance depends on broad-based behavioral change. When top management uses teams to run things, it should make sure the team succeeds in identifying specific purposes and goals.

This is a second major issue for teams that run things. Too often, such teams confuse the broad mission of the total organization with the specific purpose of their small group at the top. The discipline of teams tells us that for a real team to form, there must be a team purpose that is distinctive and specific to the small group and that requires its members to roll up their sleeves and accomplish something beyond individual end products. If a group of managers looks only at the economic performance of the part of the organization it runs to

assess overall effectiveness, the group will not have any team performance goals of its own.

While the basic discipline of teams does not differ for them, teams at the top are certainly the most difficult. The complexities of long-term challenges, heavy demands on executive time, and the deep-seated individualism of senior people conspire against teams at the top. At the same time, teams at the top are the most powerful. At first we thought such teams were nearly impossible. That is because we were looking at the teams as defined by the formal organizational structure; that is, the leader and all his or her direct reports equals the team. Then we discovered that real teams at the top were often smaller and less formalized: Whitehead and Weinberg at Goldman Sachs; Hewlett and Packard at HP; Krasnoff, Pall, and Hardy at Pall Corporation; Kendall, Pearson, and Calloway at Pepsi; Haas and Haas at Levi Strauss; Batten and Ridder at Knight Ridder. They were mostly twos and threes, with an occasional fourth.

Nonetheless, real teams at the top of large, complex organizations are still few and far between. Far too many groups at the top of large corporations needlessly constrain themselves from achieving real team levels of performance because they assume that all direct reports must be on the team, that team goals must be identical to corporate goals, that the team members' positions rather than skills determine their respective roles, that a team must be a team all the time, and that the team leader is above doing real work.

As understandable as these assumptions may be, most of them are unwarranted. They do not apply to the teams at the top we have observed, and when replaced with more realistic and flexible assumptions that permit the team discipline to be applied, real team perfor-

mance at the top can and does occur. Moreover, as more and more companies are confronted with the need to manage major change across their organizations, we will see more real teams at the top.

We believe that teams will become the primary unit of performance in high-performance organizations. But that does not mean that teams will crowd out individual opportunity or formal hierarchy and process. Rather, teams will enhance existing structures without replacing them. A team opportunity exists anywhere hierarchy or organizational boundaries inhibit the skills and perspectives needed for optimal results. Thus, new-product innovation requires preserving functional excellence through structure while eradicating functional bias through teams. And frontline productivity requires preserving direction and guidance through hierarchy while drawing on energy and flexibility through self-managing teams.

We are convinced that every company faces specific performance challenges for which teams are the most practical and powerful vehicle at top management's disposal. The critical role for senior managers, therefore, is to worry about company performance and the kinds of teams that can deliver it. This means top management must recognize a team's unique potential to deliver results, deploy teams strategically when they are the best tool for the job, and foster the basic discipline of teams that will make them effective. By doing so, top management creates the kind of environment that enables team as well as individual and organizational performance.

Every company faces specific performance challenges for which teams are the most practical and powerful vehicle at top management's disposal.

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The Discipline of Teams

Further Reading

ARTICLES

How Management Teams Can Have a Good Fight

by Kathleen M. Eisenhardt, Jean L. Kahwajy, and L. J. Bourgeois III

Harvard Business Review

July–August 1997

Product no. 97402

Teams whose members challenge one another's thinking can create more options and ultimately make better decisions. But without the kind of discipline advocated by Katzenbach and Smith, such friction can become unproductive or downright ugly instead of creative. In this article, the authors identify six tactics that bring discipline to team decision making: Acquire as much information as possible and focus on facts. Develop as many options as possible and evaluate them jointly. Agree sincerely on common goals. Encourage humor. Ensure a balance of power among team members. And in cases where agreement cannot be reached, have the most relevant person make the decision based on input from the group.

How the Right Measures Help Teams Excel

by Christopher Meyer

Harvard Business Review

May–June 1994

Product no. 94305

For multifunctional teams to fulfill their promise, performance-measurement systems must be modified so that they adequately capture cross-functional work. Meyer offers four guiding principles for building measurement systems that promote team members' mutual commitment to specified goals. First, the system should help the team, rather than top managers, gauge its progress. Second, the team must play the lead in designing its own measurement system. Third, the team needs to devise measures of the process by which it delivers value. (Knowing that there's been an 8% drop in quarterly profits with a 10% rise in

service costs doesn't tell a customer-service team what to do differently. But knowing that the average time spent per service call rose 15%, and that late calls consequently rose 10%, helps the team understand the problem.) And fourth, no more than a handful of measures should be used.

BOOK

Team Talk: The Power of Language in Team Dynamics

by Anne Donnellon

Harvard Business School Press

1996

Product no. 619X

Donnellon takes a sociolinguistic perspective on why so many teams underperform—that is, she examines how teams talk for clues about why teams fail to meet expectations. Her definition of team—a group of people who are necessary to accomplish a task that requires the continuous integration of the expertise distributed among them—is consonant with the notion of mutuality that Katzenbach and Smith describe. Talk, Donnellon explains, is how teams achieve integration and mutuality. The work of most teams involves constructing new meanings, whether it's in the form of new product developments or enhanced processes. And that work is essentially linguistic.

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Why Teams Don't Work

The Idea in Brief

Contrary to conventional wisdom, teams may be your *worst* option for tackling a challenging task. Problems with coordination, motivation, and competition can badly damage team performance.

Even the best leaders can't *make* a team deliver great results. But you can increase the likelihood of success—by setting the right conditions. For example:

- **Designate a “deviant.”** Appoint a naysayer who will challenge the team's desire for too much homogeneity (which stifles creativity).
- **Avoid double digits.** Build teams of no more than nine people. Too many more, and the number of links between members becomes unmanageable.
- **Keep the team together.** Established teams work more effectively than those whose composition changes constantly.

The Idea in Practice

Additional ideas for getting the best performance from your team:

BE RUTHLESS ABOUT MEMBERSHIP

Putting together a team involves some hard decisions about who will contribute best to accomplishing the team's goals. Not everyone who wants to be on a team should be included, and some individuals should be forced off.

► Example:

In a large financial services firm, the CFO, a brilliant individual contributor, wasn't allowed on the executive committee because he was clearly disinclined toward teamwork and unwilling to work at finding collective solutions. The team functioned much better without him. The arrangement worked because the CEO communicated extensively with the CFO before and after every executive-committee meeting.

SET A COMPELLING DIRECTION

Make sure your team members know—and agree on—what they're supposed to be doing together. Unless you articulate a clear direction, different members will likely pursue different agendas.

EMBRACE YOUR OWN QUIRKINESS

There's no one right style for leading a team, so don't try to ape someone else's leadership approach. You bring your own strengths and weaknesses to the effort. Exploit what you're great at, and get help in the areas where you're not as competent.

FOCUS YOUR COACHING ON GROUP PROCESSES

For your team to reap the benefits of any coaching you provide, you'll need to focus that coaching on enhancing group processes, not on guiding and correcting individual behavior. Also, timing is everything. You'll need to know how to:

- **Run a launch meeting,** so members become oriented to and engaged with their tasks.
- **Help the team conduct midpoint reviews** on what's functioning well—and what isn't. This will enable the team to fine-tune its performance strategy.
- **Take a few minutes when the work is finished** to reflect on what went well—and poorly—and to identify ways team members can make the best use of their knowledge and experience the next time around.

PROTECT YOUR DEVIANT

The deviant you designate will say things that nobody else is willing to articulate—such as “Wait a minute, why are we even doing this at all?” or “We've got to stop and maybe change direction.”

These observations can open up creative discussion—but they also raise others' anxiety levels. People may feel compelled to crack down on the deviant and try to get him to stop asking difficult questions—maybe even knock him off the team.

Don't let that happen: If you lose your deviant, your team can become mediocre.

A leading organizational psychologist explains the five critical conditions that make the difference between success and failure.

THE HBR INTERVIEW

Why Teams Don't Work

An Interview with J. Richard Hackman

Over the past couple of decades, a cult has grown up around teams. Even in a society as fiercely independent as America, teams are considered almost sacrosanct. The belief that working in teams makes us more creative and productive is so widespread that when faced with a challenging new task, leaders are quick to assume that teams are the best way to get the job done.

Not so fast, says J. Richard Hackman, the Edgar Pierce Professor of Social and Organizational Psychology at Harvard University and a leading expert on teams. Hackman has spent a career exploring—and questioning—the wisdom of teams. To learn from his insights, HBR senior editor Diane Coutu interviewed Hackman in his Harvard office. In the course of their discussion, he revealed just how bad people often are at teamwork. Most of the time, his research shows, team members don't even agree on what the team is supposed to be doing. Getting agreement is the leader's job, and she must be willing to take great personal and professional risks to set the team's direction. And if the leader isn't disciplined about managing who is on the team and

how it is set up, the odds are slim that a team will do a good job.

What follows is an edited version of that conversation.

You begin your book *Leading Teams* with a pop quiz: When people work together to build a house, will the job probably (a) get done faster, (b) take longer to finish, or (c) not get done?

That multiple choice question actually appeared on a standardized fourth-grade test in Ohio, and the obvious “answer,” of course, is supposed to be *a*—the work gets done faster. I love that anecdote because it illustrates how early we're told that teamwork is good. People tend to think that teams are the democratic—and the efficient—way to get things done. 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. But don't count on it. Research consistently shows that teams

I have no question that a team can generate magic. But don't count on it.

underperform, despite all the extra resources they have. That's because problems with coordination and motivation typically chip away at the benefits of collaboration. And even when you have a strong and cohesive team, it's often in competition with other teams, and that dynamic can also get in the way of real progress. So you have two strikes against you right from the start, which is one reason why having a team is often worse than having no team at all.

You've said that for a team to be successful, it needs to be real. What does that mean?

At the very least, it means that teams have to be bounded. It may seem silly to say this, but if you're going to lead a team, you ought to first make sure that you know who's on it. In our recent book *Senior Leadership Teams*, Ruth Wageman, Debra Nunes, James Burruss, and I collected and analyzed data on more than 120 top teams around the world. Not surprisingly, we found that almost every senior team we studied thought that it had set unambiguous boundaries. Yet when we asked members to describe their team, fewer than 10% agreed about who was on it. And these were teams of senior executives!

Often the CEO is responsible for the fuzziness of team boundaries. Fearful of seeming exclusionary—or, on the other end of the spectrum, determined to put people on the team for purely political reasons—the chief executive frequently creates a dysfunctional team. In truth, putting together a team involves some ruthless decisions about membership; not everyone who wants to be on the team should be included, and some individuals should be forced off.

We worked with a large financial services firm where the CFO wasn't allowed on the executive committee because he was clearly a team destroyer. He was disinclined toward teamwork, he was unwilling to work at finding collective solutions, and every team he was on got into trouble. The CEO invited the CFO to stay in his role because he was a truly able executive, but he was not allowed on the senior executive team. Although there were some bruised feelings at first, in the end the CFO was much happier because he didn't have to be in "boring" team meetings, and the team functioned much better without him. The arrangement worked because the CEO

communicated extensively with the CFO both before and after every executive committee meeting. And in the CFO's absence, the committee could become a real team.

You also say that a team needs a compelling direction. How does it get one?

There is no one right way to set a direction; the responsibility can fall to the team leader or to someone in the organization outside the team or even to the team itself in the case of partnerships or boards of directors. But however it's done, setting a direction is emotionally demanding because it always involves the exercise of authority, and that inevitably arouses angst and ambivalence—for both the person exercising it and the people on the receiving end. Leaders who are emotionally mature are willing and able to move toward anxiety-inspiring situations as they establish a clear, challenging team direction. But in doing so, a leader sometimes encounters resistance so intense that it can place his or her job at risk.

That point was dramatically brought home to me a few years ago by a participant in an executive seminar I was teaching. I'd been talking about how leaders who set direction successfully are unafraid to assume personal responsibility for the mission of the team. I mentioned John F. Kennedy and Martin Luther King, Jr., and I got carried away and said that people who read the New Testament knew that Jesus did not convene little team meetings to decide the goals of the ministry. One of the executives in the class interrupted me and said, "Are you aware that you've just talked about two assassinations and a crucifixion?"

What are some common fallacies about teams?

People generally think that teams that work together harmoniously are better and more productive than teams that don't. But in a study we conducted on symphonies, we actually found that grumpy orchestras played together slightly better than orchestras in which all the musicians were really quite happy.

That's because the cause-and-effect is the reverse of what most people believe: When we're productive and we've done something good together (and are recognized for it), we feel satisfied, not the other way around.

In other words, the mood of the orchestra members after a performance says more about how well they did than the mood beforehand.

Another fallacy is that bigger teams are better than small ones because they have more resources to draw upon. A colleague and I once did some research showing that as a team gets bigger, the number of links that need to be managed among members goes up at an accelerating, almost exponential rate. It's managing the links between members that gets teams into trouble. My rule of thumb is no double digits. In my courses, I never allow teams of more than six students. Big teams usually wind up just wasting everybody's time. That's why having a huge senior leadership team—say, one that includes all the CEO's direct reports—may be worse than having no team at all.

Perhaps the most common misperception about teams, though, is that at some point team members become so comfortable and familiar with one another that they start accepting one another's foibles, and as a result performance falls off. Except for one special type of team, I have not been able to find a shred of evidence to support that premise. There is a study that shows that R&D teams do need an influx of new talent to maintain creativity and freshness—but only at the rate of one person every three to four years. The problem almost always is not that a team gets stale but, rather, that it doesn't have the chance to settle in.

So newness is a liability?

Absolutely. The research confirming that is incontrovertible. Consider crews flying commercial airplanes. The National Transportation Safety Board found that 73% of the incidents in its database occurred on a crew's first day of flying together, before people had the chance to learn through experience how best to operate as a team—and 44% of those took place on a crew's very first flight. Also, a NASA study found that fatigued crews who had a history of working together made about half as many errors as crews composed of rested pilots who had not flown together before.

So why don't airlines stick to the same crews?

Because it isn't efficient from a financial per-

spective. Financially, you get the most from your capital equipment and labor by treating each airplane and each pilot as an individual unit and then using an algorithm to maximize their utilization. That means that pilots often have to dash up and down the concourses just as passengers do, and sometimes you'll have a pilot who will fly two or three different aircraft with two or three different crews in the course of a single day—which is not so wise if you look at the research. I once asked an operations researcher of an airline to estimate how long it would take, if he and I were assigned to work together on a trip, before we could expect to work together again. He calculated that it would be 5.6 years. Clearly, this is not good from a passenger point of view.

The counterexample, by the way, is the Strategic Air Command, or SAC, which would have delivered nuclear bombs had that become necessary during the Cold War years. SAC teams performed better than any other flight crews that we studied. They trained together as a crew, and they became superb at working together because they had to. When you're working together in real time and there can be no mistakes, then you keep your teams together for years and years rather than constantly change their composition.

If teams need to stay together to achieve the best performance, how do you prevent them from becoming complacent?

This is where what I call a deviant comes in. Every team needs a deviant, someone who can help the team by challenging the tendency to want too much homogeneity, which can stifle creativity and learning. Deviants are the ones who stand back and say, "Well, wait a minute, why are we even doing this at all? What if we looked at the thing backwards or turned it inside out?" That's when people say, "Oh, no, no, no, that's ridiculous," and so the discussion about what's ridiculous comes up. Unlike the CFO I mentioned before, who derailed the team by shutting down discussions, the deviant opens up more ideas, and that gets you a lot more originality. In our research, we've looked carefully at both teams that produced something original and those that were merely average, where nothing really sparkled. It turned out that the teams with deviants outperformed teams without them. In many cases, deviant thinking is a source of great innovation.

Every team needs a deviant, someone who says, "Why are we even doing this at all?"

I would add, though, that often the deviant veers from the norm at great personal cost. Deviants are the individuals who are willing to say the thing that nobody else is willing to articulate. The deviant raises people's level of anxiety, which is a brave thing to do. When the boat is floating with the current, it really is extraordinarily courageous for somebody to stand up and say, "We've got to pause and probably change direction." Nobody on the team wants to hear that, which is precisely why many team leaders crack down on deviants and try to get them to stop asking difficult questions, maybe even knock them off the team. And yet it's when you lose the deviant that the team can become mediocre.

What makes a team effective, and how can a team's leader make it perform better?

A good team will satisfy its internal or external clients, become stronger as a unit as time passes, and foster the learning and growth of its individual members. But even the best leader on the planet can't make a team do well. All anyone can do is increase the likelihood that a team will be great by putting into place five conditions. (See the sidebar "How to Build a Team.") And the leader still will have no guarantees that she will create a magical team. Teams create their own realities and control their own destinies to a greater extent, and far sooner in their existence, than most team leaders realize.

In 1990 I edited a collection of essays by colleagues who had studied teams performing diverse tasks in 27 organizations—everything from a children's theater company to a mental-health-treatment team to a beer-sales-and-delivery team. In those studies, we found that the things that happen the first time a group meets strongly affect how the group operates throughout its entire life. Indeed, the first few minutes of the start of any social system are the most important because they establish not only where the group is going but also what the relationship will be between the team leader and the group, and what basic norms of conduct will be expected and enforced.

I once asked Christopher Hogwood, the distinguished conductor for many years of the Handel and Haydn Society in Boston, how important the first rehearsal was when he served as an orchestra's guest conductor. "What do you mean, the first *rehearsal*?" he asked. "All I have is the first few minutes." He went on to explain that there's nothing he pays greater attention to than the way he starts the first rehearsal. That's because he knows that the orchestra members will make a very quick assessment about whether or not they're going to make great music together, or whether he is just going to get in their way.

I do think there is one thing leaders such as Hogwood and others can do to improve the chances that a team will become something special, and that is to embrace their own quirkiness. You shouldn't try to lead like Jeff Bezos, because you are not Jeff Bezos. Each leader brings to the task his or her own strengths and weaknesses. Exploit the day-lights out of the stuff you're great at, and get help in the areas where you're not so good. Don't try to ape any leadership model or team, because there's no one right style for leading a team. There are many different ways to create the conditions for effectiveness, sustain them, and help teams take full advantage of them. The best team leaders are like jazz players, improvising constantly as they go along.

How good are companies at providing a supportive context for teams?

Perversely, the organizations with the best human resource departments often do things that are completely at odds with good team behavior. That's because HR departments

How to Build a Team

In his book *Leading Teams*, J. Richard Hackman sets out five basic conditions that leaders of companies and other organizations must fulfill in order to create and maintain effective teams:

1: Teams must be real. People have to know who is on the team and who is not. It's the leader's job to make that clear.

2: Teams need a compelling direction. Members need to know, and agree on, what they're supposed to be doing together. Unless a leader articulates a clear direction, there is a real risk that different members will pursue different agendas.

3: Teams need enabling structures. Teams that have poorly designed tasks,

the wrong number or mix of members, or fuzzy and unenforced norms of conduct invariably get into trouble.

4: Teams need a supportive organization. The organizational context—including the reward system, the human resource system, and the information system—must facilitate teamwork.

5: Teams need expert coaching. Most executive coaches focus on individual performance, which does not significantly improve teamwork. Teams need coaching as a group in team processes—especially at the beginning, midpoint, and end of a team project.

Off and Running: Barack Obama Jump-Starts His Team

by Michael Beschloss

If the launch of a team is as critical as Professor J. Richard Hackman says, then Barack Obama has done pretty well. He appointed his administration's top officials much faster than most presidents do. Given the monumental crises that faced him the moment he was elected, he had to move quickly. The downside of speed was that some of his choices didn't work out—notably Bill Richardson and Tom Daschle. Obama has certainly brought onto his team people of strong temperaments and contrasting views, starting with Hillary Clinton at the State Department and Jim Jones at the National Security Council. This suggests that we have a president who is unusually sure of his own ability to absorb differing opinions. Appointing people like Clinton also shows his eagerness to harness the talent of his former opponents. Compare that with the record of George W. Bush; his people told many job seekers who had supported John McCain in the 2000 Republican primaries, "Sorry, you backed the wrong horse!"

Of course, Obama is taking a risk by hiring so many strong and contentious personalities. He will inevitably have to spend a lot of time and energy serving as referee. This is what happened with Franklin Roosevelt, who also brought strong-minded figures into his government. One difference with Obama, however, is that FDR temperamentally loved the infighting. He liked to pit people against one another, believing that competition evoked the best performance from everyone. At times FDR actually enjoyed making his underlings

suffer. I don't think Obama does.

Most presidents prefer a happy ship, and in some cases their definition of loyalty includes not rocking the boat on major administration programs. Richard Nixon fired his interior secretary, Walter Hickel, for opposing his Vietnam War policies. There was a dissenter (what Hackman calls a deviant) on Lyndon Johnson's team—Undersecretary of State George Ball, who strongly opposed the Vietnam War. Johnson would cite Ball when people complained that he surrounded himself with yes-men, but in fact Ball had little influence when LBJ met with top officials on Vietnam. Everyone in the group knew that Johnson didn't take Ball's antiwar arguments very seriously. If you really want dissenting views, better to use the Roosevelt-Obama model, where they can come from almost any member of the team—and not just from one designated rabble-rouser.

The reappointment of Bush's defense secretary, Robert Gates, also reveals Obama's self-confidence. He's clearly willing to concede that there are things he doesn't know, so he appointed someone with more than three decades of national security experience. This decision has the historical echo of John Kennedy's near-reappointment in 1961 of Dwight Eisenhower's defense secretary, who coincidentally was named Thomas Gates. Like Obama, Kennedy was a young president with little national security background and thought it might reassure people to have the previous defense secretary stay on at the Pentagon. Like Obama, JFK also suspected that a number of things

might go wrong with national security during his first year as president. He felt that Americans might be less likely to blame the Democratic president if a Republican secretary of defense was there at his side. In the end Kennedy did not have the stomach for the risk of keeping a Republican appointee at the Pentagon. Obama did.

Obama's first months in office prove the importance of having a president who can convey his view of the country and the world and why he thinks his plans will work. One of Hillary Clinton's biggest criticisms a year ago was that Obama gave great speeches but that it didn't have all that much to do with being a strong president. Obama argued that it did, and he was right. Like Roosevelt's addresses in 1933 and Reagan's in 1981, his public utterances—especially his speech to Congress in February—have done a lot to gain acceptance for his programs from skeptical Americans. However jaded they may be about government, Americans—even those who didn't vote for him—are still inclined to turn to their president to explain foreign and domestic crises. Imagine how much more anxious they might feel now if Obama did not do this so effectively. Unfortunately for us all, it's likely that he'll have to call more on that skill as the crisis mounts in the months ahead.

Michael Beschloss has written nine books about presidential leadership, most recently Presidential Courage (Simon & Schuster, 2007).

tend to put in place systems that are really good at guiding, directing, and correcting individual behavior. Take a personnel system that has been honed by industrial psychologists to identify the skills of a particular job and test individual employees on those skills. In such a system, the HR department will set up training to develop the “right” people in the “right” way. The problem is this is all about the individual. This single-minded focus on the individual employee is one of the main reasons that teams don’t do as well as they might in organizations with strong HR departments. Just look at our research on senior executive teams. We found that coaching individual team members did not do all that much to help executive teams perform better.

For the team to reap the benefits of coaching, it must focus on group processes. And timing is everything. The team leader needs to know how to run a launch meeting, so that members become oriented to and engaged with their tasks; how to help the team review at the midpoint what’s functioning well—and what isn’t—which can correct the team’s performance strategy; and how to take a few minutes when the work is finished to reflect on what went well or poorly, which can help members make better use of their knowledge and experience the next time around. Team coaching is about fostering better teamwork on the task, not about enhancing members’ social interactions or interpersonal relationships.

There’s a lot of talk about virtual teams these days. Can they work, or are they falling victim to what Jo Freeman once called the “tyranny of structurelessness”?

Virtual teams have really come into their own in the past decade, but I don’t believe they differ fundamentally from traditional teams. There was a fantasy in the beginning that everyone would be swarming around on the internet, that the wisdom of crowds would automatically prevail, and that structureless groups would come up with new and profound things that face-to-face groups could never have generated. But nirvana never materialized; virtual teams need the basic conditions for effectiveness to be in place just as much as face-to-face teams, if not more so. That said, we are seeing that we can make do with much less face-to-face contact than we

ever thought possible. Today’s technology, for example, lets you have a chat window open during a web conference so you can type in the word “hand” to signal that you want to talk next. People don’t need to see your face to know that you want to speak up. But even well-structured virtual teams need to have a launch meeting with everyone present, a mid-point check-in that’s face-to-face, and a live debriefing. I don’t think for a minute that we’re going to have effective online teams if we don’t know who’s on the team or what the main work of the team really is, and so far that’s still a problem with virtual teams.

Given the difficulty of making teams work, should we be rethinking their importance in organizations?

Perhaps. Many people act as if being a team player is the ultimate measure of one’s worth, which it clearly is not. There are many things individuals can do better on their own, and they should not be penalized for it. Go back for a moment to that fourth-grade question about working together to build a house. The answer probably is that teamwork really does take longer or that the house may not get built at all. There are many cases where collaboration, particularly in truly creative endeavors, is a hindrance rather than a help. The challenge for a leader, then, is to find a balance between individual autonomy and collective action. Either extreme is bad, though we are generally more aware of the downside of individualism in organizations, and we forget that teams can be just as destructive by being so strong and controlling that individual voices and contributions and learning are lost.

In one management team we studied, for example, being a team player was so strongly valued that individuals self-censored their contributions for fear of disrupting team harmony. The team, in a spirit of cooperation and goodwill, embarked on a course of action that was bound to fail—for reasons that some members sensed but did not mention as the plans were being laid. One wonders if the crisis in the financial world today would be quite so catastrophic if more people had spoken out in their team meetings about what they knew to be wrongful practices. But again that brings us back to the hazards of courage. You’d like to think that people who do the courageous right thing and speak out will get

their reward on earth as well as in heaven. But you don't always get your reward here on earth. While it's true that not being on a team can put your career on hold, being a real and committed team player—whether as a team leader, a deviant, or just a regular member who speaks the truth—can be dangerous business indeed.

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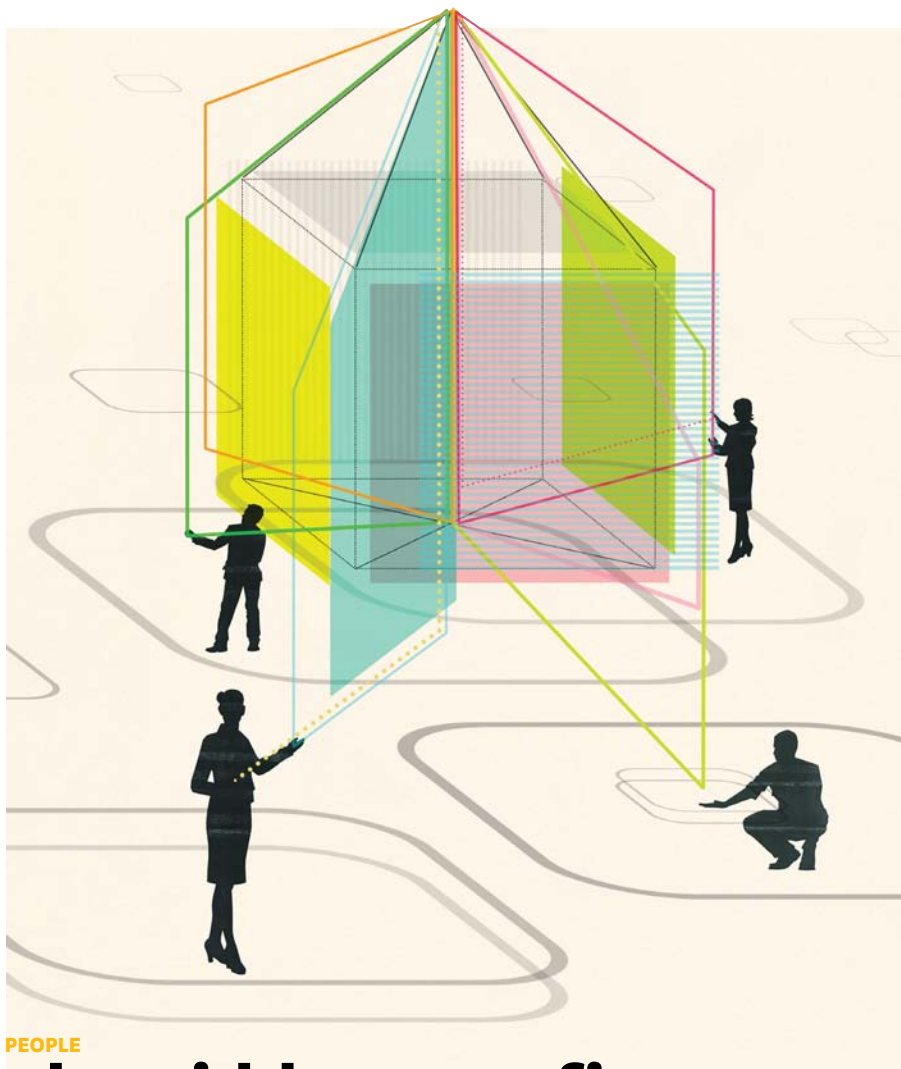
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IDEA WATCH

The Hidden Benefits of Keeping Teams Intact

Most managers underestimate the power of familiarity. Use it to drive performance.
by Robert Huckman and Bradley Staats



PEOPLE

The Hidden Benefits of Keeping Teams Intact

Most managers underestimate the power of familiarity. Use it to drive performance.

by Robert Huckman and Bradley Staats

A few years ago one of us met an orthopedic surgeon with a reputation as the Henry Ford of knee replacements. Most surgeons take one to two hours to replace a knee, but this doctor routinely completes the procedure in 20 minutes. In a typical year he performs more than 550 knee replacements—2.5 times as many as the second-most-productive surgeon at his hospital—and has better outcomes and fewer complications than many colleagues. During his 30-year career he has implemented dozens of techniques to improve his efficiency. For instance, he uses just one brand of prosthetic knee, and he opts for epidurals rather than general anesthesia. But another factor contributes to his speed: Although most surgeons work with an ever-changing cast of nurses and anesthesiologists, he has arranged to have two dedicated teams, one in each of two adjoining operating rooms; they include nurses who have worked alongside him for 18 years. He says that few of the methods he has pioneered would be practical if not for the easy familiarity of working with the same people every day.

Managers understand intuitively that team familiarity—the amount of experience individuals have working with one another—can influence how a group performs. But over the past seven years we’ve examined teams in corporate, health care, military, and consulting settings to un-

derstand team familiarity and quantify its benefits, and we've found that it is a much more profound phenomenon than most managers believe. They could and should be leveraging it to a far greater extent, especially in an era when teams are constantly forming, disbanding, and regrouping.

To do so they will need to overcome several barriers. Few organizations have integrated systems that track how frequently employees have worked together. Many managers put too much faith in shuffling rosters to prevent staleness and ensure fresh thinking. And realities such as cost pressures, developmental needs, travel limitations, and office politics often make familiarity hard to achieve. But organizations will benefit if leaders learn to surmount those barriers.

Take Advantage of the Learning Curve

We aren't the first to investigate the importance of team familiarity. Prior research by academics such as the Harvard psychology professor Richard Hackman, who studied the performance of flight crews, has established that teams, like individuals, experience a learning curve. They generally do better as their members become familiar with one another. Other researchers have looked at how the performance of pro basketball teams varies according to how long players have been together. (See the sidebar "Stranger Danger.") In our work we have tried to better understand the degree to which performance improves with team familiarity, particularly in project-based environments in which so-called fluid teams frequently form and re-form.

In a study conducted with the University of Oxford professor David Upton at the Bangalore-based software services firm Wipro, we examined 1,004 development projects involving 11,376 employees, using detailed personnel records to determine which employees had worked together before and to what extent. Then we looked at how well teams did, using criteria such as the number of defects in the software each team produced and the groups' adherence

to deadlines and budgets. Rather than regard team familiarity as an all-or-nothing proposition, we constructed a continuous measure, counting the number of times team members had worked with one another over the previous three years and scaling the results according to the number of people on the team. We found that when familiarity increased by 50%, defects decreased by 19%, and deviations from budget decreased by 30%. We also found that familiarity was a better predictor of performance than the individual experience of team members or project managers.

In a second study at Wipro, we looked at how teams coped with the challenges of

At a software services firm, a

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On audit and consulting teams, high familiarity yielded a

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improvement in performance, as judged by clients.

diverse experience among their members and found that although such diversity was generally associated with lower performance, teams with high degrees of familiarity were able to use it to improve. A third study one of us conducted with audit and consulting teams (in collaboration with Heidi Gardner and Francesca Gino, both of Harvard Business School) found a 10% improvement in performance, as judged by clients, when teams had members with a high degree of familiarity.

Why does team familiarity have such an outsize effect? Our research suggests that five factors are primarily responsible.

Coordinating activities. Teams made up of diverse specialists are infamous for their inability to get things done. Despite the best-laid plans of the managers who assemble such teams, the differences among members frequently lead to poor communication, conflict, and confusion. Members new to one another simply don't understand when and how to communicate. Some groups never master this; and even in groups that do, the process takes time, slowing progress toward team goals. Familiarity can help a group overcome this obstacle: Once a team has learned when and how to communicate on one project, it can carry those skills over to the next.

Learning where knowledge lies. Research shows that many teams struggle to tap the knowledge each individual brings to the task, because their members don't know who has what information. Unearthing this knowledge can take time and effort; the more frequently the same individuals work together, the better an organization amortizes this investment.

Responding to change. Teams are increasingly asked to pivot mid-project because of competitive pressures or shifts in customer preferences. This creates stress and requires flexibility. Team familiarity provides a common platform from which the group can work to meet such new demands.

Integrating knowledge in order to innovate. Innovative solutions typically

STRANGER DANGER

Business isn't the only arena in which team familiarity improves performance. Research has shown that it's effective in other spheres as well.



DEFENSE

Leaders try to keep Special Ops teams, such as Navy Seals, intact. Over the past decade commanders of other units have also increased team familiarity, to better deal with dynamic environments such as Afghanistan.



SPORTS

A study of pro basketball teams found that familiarity reduced bad passes—but teams with too much familiarity committed more errors, perhaps because their opponents could predict their moves.



AVIATION

Research shows that 73% of commercial aviation incidents occur on a crew's first day of flying together. And a NASA study found that fatigued but familiar crews make about half as many errors as rested but unfamiliar ones.



SURGERY

A study of surgeons who worked at multiple hospitals found that their performance varied from facility to facility—perhaps because of their varying levels of familiarity with the OR teams at different locations.



come from new combinations of existing knowledge. For this to occur within a team, members must not only impart specific pieces of knowledge to one another but also integrate those isolated pieces of information. Because familiarity helps team members share information and communicate effectively, it makes them more likely to integrate knowledge and come up with a coherent, innovative solution.

Capturing value. Organizations build competitive advantage when they create capabilities their competitors cannot replicate. Familiar teams are a key source of such advantage, because a competitor can't replicate an entire team's capabilities by hiring away an individual member. Each team member's performance is dependent on that of the others.

Create Better Teams

One of the benefits of using team familiarity as a tool is that implementation is relatively straightforward. The first step is to gain awareness. Managers should keep in mind the advantages of allowing individuals to work together frequently and make team assignments accordingly. If this sounds like a limiting factor, remember that a familiar team does not necessarily mean a dedicated team—one whose members rarely change, like the teams the superproductive knee surgeon had. A team with some degree of familiarity is better than a team with none. A little bit can go a long way.

We believe that many organizations should go beyond this first step and systematically measure and report on the prior experience individuals have working with one another. Organizations already use sophisticated IT systems to record employees' work histories and performance; in many cases, tracking familiarity would mean simply adding information to an existing system. Leading consulting firms, for instance, track what industries, customers, and types of projects each consultant has worked with. They should add familiarity—how many times specific combinations of workers have been on projects together—to the dimensions of experience they monitor.

The final step is to begin formally managing around the metric of team familiarity. This does not mean that the most-familiar team members should always be assigned to work together. It means realizing that because familiar teams perform better over the long term, it's in the organization's interest to cultivate familiarity. (For many managers, it also means learning to overcome the instinctive desire to shake things up.) That realization might lead a manager to place two less familiar workers on the same team—the experience they gain with each other will pay off in future projects. It might mean accepting the travel costs of including a far-flung employee. It might mean considering the benefits of team familiarity when deciding whether to try to retain a worker who's considering an outside job offer. It might also mean giving

a key new executive wide latitude to hire former colleagues to join her on an important project.

Many questions about team familiarity remain. For instance, much of the existing research has focused on teams engaged in fairly routinized (albeit sophisticated) tasks, such as surgery, auditing, and piloting an aircraft. Team familiarity may not drive performance in more-innovative work—the kind done by the creative employees in an advertising agency or by the R&D group at a consumer products company. Indeed, although research has shown that familiarity can create the trust thought to be crucial for activities such as brainstorming, it may be that this benefit is trumped by the fresh perspectives that come from adding new voices to creative tasks. We also don't know much about how returns from team familiarity might change over time: Existing research suggests that in some contexts, people who work together *too* long become stale and see their performance drop.

What we do know is that in many cases, people who have collaborated before will work better together than people who haven't—and that most organizations could do a far better job of exploiting this simple but powerful insight. ♥

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LEVERAGING DIVERSITY THROUGH **PSYCHOLOGICAL SAFETY**

Diversity is a key element of the modern landscape, but left unchecked, it can impair both performance and learning. The antidote: psychological safety.

by **Amy Edmondson** and **Kathryn Roloff**

A NURSE WORKING THE NIGHT SHIFT in a busy urban hospital makes her evening rounds – reviewing patients’ treatment plans, taking temperatures and administering medications. She notices that the dosage for one of the patient’s meds seems a bit high. Fleeting, she considers calling the doctor at home to check the order. Just as fleetingly, she recalls the doctor’s disparaging comments about her abilities the last time she called. All but certain that the dose is in fact fine (the patient has an unusual condition and is on an experimental protocol, justifying the high dose), she pulls the drug from the supply cabinet and heads for the patient’s bed.

In the nurse’s hesitation and almost imperceptible decision not to call the physician, she has implicitly considered – and effectively discounted – the possibility that a patient may be harmed. The discount is not caused by a lack of caring about human life; quite

the contrary, this person has devoted her career to caring for and helping to heal the sick. Instead, in that subtle moment of opportunity to voice rather than suppress a concern, her brain has exaggerated the importance of the doctor’s scorn and minimized to near zero the chance of future harm to the patient.

Far from the urban hospital, a young pilot in a military training flight notices that the senior pilot, a captain, may have made a crucial misjudgment, but lets the moment go by without pointing out the error. The young pilot is not only of lower rank and status but is also formally evaluated on every flight. The prospect of speaking up to the superior officer brings significant emotional costs, even though the pilots are thought of as interdependent members of a cockpit team. Unlike the nurse, the pilot chooses silence possibly over preservation of his *own* life. Here again, he inadvertently dis-

counts the chances that not speaking up will lead to a fatal crash and lets the anticipated discomfort of being chastised or ignored distort his judgment.

A senior executive, recently hired by a successful consumer products company, has grave reservations about a planned takeover. New to the top management team and conscious of his status as an outsider, he remains silent because other executives seem uniformly enthusiastic. Many months later, when it is clear that the takeover has failed badly, the team gathers to review what happened. Aided by a consultant, each executive muses on what he or she might have done to contribute to the failure. The silent executive, now less of an outsider, reveals his prior concerns, openly apologetic about his silence, explaining – with palpable emotion – that the others' enthusiasm left him afraid to be 'the skunk at the picnic'.

What these vignettes capture are moments of failed collaboration. Unfortunately, such moments happen countless times throughout the day in virtually every workplace, usually without much conscious attention. When uncertainty clouds our tentative thoughts and views – views that may be at odds with those of others' – we often take the path of 'reduced interpersonal resistance'; it feels natural to do so in all but the most familiar settings. This can happen when a lot is at stake (a patient's health, an aircraft's safety, a costly takeover) and when not much is at stake (a small improvement idea is not communicated to the individual who could act on it.) Either way, the silence, along with the incomplete thoughts that lie behind it, inhibits team learning in organizations that depend upon such learning for their ongoing viability.

Effective communication across boundaries – whether they be disciplinary, status-based, geographic or demographic – is particularly challenging under conditions of uncertainty. In this article we propose that 'psychological safety' can mitigate the challenges posed by such boundaries.

Psychological Safety

Psychological safety, or the belief that one will not be rejected or humiliated in a particular setting or role, describes a climate in which people feel free to express work-relevant thoughts and feelings. In psychologically-safe environments, people believe that if they make a well-intentioned mistake, others will not think less of them for it, nor will they resent or penalize them for asking for help, information or feedback. Psychological safety thus fosters the confidence to take interpersonal risks, allowing oneself and one's colleagues to learn and focus on collective goals and problem prevention rather than on self-protection.

While this may sound simple, expressing work-relevant thoughts and feelings can be unexpectedly challenging when those thoughts stand a chance to oppose the views of others, and when uncertainty makes it hard to know for sure whether one is right or how one might be received. Yet this is exactly what is required of teams and their members if they are to realize the promise of collaboration across boundaries.

My own [Prof. Edmondson's] research in a variety of organizations has shown that perceptions of psychological safety (whether

high or low) tend to be very similar among people who work closely together, such as members of a team. This happens both because team members are subject to the same set of contextual influences and because these perceptions develop out of salient shared experiences. A team with high psychological safety is not one characterized by an unrelentingly positive affect or a careless sense of permissiveness, but rather one in which members are confident that their team will not embarrass, reject or punish someone for speaking up.

Team psychological safety thus describes an interpersonal climate characterized by trust and respect, in which people are comfortable being themselves. Leaders are instrumental in creating such a climate by explicitly inviting input and feedback, being inclusive and fostering trust and respect, while modeling openness and fallibility themselves. Consequences of a psychologically-safe environment may include help and feedback seeking, speaking up about errors and concerns, innovation and boundary spanning behaviour.

In organizations with salient power hierarchies such as hospitals, the interpersonal risks of speaking up can be particularly acute. Team leaders are often high-status senior physicians whose role and stature can be intimidating to members of other professions, such as nursing, social work, or physical therapy. In a study of cardiac surgery teams, I showed that physicians play a critical role in mitigating self-censorship by inviting team members to speak, minimizing the effect of status differences by explicitly stating that all team members' input is essential to providing high-quality care. Another study with Yale Professor **Ingrid Nembhard** looked at psychological safety and professional status in hospitals and its effect on improvement efforts. Notably, although psychological safety increased, on average, with professional status, in some work groups, inclusive leadership mitigated the status differences, and these groups were found to have greater engagement in quality improvement and more extensive team learning.

Three Types of Diversity

Organizations of all types rely heavily on the collaboration and learning of diverse teams. To date, researchers have often treated diversity as a single idea, diluting the interpretability of different findings. Penn State Professor **David Harrison** and Wharton's **Katherine Klein** propose organizing diversity into three categories: *separation*, *variety* and *disparity*. We will examine each in turn.

1. Separation Diversity

This type of diversity occurs when differences in a particular attribute within a group take different values along a horizontal continuum. For example, differences in opinion with respect to a particular issue represent a form of separation diversity, as do differences in time zone or physical location. Research shows that psychologically, individuals have a strong preference for others in a perceived 'in-group' and a bias against those in perceived 'out-groups'. As a result, when salient horizontal differences exist between members of a team, individuals categorize members as

Individuals have a strong preference for others in
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in perceived 'out-groups'.



in-group or *out-group*, depending upon similarity to, or distance from them. Working in teams, people tend to prefer homogeneity over heterogeneity due to a preference for being with others who are perceived to be similar in values, attitudes and beliefs. On average, homogeneous teams experience greater trust and communication among members.

Despite deeply-entrenched cognitive biases towards similarity, it is well established that group conformity often leads to groupthink and interferes with the creative process. The quality of the communication in non-diverse groups is likely to be narrow in scope and less useful for accomplishing team goals. Researchers have noted that the 'positive conflict' that arises from disagreement stimulates learning and collaboration in teams. However, achieving this is difficult because differences in values, attitudes or belief are deeply personal. However, with leadership and attention, groups with separation diversity can work together to build trust and psychological safety, enabling appreciation of others' differences.

Literal separation, in terms of physical location, is an increasingly common form of separation diversity, as a growing number of teams work across different locations. In many global companies, work teams in geographically-dispersed locations are used to integrate expertise. Harvard researcher **Debora Sole** and I showed that team members at specific locations can develop situated knowledge, or site-specific work practices and understanding, that team members in other locations lack. Such knowledge functions as a form of tacit team knowledge and can be a source of useful input for geographically-dispersed work teams. Yet without psychological safety and active sharing of this knowledge, it is ignored or underutilized, much the same way that tacit individual knowledge is underutilized.

2. Variety Diversity

With this type of diversity, group differences are categorical. For example, differences in education may categorize individual members into groups as 'psychologists', 'lawyers' or 'engineers'. Other categorical differences include gender or ethnicity. One of the major sources of variety diversity in organizational teams stems from differences in expertise. Teams with high levels of expertise differences are often called 'cross-functional teams'. Such multi-

disciplinary integration is on the rise, especially for innovation projects. Under the right conditions, expertise differences can stimulate learning behaviours, as cross-functional teams can serve as a mechanism for combining different sets of highly-specialized skills into one cohesive group.

The obvious benefit of this form of collaboration is the qualified, high-level information that can be brought to the table by each team member. On the other hand, specialized team members can become entrenched in the values and knowledge of their discipline, resulting in reduced flexibility and increased conflict. When teamwork is hampered by goals narrowly associated with discipline identity, consensus becomes difficult. However, the conflict that arises in groups with expertise differences can improve team learning because it is caused in part by the sharing of multiple perspectives and scenarios while preventing the threats of groupthink.

Demographic differences serve as another major source of variety diversity in work teams, stemming from the increases in travel and immigration. Organizations recognize this trend and often create diverse teams to access unique cultural perspectives. Yet, merely having members of various cultures on a team is not enough to realize the associated benefits. In one study, researchers found that when significant cultural differences are apparent in groups, individuals will often identify more strongly with their cultural subgroup rather than with the larger group. This is because being in the cultural minority is often an obvious part of the individual's identity, and these individuals perceive their evaluation as team members as tied to their cultural identity. Here too, it takes effort to build an interpersonal climate in which these differences can be enriching to the team's process and output.

3. Disparity Diversity

Disparity diversity is manifested as group differences falling along a vertical continuum, ranked according to the social value of a particular attribute. For example, differences in professional status among team members. This type of diversity may be the most challenging for ensuring collaboration: when differences between members fall on a vertical scale where those at the top have the most power and those at the bottom have the least, lower-power individuals may find it hard to speak up, as illustrated in our opening vignettes.

Examples of Team Diversity

Figure One

	Demographic	Expertise	Location	Status
Type of Diversity:	Variety and/or disparity	Variety	Separation	Disparity
Composition of Team:	Multiple identity groups based on demographic origins	Multiple sets of skills and expertise based on education and work experience	Geographically dispersed team members	More than one status level
Team Challenges:	Tacit knowledge based on culture, gender, race, age or other salient identity	Team members who identify with expertise-related subgroups over team identity	Creating a team goal adapted to multiple local needs	Social norms of deference to authority
Collaboration Enabled By:	- Sharing individual perspectives - Creating an orientation towards valuing cultural differences	- Sharing expertise-based knowledge as possible - Fostering a collective group identity	- Periodic visits to other sites - Attention to unique local knowledge and focus on shared goal	Leadership inclusiveness to minimize experienced status gaps

Although demographic differences are categorical, they sometimes also fall along a power hierarchy due to the nature of social power hierarchies in society; for example, power differences in organizations have been documented for gender and race. Individuals cognizant of the threat of negative stereotypes associated with cultural identity may become hindered by self-fulfilling prophecies or a perceived need to ‘overcome’ negative stereotypes before being valued on equal turf with the other members of the team. Similarly, unconscious negative stereotypes significantly hinder the team’s performance by virtue of team members ‘dancing around the issue,’ which allows negative stereotypes to arise in other, more subtle ways.

Teams and organizations that work to actively acknowledge and utilize unique cultural knowledge *ipso facto* support many of the factors associated with increased psychological safety, notably respect for different points of view and norms of openness in communication. Thus, in culturally-diverse teams, members’ perspectives on cultural diversity can serve to increase or decrease team psychological safety and learning.

When teams are initially formed, cultural diversity can promote team learning by including a wide range of perspectives, which increases the amount of team knowledge. However, over time, if the power hierarchies associated with ethnic differences persist, these differences can limit the effectiveness of communication and hence collaboration. Without active attempts to reduce power differences, over time ethnic diversity is likely to limit the effectiveness of communication by silencing less powerful team members and reducing collaboration. This is in part because members of different identity groups – whether based on age, race,

gender or cultural background – come to the team with different taken-for-granted assumptions that, when left unexplored and unchallenged, can give rise to misunderstandings.

Teams can also encompass differences in professional status, another form of disparity diversity. Professional status has been found to significantly impact team beliefs about psychological safety. Team members are well aware of the benefits that come with professional status. Yet, even team members with identical professional identities can have status differences (consider intern-level and senior attending physicians working together to care for patients, or the pilots with whom we opened this chapter). When teams include one or more members of different status, the stakes for taking interpersonal risks increase for the lower-status members. Lower-status team members are often fearful of the negative consequences associated with perceived incompetence such as lowered chances of promotion or salary increase. Such fears can prohibit a candid flow of discourse, which is replaced instead by politeness and indirectness, abstract conversation and feigned reflective discussion.

When Diversity Types Co-Occur

The three types of diversity described above are not mutually exclusive. In fact, teams are likely to contain combinations of them. For example, an emergency room team comprised of nurses, residents and physicians faces issues of status, expertise, and often-demographic differences as well. Teams with more than one kind of diversity will face even more serious barriers to collaboration, particularly if the areas of diversity overlap, creating deeper fissures or ‘faultlines’. These occur when two or more identity groups

in a team show a high degree of overlap (e.g., 'gender and function', or 'status and expertise'), increasing the chances of conflict.

While the various types of diversity described here create potential barriers to collaboration, each can be overcome through careful attention to group process. For demographic differences, it is helpful to ensure that the unique perspectives that come with age, gender, race or cultural background are discussable. Discussion can help people value these differences and see them as resources for the group's task. Similarly, expertise diversity can be mitigated by skillful sharing of relevant knowledge, and by a strong collective group identity. For example, field research on dispersed teams shows that visiting each others' work sites is a powerful way to build trust and understanding and facilitate collaboration, long after the visits are over.

If teams facing more than one collaboration barrier experience significantly greater obstacles to collaboration than teams without such barriers then, as argued above, working to establish a climate of psychological safety may be progressively more important for teams with multiple types of diversity.

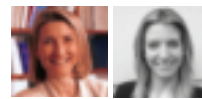
In closing

The vignettes we opened with remind us that human beings often fail to act in their own or in their organization's best interest when small interpersonal risks loom large in the moment, and that com-

munication with colleagues can be thwarted in mundane ways, despite shared aims and considerable motivation to achieve them.

Creating psychologically-safe environments is one way to overcome such incidences and unlock the enormous potential of team collaboration. Clearly, effective collaboration is a necessary component of team learning, and team learning is a critical component of performance. Despite the barriers to collaboration discussed here, team diversity can stimulate learning if the organizational context supports open communication. Psychological safety is a critical component of a context that moderates a team's ability to overcome barriers to collaboration.

In the end, psychological safety can enable team diversity to be better accessed and leveraged, reaping the benefits associated with diverse sets of skills, experience, knowledge and backgrounds in ways that would not be possible if team members were unwilling to speak up and listen carefully to each other. **R**



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LISTENING

One of the most important skills for attaining interpersonal competence is listening. Most people think of effective listening as “active listening” in which the listener uses a series of proactive behavioral techniques to encourage another to speak. While active listening is an important technique, it is but a portion of the full listening skill set. Drawing on the work of Carl Rogers, I propose a more comprehensive model of listening that, if mastered and incorporated into one’s interpersonal toolkit, leads to greater interpersonal competence and more rewarding relationships, both professional and personal.

Goals of Effective Listening

The specific goals of listening are best broken into short-term and long-term goals. The short-term goal, *listening to understand*, conveys a focus on the interpersonal episode in which the listening actually occurs. In this context the goal of listening is make sense of what the other person is trying to communicate. A secondary objective is to elicit the maximum amount of relevant information during that episode. In contrast, *listening to build relationship* focuses on longer-term objectives of a given interaction. Here, the goals are to encourage the exchange of information in the future, to motivate people to work effectively with us, and to lay a foundation for trust and respect in future engagements. Typically, people think of listening primarily in terms of its short-term goals. However, the greatest benefits of effective listening accrue over time.

The Listening Continuum

Organizational scholars, psychologists, and counselors have developed and refined a useful model of the range of behaviors that constitute listening.¹ The model, reproduced in **Figure 1**, suggests that listening behavior ranges from highly non-engaging behaviors (labeled speaker-centered behaviors) to highly engaging behaviors (labeled listener-centered behaviors).

¹ See A.G. Athos and J.J. Gabarro, *Interpersonal Behavior* (Englewood Cliffs, NJ: Prentice-Hall, 1978) and A. Benjamin, *The Helping Interview* (Boston: Houghton Mifflin, 1969) for examples of this line of thought.

The extremes of the continuum are so labeled because they reflect how much the listener influences and controls what is discussed, relative to the speaker. For example, when we listen in silence and simply allow the speaker to speak (an extremely speaker-centered behavior), she or he determines the topic to be “discussed.” As a listener, we have no say in what issues are raised, thus the speaker controls the discourse. In contrast, when we engage in commands and threats (not an uncommon scenario in many professional settings), we are engaging in highly listener-centered behaviors. Indeed, we would hardly even consider these interactions as ones involving listening.

The model groups the set of listening behaviors into three categories, each reflecting the relative level of engagement by the listener. Reflective responses are the most speaker-centered and require the least active behavior (though considerable skill is required to execute these responses). Middle-range responses require moderate levels of active engagement, and as such, limit the amount of control the speaker maintains over the topic of conversation. Finally, directive responses allow the listener to control the topic of conversation very explicitly.

Reflective Responses

Silence. Using silence means simply not speaking. As a listening skill, this is clearly an extreme example of speaker-centered responses and must be used carefully. It is easy to cause embarrassment, confusion, or fear in the speaker when the listener uses silence exclusively. Silence is more commonly useful in conjunction with other reflective skills.

<i>Speaker-Centered Responses</i>	
Reflective Responses	Silence
	Affirmations of contact (e.g., “Hm-mm”)
	Paraphrase or Restatement
	Clarification
	Reflection of core feelings (surfacing)
Middle Range Responses	Interpretation
	Encouragement, assurance
	Question
	Confrontation
Directive Responses	Challenge
	Advice
	Entreatment (urge, “sell,” cajole, moralize)
	Commands or threats
<i>Listener-Centered Response</i>	

Figure 1

Affirmations of Contact. Affirmations are useful in communicating to the speaker that the listener is engaged, yet is not trying to alter the topic of conversation. In U.S. society, affirmations are typically the most reflective response that we use. It is much more socially acceptable and comfortable than complete silence. However, note that the listener can influence topics by affirming only what she or he wants to hear. Subtly, the speaker will tend to shy away from topics that are not affirmed by the listener.

Paraphrase and Restatement. In paraphrasing and restating the speaker's points, we use words for the first time. Here, the listener uses identical or similar language and repeats back to the speaker what the listener hears. The listener should not introduce new ideas or concepts into the exchange. Rather she or he should be a "parrot." The purpose of using paraphrasing and restating is to communicate to the speaker that he or she is being heard and understood verbally.

Clarification. Clarification responses are statements that reflect or reveal what is in the speaker's awareness, but are not explicitly stated. Consider a speaker who tells you a series of stories describing unsuccessful job interviews he has had:

My first interview was with Bain and I was so nervous and answered questions so tentatively, I knew I didn't have a chance. But I figured, "Hey, it's good practice." When I interviewed with Anderson, I was more poised and I thought I did a pretty good job. But I still didn't get an offer. I interviewed with a few boutique shops and I really liked one of them, but I came up empty there, too. Finally, I had my McKinsey interview, which is the position I really wanted. I got a call back on that one, but apparently, I just missed the cut.

Upon hearing these stories, the listener might try to clarify by saying, "It seems like you've been involved in a lot of tough interview situations." The speaker never stated, "I've been in a lot of difficult interview situations," so the listener's remark is more than a simple paraphrase. The speaker might say in response to a useful clarifying remark: "I wouldn't have thought to describe it that way, but yes, you're right on target." Yet the response makes plain the reality of the situation. Clarifying remarks tend to occur earlier in the exchange and tend to be helpful in surfacing facts and events.

Reflection of Core Feelings. Reflection of core feelings is a sister skill to clarification. Like clarification, reflection of core feelings involves identifying what is fully or partially in the speaker's awareness and making it explicit. The difference between the two is that in clarification, the listener is making explicit facts or events. In core-feeling reflection, the listener is making explicit feelings and emotions that the speaker is communicating, *especially when the speaker is not identifying those feelings*. Consider the interview monologue above. A possible core-feeling reflection might be, "It sounds like experiencing these unsuccessful interviews was really discouraging for you." Again, note that the speaker said nothing about being discouraged. In this case, the listener interpreted what the speaker might have been feeling, and offered it as feedback to the speaker. Reflections of core feelings typically are offered in the later stages of an exchange or with people who are more familiar with one another. These are the points at which empathy and trust are likely to be greatest between the listener and the speaker.

Middle Range Responses

Interpretation. Interpretation reflects what the listener thinks is at the core of what the speaker is expressing, but in a way that reconfigures it so that it is presented to the speaker in a new light. Usually, interpretation responds to aspects of what the speaker is experiencing that are not in her awareness.

Interpretation is usually most effective (1) when a good relationship has already developed, (2) when the listener has a fairly complete sense of what the speaker is experiencing, and (3) when the listener feels fairly certain that the interpretation will be helpful to the speaker and that she is “ready” to hear it. Thus, interpretation tends to be more appropriate during later stages of an encounter, when these conditions have developed, than in earlier stages. Its greatest usefulness is in helping the speaker see the connections or aspects of her situation that she was not aware of, thereby facilitating better self-understanding.

Encouragement and Assurance. These responses openly encourage the speaker to pursue a line of thought that he may be hesitant to explore but that the listener thinks would be fruitful. Here, as in interpretation, the listener’s own thoughts and feelings become more important, although his or her reaction is in response to what the speaker has expressed.

Encouragement can be useful if the listener thinks that the speaker is reluctant to go on because he is afraid of disapproval of what he is about to say. When this is the case, encouragement or assurance can be a way of verbally affirming that the listener is willing to accept the speaker’s thoughts and feelings, regardless of what they might be. Encouragement can be a very powerful response in enabling the speaker to explore a conflict or problem more deeply.

Question. Questioning is an extremely powerful listening tool and has aspects that are both reflective and directive. Hence, questioning rests at the midpoint of the continuum. In its more reflective form, the listener asks a direct question, but the question is in response to what the speaker has previously expressed. The purpose of the question is to clarify the speaker’s own thoughts and feelings. When a question is asked in response to the speaker’s meanings, it can be especially helpful if it is asked in the true interest of understanding the speaker. This interest may be conveyed by gesture, tone of voice, or by phrasing. Reflective questions are best phrased as “open” questions that elicit extensive responses. For example, “What made you consider that job as an option?” offers the speaker the opportunity to discuss her thinking about job choice. In contrast, a “closed” question such as “Did you choose the consulting job or the I-banking job?” only leaves room for one of two responses. Open, reflective questions can be very useful in helping a speaker clarify her own thoughts by directing her to an aspect of what she has said that needs further exploration.

Alternatively, questions can be used in a more directive manner. The listener may ask the speaker a question from the listener’s frame of reference that leads the speaker to an area the listener wants to explore and away from what the speaker has been previously expressing.

This type of question can be useful for obtaining specifically needed information (which may be necessary for understanding what the speaker is saying). It can also be useful for directing the speaker's attention to more fruitful areas of exploration, especially where the going may be difficult. Questions of this nature are usually best asked in the middle or later stages of an encounter, when trust and rapport are more firmly rooted. Questions directed to content inevitably result in disrupting the flow of the speaker's exploration.

Confrontation. With this response, the listener confronts the speaker with inconsistencies or contradictions in what the speaker has expressed (at least as the listener sees it), or confronts the speaker with gaps in what he has said. Although this is clearly a directive response and from the listener's frame of reference, it is directed to and works off material the speaker has already expressed.

Confrontation can be especially effective in helping the speaker recognize inconsistencies either in his assumptions or when he is evading an important aspect of what he is discussing. However, great risks are involved in using confrontation as a response, and it should not be used unless trust and acceptance have already developed. It should not be used unless the listener is fairly certain that the confrontation will be beneficial in helping the speaker better understand himself. Otherwise, the confrontation can be destructive and can serve to put the speaker on the defensive.

Directive Responses

These responses are essentially directive in nature and come from the listener's frame of reference. In all these responses, the listener is reacting from her own point of view of what the speaker has said; further, she is implicitly or explicitly passing judgment on the truth, usefulness, or importance of what the speaker has expressed.

Challenge. Here, the listener challenges the veracity of the speaker's statement or the degree to which it is consistent with the listener's view of the situation. This type of response can be useful in questioning assumptions the speaker holds that may impair his ability to fully understand the situation. They can also enable the speaker to see where important assumptions or feelings do not check with reality (or at least with the listener's view of reality). A challenge can also help the speaker gain a broader perspective on his situation, and therefore give him a better understanding of it. It can also be useful, as a last resort, to get the speaker out of superficiality in which he is avoiding important aspects of his problem.

However, this kind of response or lead is risky, in that it is implicitly judgmental and comes from an external frame of reference, and it may leave the speaker feeling threatened and attacked. It should not be used unless a great deal of trust, empathy, and acceptance has already developed in the relationship; otherwise, the speaker's reaction will surely be defensive. It tends to be more appropriate and useful in later stages of an encounter.

Advice or Suggestion. The listener gives advice or counsel from the listener's point of view on the speaker's problem or situation. This lead or response (depending on the context) is most useful toward the end of an encounter in which the other person has asked us for our advice. It is least useful in the early exploratory stages of an encounter and can actively impede further exploration. It is especially appropriate when the speaker has explicitly sought advice and we feel we know enough about him and his situation to give it. Any explanation from our point of view of why a speaker is experiencing difficulties can be also considered part of this category, since we are telling him how and why we think he is having a problem or conflict.

Entreatment (urging, "selling," cajoling, moralizing, etc). Entreatment is stronger than advice, in that the listener truly wishes to convince the speaker of what the listener thinks the speaker ought to do. Entreatment includes attempts to convince the speaker to take a certain course of action or to think a certain way, based on the listener's own interpretation of the situation. (This also includes, of course, situations in which the listener feels his suggestion is in the speaker's best interest.)

Entreatment is appropriate (at least as the listener would see it) when the listener feels that the consequences are serious if the speaker does not act on the recommended advice. Although skillful "selling," cajoling, and moralizing can often get a speaker to change his behavior for the moment (and perhaps even change his mind temporarily), they are seldom effective responses in helping the speaker surface the underlying reasons for his initial resistance to the advice.

Commands or Threats. These are implied or expressed threats on the part of the listener to punish the speaker unless the speaker acts as the listener wishes him to act. When commands or threats are needed among adults, it is a sign that all attempts at communicating, helping, and understanding have failed. Its use is obvious: to prevent the speaker from acting in a way that the listener sees as highly undesirable or self-destructive. Its appropriateness is limited to those situations in which all else has failed and the listener believes it is critically important to impose her or his will on the speaker.

Final Thoughts on Effective Listening

To be an effective listener, you will find it is helpful to have a command of the entire listening continuum, even if you tend to use some of the skills more than others. As is always the case in building interpersonal competence, having a particular skill does not mean you have to use it all the time. Rather, consider the skill a part of your "interpersonal toolkit," available for any occasion when you might need it.

That said, there is no substitute for practice in building listening competence. Like learning to ride a bicycle, using the listening continuum may feel awkward at first, and you may feel unskilled in what you may think should be a natural skill. But as you practice, being an effective listener becomes considerably easier. Mastery is experienced not only as having

technical command of the listening skills, but also as having a genuine sense of empathy and connectedness to your speaker, whomever she may be.

Finally, even as you come to master all of the skills along the continuum, keep in mind that no one can be an effective listener all the time. Effective listening is a challenging skill that requires the listener's attention and energy. When you are tired or feeling stressed, you may not be able to listen well, even if you really want to. In other cases, you may have the energy to listen effectively, but you may have a difficult relationship with the speaker, or the content of the speaker's communication may be too painful for you stay focused. All of us encounter such situations from time to time. Thus, the final skill in being an effective listener is knowing when to say, "I'm sorry, but I can't be a helpful listener for you."

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MANAGING YOURSELF

Be Yourself, but Carefully

How to be authentic without oversharing
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How to be authentic without oversharing

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“Authenticity” is the new buzzword among leaders today. We’re told to bring our full selves to the office, to engage in frank conversations, and to tell personal stories as a way of gaining our colleagues’ trust and improving group performance. The rise in collaborative workplaces and dynamic teams over recent years has only heightened the demand for “instant intimacy,” and managers are supposed to set an example.

But the honest sharing of thoughts, feelings, and experiences at work is a double-edged sword: Despite its potential benefits, self-disclosure can backfire if

it’s hastily conceived, poorly timed, or inconsistent with cultural or organizational norms—hurting your reputation, alienating employees, fostering distrust, and hindering teamwork. Getting it right takes a deft touch, for leaders at any stage of their careers.

Consider Mitch, the director of a newly established department at a major U.S. university, who was responsible for negotiating and maintaining links with other educational and research institutions. Attempting to break the ice in his first meeting with the dean of a prominent college, he mentioned how excited

he was to be at the dean's school, because he'd wanted to attend it but had been rejected. He got a cold stare in response, and the meeting ended without an agreement. Mitch thought his comment was friendly and self-deprecating; now he realizes that it probably lowered his standing with the dean, who may have thought he was either challenging the admissions process or seeking pity. Mitch learned that such revelations must be skillfully deployed.

In our years of studying and consulting on leadership development, team building, and communication skills, we've come across hundreds of cases like this. Drawing on them and on more than four decades' worth of research in social and organizational psychology, we now have some lessons to share. Here we look at the common mistakes executives make when they're trying to be authentic and offer a five-step plan for moving toward more-effective self-disclosure.

Where Leaders Slip

Authenticity begins with self-awareness: knowing who you are—your values, emotions, and competencies—and how you're perceived by others. Only then can you know what to reveal and when. Good communication skills are also key to effective self-disclosure; your stories are worthwhile only if you can express them well. We typically encounter three types of executives whose lack of self-knowledge causes their revelations to fall flat—oblivious leaders, bumlbers, and open books—and two types who fail because they are poor communicators: inscrutable leaders and social engineers. (However, people often fit into more than one category at least some of the time.)

Oblivious leaders don't have a realistic view of themselves and thus reveal information and opinions in a manner that appears clueless or phony. Take Lori, the director of sales and business development for a global software company. She sees herself as an inclusive, participatory, and team-oriented manager and likes to

tell stories about her time as a junior staff member and how much she valued having a voice in decisions. But her subordinates consider her to be highly directive and thus find her anecdotes disingenuous. As one employee puts it, "I don't care if you make every decision, but don't pretend to care about my opinion."

Bumlbers have a better understanding of who they are but not of how they come across to others. Unable to read colleagues' social cues, including body language and facial expressions, they make ill-timed, inappropriate disclosures or opt out of relationship building altogether. This behavior is particularly prevalent in cross-cultural situations when people aren't attuned to differing social norms. A case in point involves Roger, a partner in a multinational consulting firm who was assigned to help boost market share for the firm's newly formed Asia-Pacific office. Asked to coach a team that had recently lost an important account, he decided to share a story about losing his first client. In the United

States, anecdotes about his own mistakes had always made his subordinates feel better. But Roger's Asian colleagues were dismayed that their new leader would risk his honor, reputation, and influence by admitting weakness.

You don't need to leave your country to bumble. Take Anne, the general manager of a cafeteria for an international technology company. An extrovert who knows herself well, she shares her experiences and perceptions freely. This can be effective when she's talking to her staff, but it's less so with outsiders. For example, when an HR manager recently complimented her on the catering she'd coordinated for an in-house awards ceremony, Anne thanked him and went on to disclose that she'd been concerned because the company had come close to outsourcing its food service. Instead of seizing an opportunity to secure more internal business for her beleaguered cafeteria, she diminished her status and worried team members who overheard the exchange.



Unable to read colleagues' social cues, including body language and facial expressions, bumlbers make ill-timed, inappropriate disclosures.

Open books talk endlessly about themselves, about others, about everything; they're too comfortable communicating. So although colleagues may seek them out as sources of information, they ultimately don't trust them. Consider Jeremy, an outgoing senior manager with a sharp mind but a string of failed management consulting engagements. When people first meet him, his warmth, intelligence, and ability to draw them into conversation make them feel as if he were an old friend. But his aggressive familiarity soon wears thin ("I know more about his wife than I know about my own," one former colleague says), and his bosses question whether he's discreet enough for client work. Indeed, Jeremy was asked to leave his most recent job after he used a key meeting with a prospective client to detail work he'd done for several others, not only outlining their problems but identifying them by name.

Inscrutable leaders are at the other end of the spectrum: They have difficulty sharing anything about themselves in the workplace, so they come off as remote and inaccessible and can't create long-term office relationships. Aviva is a registered dietician who expanded her private practice into a full-service nutritional guidance, exercise training, and health products company. Although she's talented and passionate, she has difficulty retaining employees, because she fails to communicate her enthusiasm and long-term vision. Recently featured on a panel of female entrepreneurs, she opted to present a basic annual report and outline her sales strategy rather than to captivate the audience with a personal story, as others had done. Afterward, the other panelists were flooded with résumés and business cards; Aviva had lost out on the significant benefits that can come from appropriate self-revelation.

Finally, *social engineers* are similar to inscrutable leaders in that they don't instinctively share, and to bumblerers in that they often have difficulty reading social cues, but their chief shortcoming is the

way they encourage self-disclosure within their work groups. Instead of modeling desired behaviors, they sponsor external activities such as off-site team building. Andrew, for example, is a unit head at a financial services firm with an ultracompetitive corporate culture. Every year, he sends his team on a mandatory retreat run by an outside consultant who demands personal revelations in artificial settings. Yet Andrew never models or encourages self-disclosure in the office—and he looks the other way if employees exploit colleagues' self-revealed weaknesses to get ahead. When we asked one of Andrew's direct reports about the most recent group getaway, she said, "I learned that I hate my colleagues—and my manager—even more than I thought."

Executives who make any or all of these mistakes may appear to be simply incompetent. But their cautionary tales are much more common than you might think, and we can all learn from them. In our work we've seen even the most self-aware, talented communicators err in how, when, or to whom they reveal a personal story. Everyone should understand best practices in self-disclosure.

A Five-Step Path

Let's return to Mitch, who blundered with the college dean. Chastened by that experience, he vowed to get better at revelation. Since then his disclosures have proved far more effective, allowing him to establish many enduring partnerships. What makes him so successful now? First, he's self-aware: He knows who he is, where he came from, where he's going, and what he believes in. He encourages colleagues to give him feedback, and he's enrolled in several developmental training programs. Second, he communicates cautiously, letting the task at hand, along with environmental cues, dictate what to reveal when. For instance, he was all business at one meeting with a potential partner until she voiced a concern about whether her students could assimilate at his university. Sensing a critical moment

in the negotiation, he decided to tell her about the challenges he'd faced in an exchange program during college—trying to learn another language, make friends, and adjust to the curriculum. The story was personal and heartfelt but also demonstrated an understanding of his counterpart's concern and a commitment to addressing it. He deepened the relationship and sealed the deal.

Mitch arrived at effective, authentic self-disclosure by following five steps:

1 Build a foundation of self-knowledge. You can learn about yourself in many ways, but the best approach is to solicit honest feedback—ideally a 360-degree review—from coworkers and follow it up with coaching. In *Why Should Anyone Be Led by You?* (Harvard Business School Press, 2006), Rob Goffee and Gareth Jones suggest exploring biography. You might consider your upbringing, your work experiences, and new situations, such as volunteer opportunities, that test your comfort zone and force you to reflect on your values. You might also consider your personal management philosophy and the events and people who shaped it. We start our executive coaching engagements with a detailed interview that essentially walks clients through their personal and professional histories, their successes and failures, and the lessons they've drawn as a result. These exercises can help you choose which stories are most appropriate to share with others.

2 Consider relevance to the task. Skillful self-disclosers choose the substance, process, and timing of revelations to further the task at hand, not to promote themselves or create purely personal relationships. In fact, we found in our earlier work that team development efforts often fail because they try too hard to foster intimacy rather than focusing on task-relevant disclosure and social cohesion. Be clear that your goal in

revealing yourself at work is to build trust and engender better collaboration and teamwork, not to make friends—though that may happen. So before you share personal information, ask yourself whether it will help you do your job. Is it germane to the situation? Will your staff get a better understanding of your thinking and rationale? If not, you might want to save the story for a coffee date with friends. If your goal is simply to develop rapport with employees, you can find safer ways to accomplish that—such as bonding over a beloved sports team, a new movie, or a favorite restaurant.

3 Keep revelations genuine. This should be a no-brainer, but we're amazed at how often we hear about managers who fabricate tales. Take Allan, who recently stepped down from his position as the associate director of marketing and communications for a regional hotel chain. In both presentations and small group discussions, he would cite examples of how he had successfully used social media, video on demand, and search engine optimization in his prior position at a premier boutique hotel. The problem was that he held that job in the early 1980s, before those technologies were widespread. Allan did have extensive social media marketing experience, but it had come through his volunteer church work; he fudged the details in an effort to bond with his younger colleagues. Eventually they found out, and Allan lost credibility, which ultimately led to his departure from the company. Making up stories or exaggerating parts of a narrative to fit the situation may seem like a good idea, but it is easily discovered and can do a lot of harm. Instead try to find real if less-than-perfect disclosures that still capture the emotions of the situation and convey empathy. If, for example, Mitch had never been part of an exchange program, he might have told his potential partner that he was a father and therefore recognized the importance of assuaging young people's fears in new situations.



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For an interactive version of this tool, with tailored advice, go to hbr.org/web/2013/09/assessment/when-and-when-not-to-share.

When—and When Not—to Share

This checklist can help you decide when self-disclosure is advisable.

How much self-reflection have you done?

- A** I don't engage in self-reflection.
- B** I've taken many self-assessment tests but rarely get feedback from others.
- C** I've completed numerous self-assessments, and my scores are usually similar to those my colleagues give me in 360-degree reviews.

What is your goal in self-disclosure?

- A** I want to demonstrate knowledge, competence, or empathy.
- B** I want to connect with my colleagues in order to improve the atmosphere at work.
- C** I want to gain the trust of my colleagues in order to make our performance more effective.

What kinds of information do you disclose?

- A** I fabricate a story to fit the situation.
- B** I tell a true story that may or may not fit the situation.
- C** I tell a true story that fits the emotion of the situation and conveys empathy.

What personal information do your colleagues share with you?

- A** No one shares personal information in my workplace.
- B** I know a lot about the personal lives of a few friends at work but not much about my other colleagues.
- C** My colleagues share personal information, especially when it is pertinent to the task.

How long have you known your colleagues?

- A** We just met.
- B** We've had one or two formal meetings.
- C** We've had at least a week of formal and informal discussions and have completed one significant task.

If your answers were mostly As, you might want to be quiet.

If they were mostly Bs, you should proceed cautiously.

If they were mostly Cs, speak up.

4 Understand the organizational and cultural context. Considerable research has shown that people from individualistic societies, such as the United States and India, are more likely to disclose information about themselves and expect others to do the same than people from collectivist societies, such as China and Japan. Thus Roger's Asian teammates might have been put off by his readiness to share a personal story,

care agency. Exhausted after a sleepless night with her sick baby, she shared that experience in her introduction, to the discomfort of her audience. "They wanted to know about my education and industry background, and instead I spoke graphically about baby throw-up," she recalls. "It took me a few months after that to reestablish credibility." This doesn't mean you have to wait years before telling colleagues anything about your personal life. You just need to have spent enough

Skillful self-disclosers choose the substance, process, and timing of revelations to further the task at hand, not to promote themselves.

regardless of its content. Make an effort to investigate national and organizational norms about sharing so that you'll know when it's best to keep quiet. In any context, but especially one new to you that involves teammates from other countries, companies, or functions, you should talk to respected insiders about how people operate and what level of candor is expected. HR personnel and group leaders may be able to provide this information, but you can also test the waters with task-relevant self-disclosure to see how people respond. And you can look for cues such as eye contact and others' attempts to share or solicit stories.

5 Delay or avoid very personal disclosures. Intimate stories *strengthen* relationships; they don't establish them. Sharing too much personal information too quickly breaks all sociocultural norms of behavior, making one appear awkward, needy, or even unstable. That was Helen's mistake when she was asked to introduce herself at the cross-site launch of a training program at her home health

time with them to develop a foundation of trust and to learn organizational norms. First develop common objectives, delineate goals and roles, and demonstrate credibility and trustworthiness through your work. Take careful note of how open others are before offering significant disclosures of your own. In some workplaces you will eventually find it safe and helpful to share; in others you'll realize it's extremely unwise to do so.

These five steps should help you avoid some of the pitfalls we've outlined and become a more effective leader. Remember to think carefully about your motives and likelihood of success. (See the exhibit "When—and When Not—to Share.") Self-disclosure is a valuable managerial tool, but it must be used judiciously. What stories do you have to tell, and who needs to hear them? ♥

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Business Not As Usual Harvard Business Review

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The Revival of Smart

She felt her safety had been threatened. He felt he'd been discriminated against. Will the company be torn in two by the aftermath of their encounter in a parking lot?

HBR CASE STUDY

It Wasn't About Race. Or Was It?

by Jeffrey C. Connor

Jack Parsons put the phone back on its cradle and pressed his fingers to his temples. This wasn't his first crisis as managing partner of the Northeast office of Fuller Fenton, a national accounting firm, but it was a doozy. That was his 11th phone call about what had happened the day before between Hope Barrows and Dillon Johnson, two hard-working, valuable members of the firm. And he was certain that the deluge was just beginning. Each caller had been very upset, and it was painfully clear that no one was willing to back down. The firm—or at least all the people under Jack's purview—seemed to be splitting into two angry camps.

He thought back to the first phone call he'd received, at 7:30 that morning, from an associate who had talked to Dillon the night before. "I always suspected this was a racist organization masquerading as a 'good' company," the caller railed at him. "I'm sick about this, and I'm telling you, so are a lot of other people. We

won't work in a racist environment!"

The last call had been equally charged but on a different tack. The caller was a female partner whom Jack had known for years. "This had nothing to do with race. Nothing at all!" she practically shouted. "If a woman can't feel safe in the parking lot of her own company, that's pretty sad."

The story was really quite simple—the basic facts weren't in dispute. Hope, a partner at Fuller Fenton, had gone to the office Sunday afternoon to get a jump on the workweek, as she often did. When she arrived at the parking garage, she swiped her access card and the exterior door opened. As she drove up to the inner gate—the usual point of security during business hours, when the garage door was open—Dillon pulled in under the exterior door as it was closing. Hope stopped at the gate and, instead of swiping her card, got out of her car and walked over to Dillon. She asked who he was and whether he belonged in the building. Dil-

HBR's cases, which are fictional, present common managerial dilemmas and offer concrete solutions from experts.

lon told her he was an associate at Fuller Fenton. Hope asked to see his identification, and he showed her his card. Hope thanked him, went back to her car, and entered the garage. Hope was white. Dillon was black. Somehow the incident, as small as it seemed, had started a storm that was threatening to tear the company in two.

And it was only Monday afternoon. It certainly hadn't taken long for things to heat up. Jack pressed his fingers harder into his temples and let out a small groan. Dillon had been on the phone to him from San Francisco at 5 AM Pacific time. He had flown there the night before to meet with a client. He'd been up most of the night. He was angry—appalled. He said the incident, as far as he was concerned, was an indication that the firm was racially biased. Judging from the calls Jack had received, most of the firm's African-American partners and associates agreed.

Jack had asked Dillon to tell him exactly what happened. Dillon said he was working out at his health club when he got a call on his cell phone from a fellow associate, Shaun Daniels. The two had planned to meet at the office later that afternoon to review the file for Dillon's San Francisco client. Shaun asked if they could push up their meeting because he had to be somewhere at 4 PM. Dillon was grateful Shaun had agreed to meet with him on a Sunday, and he knew they had several hours of work to get through, so he rushed from the gym and drove to the office.

He pulled into the driveway of Fuller Fenton's garage behind a red Volvo. The car just seemed to be parked at the door. "I remember thinking, 'What's taking this person so long to swipe their card?'" he told Jack. "Then I thought, 'Where's my card?' and I started looking through the pile of clothes on the passenger seat for my wallet.

"Then the door opened, the Volvo went through, and I didn't even think; I just followed," Dillon continued. "Then the car stopped again. I thought, 'What is this?' and I tried to see who was in the car. I could see it was a woman, and she was looking at me in her rearview mirror. So I waved. And waited.

"She gets out of her car, comes over to me, and asks me if I work in the building. I say yes, and she asks me for my identification. I recognized her, you know—didn't know her name, but I'd seen her in the building.

"I was confused. I didn't know what the problem was. Then I realized that she thought

I had slipped through the door behind her because I was some sort of criminal. I'm black; she's white. Most people at the company are white. Case closed, in her mind."

"What happened next?" Jack prompted.

"I told her my name," Dillon said. "I found my wallet and showed her my identification. But Jack, I have to tell you, at that moment, all I could think was that this wasn't the first time I'd been made to feel like an outsider at this company because I'm black. When I signed on, I heard a lot of talk about how Fuller Fenton was reinventing itself as an incredibly diverse, versatile organization. But my experience tells a different story.

"My first week here, one of the administrative assistants saw the wedding photo I have on my desk. She looked really surprised, and then she said, 'Your wife is very light skinned.'

"I laughed and said something like, 'Amy is white.' But the look I got? It was disapproving, almost like she was disgusted." Dillon's voice trailed off. Then he said, "I know I could cut her some slack. She's one of the older assistants, and she's been here a long time. But it stung. She hasn't talked to me directly since."

He was quiet for another moment. Jack waited. "That was the smallest incident," Dillon said. "After four months here, remember I was going to be on the team for that consumer goods company in Texas? I was put on and taken off within 48 hours. I found out—actually just last night, when I was venting to a colleague about this incident—that the partner heading the team was worried a black face would put the client off."

Jack shook his head; of course, Dillon couldn't see him, but he answered as if he had. "Jack, I know it's true. And maybe the guy had a point—that client is a very old-line kind of company. But still, if this company is serious about diversity, is that any way to behave? That's not the kind of company I thought I was joining. And it's certainly not the kind of company I'm going to keep working for."

Jack knew the last story was correct. In fact, he'd argued with the partner about the way Dillon was treated. And he'd hoped, at the time, that it would be just one of those things and that he could work to prevent it from happening again.

"I called four or five colleagues last night," Dillon continued. "I asked them if I was imagining this. They all said no. This time it can't just be water under the bridge, Jack."

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Jack reassured Dillon as best he could. He told Dillon he was a valued employee and that he'd do some digging, that they would all work to resolve the situation. As soon as he hung up the phone, he called Hope and left a message asking her to come see him.

"I tried to call you earlier," Hope said when she entered Jack's office. "I've heard a lot of rumors going around about what happened yesterday, and I have to tell you, I'm shocked—totally shocked. I didn't ask for Dillon Johnson's identification because he was *black*. I asked for it because I was freaked out that a man was following me into the garage—a man who didn't seem to have an access card of his own.

"I was only concerned for my own safety," she said. "He could have been white, or purple, for all I cared. I thought there was a good chance I was going to be robbed. Or raped. Asking for his identification was the fair thing to do."

Hope took a deep breath and told Jack the story from the beginning. She often came into the office on Sundays, she explained. She liked the quiet; she got a lot done. She knew that at least a few other people felt the same way. Occasionally she would see other cars in the lot, and sometimes she would see people coming or going.

But she didn't recognize Dillon's car, and she didn't recognize Dillon. "What was he thinking, Jack?" she asked, indignant. "I'm not the one who was insensitive here. Dillon Johnson was insensitive to me by 'piggybacking' behind me when I opened the garage door. Didn't he know that any woman would feel vulnerable, and potentially threatened, if any man—or anybody, truth be told—evaded security measures to follow her into a deserted garage? Why didn't he just wait the extra 15 seconds and use his own card?"

"You know, I really never should have gotten out of my car," she chided herself. "I should have just called security. But I was thinking, 'Better to confront him now than to put myself in possible jeopardy deep in the garage with no one else around.'

"To be honest with you, I was also thinking about two of my friends who have been mugged. One in a parking garage, the other on a subway platform. Neither was hurt. Well, my friend Alice strained her back trying to twist away from the subway mugger, but she got off

easy, considering. And I was thinking about what my husband said to me, two years ago now, when I started coming in here on Sundays. He asked me if I was sure that it was safe to come in when the building was deserted. He asked me to carry my cell phone at all times."

Hope paused, then continued, smiling. "I laughed at my husband when he said that," she said. "He grew up in Manhattan." Her smile faded. "I did have my cell phone in my hand when I got out of the car," she said. "I had punched in 911, and my finger was on the send button.

"I didn't *recognize* him," she said again. "I didn't recognize his car. He was wearing a T-shirt. Not that that matters, really. No one dresses up here on Sundays. Still, no one usually wears T-shirts, either. I did feel a little silly, at one point, before I got out of the car. I mean, I was telling myself that whoever it was was just coming in to work and had been too lazy to get out his card. But scared overruled silly.

"And in no way—no way—was I acting out of any racial prejudice. Come on, Jack, this guy has some personal chip on his shoulder, and he's putting all his baggage on me. I was *scared*, for God's sake."

Jack listened and, at the end of the meeting, told Hope he would think about what to do. It was clear, he said, that she and Dillon should sit down in the same room to discuss the issue. He would set up the meeting and get back to her. Meanwhile, he told her, he did see her point. Not to worry about that.

For the rest of the morning and early afternoon, Jack fielded angry calls. He also called the human resources department and set up a meeting with Hope, Dillon, himself, and the regional HR director for Wednesday morning at 10, as soon as Dillon returned from San Francisco.

He just hoped he could hold things together until then. He would, of course, continue to field calls and try to calm people down as best he could. But what else could he do? For that matter, what was he going to do at the meeting?

What is Jack's next step? • Four commentators offer expert advice.

See **Case Commentary**

Case Commentary

by Robin Ely

What is Jack's next step?

Charges of racism and sexism can, and often do, clash. And all too often the upshot is something I call the Oppression Olympics—a competition over who has suffered the greater injury, the victim of racism or the victim of sexism.

Hope Barrows would not have been afraid but for her knowledge of the frequency with which violence is perpetrated by men against women. Dillon Johnson would not have been insulted but for his knowledge of the negative stereotypes that whites have been acculturated to hold about blacks, black men in particular. The problem is, it's virtually never productive to engage in a dispute that centers on whose concern has greater legitimacy.

That's why Jack Parsons needs to push any conversation between Hope and Dillon beyond the actual scene in the parking lot. He needs to acknowledge the underlying currents that made this incident so emotionally charged to help each understand the other's actions and reactions. But Jack should mostly focus on addressing the larger issue at hand.

It's clear that the incident in the parking lot is much larger than a conflict between two people. The other employees' reactions to the incident—their swift moves to accusation and defense—suggest an organizational culture rife with racial tension. What's more, the firm's black and white partners have very different and apparently heretofore undiscussed perspectives on the role race plays in the firm. Jack needs to use this event as the catalyst for action on an organizational scale.

To do that, he must first meet with Hope and Dillon, making clear to them that he sees the incident as indicative of a larger problem within the firm and that he intends to address it as such. Then he should allow each to tell his or her story to the other, without interruption, including—and this is very important—the historical context within which each experienced the event. For Hope, this would include her experience as a woman, with reasonable fears, based on known events, of violence perpetrated by men against women. For Dillon, it would include his experience as a black man, with reasonable concerns, based on his own and others' experiences, that white people

might be acting on the negative stereotypes they often hold about black men. If Hope and Dillon can see each other's behavior as reasonable in the given context, they should be able to stop blaming and judging each other.

Next, Jack should implement an organizational intervention. It would begin with an investigation of how members of different racial and ethnic groups experience their work and relationships in the firm. Then there would be a set of facilitated conversations in which employees would learn the results of the investigation and discuss them within and across racial groups.

For the organizational effort to work, Jack and the other senior managers must make clear to employees that conversations about the role race (and for that matter, other cultural identities) plays in the firm are legitimate and encouraged. They should discuss publicly their own experiences and share what they have learned throughout the process. Finally, they should take every opportunity to tie these efforts to the work of the organization—to articulate how the learning that comes from, and facilitates, better race relations among employees creates a more effective workforce and advances the organization's mission.

Let me be clear about this organizational effort. The primary goal is not for white people to learn how to be more sensitive in interactions with their colleagues of color. Nor is it for people of color to learn how to be less sensitive to perceived slights so that they might be less likely to be derailed by them. Nor is it for Fuller Fenton to ensure that such events never occur again—though there may well be gains in all these areas. The goal is for all employees to learn how to discuss these events openly and constructively, with as little defensiveness, blame, and judgment as possible, when they *do* occur. Because in a culture such as ours, these kinds of events undoubtedly *will* occur, no matter how sensitized or desensitized people may become.

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The incident in the parking lot is much larger than a conflict between two people. The other employees' reactions to the incident...suggest an organizational culture rife with racial tension.

Case Commentary

by Vernā Myers

What is Jack's next step?

Jack should be curious: why would a bright, hardworking, assimilated young African-American man risk angrily confronting the managing partner over an incident that seems fairly innocuous? Usually when people get to the point of speaking with the managing partner, something is really wrong.

Jack should realize that Hope's slight was the straw that broke Dillon's back. A series of small incidents, or "microgressions," can sometimes be as serious as larger, more blatant examples of bias. They create a sense of exclusion, foster isolation, make it difficult for people to fully commit to their organizations, and add psychological burdens that affect performance. Jack needs to address not only this incident but also the larger issues it raises.

The meeting on Wednesday should help Dillon and Hope understand the feelings, thoughts, and experiences that informed each other's actions. They don't need to agree about what happened, but they do need to be willing to see each other's side. (If Jack's HR person doesn't have experience facilitating racially charged discussions, he needs to bring in someone who does. A skilled facilitator will make sure that each tells his or her story without interruption or accusation.)

Hope needs to hear about the many times Dillon has felt humiliated because of his race and how this incident made him feel about his workplace. Dillon needs to tell her about being bumped off the Texas team. And Hope needs to tell Dillon about her girlfriends who have been mugged and her husband's concerns. He needs to hear how it feels to be a woman, alone and vulnerable. My guess is Hope will find it hard to even consider that some part of her reaction to Dillon may have been based on our society's racist messages about black men. A real solution depends on how willing each is to listen to the other and examine his or her own assumptions.

Beyond the meeting, Jack needs to assess the extent of the racial biases in his organization. He should start by speaking with Dillon and other African-Americans at the firm, saying something like: "I'm really disturbed by the things I've heard today. I want to believe that it's different here, but I want to know from you what it is like to work here."

Then he should assemble a racially mixed group of people from different functions and

levels of the firm to take a good look at Fuller Fenton's policies and practices—large and small, formal and informal. Do they support or create (subtly or overtly) barriers to the recruitment, retention, and advancement of African-Americans and other people of color?

This diversity task force should suggest ways to change the culture, such as providing opportunities for people to discuss racial and other issues of difference honestly. The process will be successful only if Jack openly champions it as an issue vital to the firm's well-being and longevity.

There's no way that the firm will be able to wipe out racism or prevent every incident of insensitivity, but it should be able to build a system that is aligned with its commitment to diversity and that provides channels for reporting and resolving issues that do come up.

Of course, I can't be sure if Jack is up to the task. Is he willing to take risks, make the time, or allocate the resources necessary? Does he understand how racism operates on the interpersonal, institutional, and societal level? His inaction with regard to the Texas team leads me to believe that he has blinders on, lacks the skill to address racial issues, or lacks the courage to confront them. If that is the case, my only comment to him is, "Jack, you say that you want a diverse and inclusive organization, but what are you willing to do to achieve it?"

One final note for Dillon. If Dillon senses that Jack's response to him is intended to smooth things over and stop there, he has a tough decision to make—stay with the devil he knows or move to the devil he doesn't. He will need to do his research well because despite their talk, very few large accounting firms employ more people of color or are better at diversity than Fuller Fenton. An African-American man is not expected to be there and that has to do with racism, but it is also a reality. Regardless of whether Dillon goes or stays, he will need to create a multiracial support network of peers and mentors who can help him succeed.

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Hope's slight was the straw that broke Dillon's back. A series of small incidents, or "microgressions," can sometimes be as serious as larger, more blatant examples of bias.

Case Commentary

by John Borgia

What is Jack's next step?

I wouldn't be surprised if Jack is thinking: "I wish Hope had had the presence of mind to say more than 'Thank you' after she checked Dillon's ID card. I wish she'd said something like, 'Oh, hi. Nice to meet you. I'm Hope. Sorry we had to meet like this; I got scared when I saw that someone had slipped in behind me instead of using their own card to get in. Let's get together for coffee sometime.' A few pleasantries would have defused the situation, and I wouldn't be sitting here in the middle of a hurricane."

I could understand that train of thought. I mean, the poor guy did just get blindsided with a Monday morning crisis. But what I *hope* Jack is thinking is: "Here's my chance to make a real difference. It's time for Fuller Fenton to embrace diversity—to take its place as a company that has broken free of its old traditions and prejudices. I'm going to use this crisis as a catalyst for change."

What am I talking about? Strategy. Dillon just learned he was bumped from a team because a partner had concerns that a client would be put off by the idea of working with a black man. Jack felt uncomfortable about that action at the time but didn't take a stand. Now he should. He should use what happened between Hope and Dillon as a starting point for reexamining the kinds of clients Fuller Fenton takes on and the work that it will and will not do.

It's one thing to say that you want to embrace diversity. It's quite another to deliver on that ideal. It would send a huge statement if Jack said publicly that Fuller Fenton won't insult its own people to please clients—even if that means losing clients. Imagine the impact if Jack said, "There are enough clients out

there; we don't need that one."

I'm a big fan of resolving disputes one on one, with as little fanfare as possible. But I really don't think that Dillon and Hope have a dispute. That's why I don't think Jack should meet with both of them on Wednesday. I would much rather see Jack meet privately with Dillon. At the meeting, he should say: "Look, this incident is nothing. Hope was frightened, as any woman would be, when she saw someone bypass the appropriate security protocols and follow her car into the garage. But you have good reason to be angry about the larger issue." Then Jack should talk with Dillon about how Fuller Fenton is being run. And he should solicit Dillon's support in outlining how the firm can become a better organization and a better place to work. Jack can call Hope—either before or after his meeting with Dillon—and tell her what's going on and what's going to come of the incident. There's no need to involve her in this initial stage of his new initiative, though, unless she wants to get involved.

I work in New York City. We have detectors on every door here. A security breach is serious business. But for Fuller Fenton, the security breach is not the primary issue. The alleged dispute is a straw man. What's really important is how Jack Parsons intends to run his office, and the influence he can—and should—have over the kind of firm Fuller Fenton becomes.

John Borgia has been executive vice president of human resources at the Seagram Company for the past five years. Previously, he worked at Bristol-Myers Squibb for 25 years in various operations, finance, and human resource positions.

I'm a big fan of resolving disputes one on one, with as little fanfare as possible. But I really don't think that Dillon and Hope have a dispute.

Case Commentary

by Jeanette Millard

What is Jack's next step?

On this particular Monday morning, Jack Parsons is getting the education of a lifetime. He is seeing firsthand the effects of years of institutional complacency and organizational neglect. He is learning that racism is more than a series of interpersonal events; it is a system. If you are white, chances are you've been conditioned not to see it.

Jack certainly needs to respond to what happened between Hope and Dillon. But there's a lot more brewing at Fuller Fenton than a few disgruntled employees. Jack needs to exercise leadership and address the organizational pattern of racial discrimination on both the micro and macro levels.

I'll start on the micro level. Talking with upset employees is a good start—but if that's all Jack does, it will soon be perceived as collusion. Similarly, holding a meeting with Dillon and Hope is an important step. But watch out, Jack. If all you have to offer is a lame "I hear what you are both saying," you might do more damage than good.

Jack needs to understand that different things happened to Hope and Dillon, and thus different responses are called for. Hope's situation is pretty straightforward. She had a serious moment of concern about her safety, and Jack should look into the Sunday security system. Hope doesn't feel regularly at risk at Fuller Fenton—this was not one of a series of incidents for her at work. The security system now in place will, with some adjustments, work for Hope and others.

But what happened to Dillon was part of a larger pattern of discrimination—and this is where Jack must broaden his response. Jack has seen overt discrimination at Fuller Fenton. Indeed, he witnessed an egregious event in which Dillon's ability to do his job was directly and negatively affected by his race. Fuller Fenton put itself at risk in that situation; another employee might sue. Dillon's most recent experience has served as a spotlight, illuminating the accumulation of grievances among people of color at Fuller Fenton. The best way to respond to Dillon, and to the firm at large, then, is to acknowledge the larger picture and to make a sincere commitment to rectify the situation.

On the macro level, transforming an organization that has long-embedded prejudices into one that is actively inclusive takes planning, companywide education, and changes in structure and staffing. Jack may find the prospect of such an aggressive and thorough initiative daunting. But in an environment with a history of discrimination, moments like the exchange between Hope and Dillon are countless, and they fly like

sparks into the tinderbox of a system that creates endless "incidents." The time and energy required for such an effort is a much better investment, and much more satisfying, than fighting fire after inevitable fire.

Returning to the micro level: Yes, Jack, start with that Wednesday meeting with Dillon and Hope. And yes, continue to talk with other employees—you can help them see the bigger picture. The only way to reconcile Hope and Dillon—and the other employees at Fuller Fenton who are now at odds—is to help each person see his or her colleagues as individuals as well as members of a group. Then they will better understand the other's experiences and responses. In the hurried, stressful moment in the parking lot, Hope and Dillon reacted primarily to the other person's membership in a dominant group: Hope knew—and drew on—the potential for male aggression; Dillon knew—and drew on—the reality of white dominance and the usual denial of that dominance. To understand Hope's reaction, Dillon and others at Fuller Fenton who are up in arms over this incident must understand a woman's fears and take them seriously. Conversely, Hope, as a well-intentioned white woman, may struggle with the notion of her white dominance (she has learned not to see it). Hope, and those who are siding with her, need to understand that there is more going on here than a chip on Dillon's shoulder, and that they are all a part of it.

But Jack, after these initial meetings, don't let smoothed feathers lull you into thinking that you can avoid the larger issue. It is time to publicly address the existence of discrimination at Fuller Fenton, the need for change, and your own intent to lead the effort. Addressing racism begins in earnest when white people stop insisting, "It wasn't about race!" It is time to look at the whole picture, not just the cause of the current sparks.

Jeanette Millard is an organization development consultant in Boxborough, Massachusetts. Over the past decade, she has broadened her focus to include addressing the dynamics of racism, sexism, and heterosexism.

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Addressing racism begins in earnest when white people stop insisting, "It wasn't about race!"

BEST OF HBR 1998

IQ and technical skills are important, but emotional intelligence is the sine qua non of leadership.

What Makes a Leader?

by Daniel Goleman

Included with this full-text Harvard Business Review article:

1 Article Summary

The Idea in Brief—*the core idea*

The Idea in Practice—*putting the idea to work*

3 What Makes a Leader?

13 Further Reading

A list of related materials, with annotations to guide further exploration of the article's ideas and applications

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What Makes a Leader?

The Idea in Brief

What distinguishes great leaders from merely good ones? It isn't IQ or technical skills, says Daniel Goleman. It's **emotional intelligence**: a group of five skills that enable the best leaders to maximize their own *and* their followers' performance. When senior managers at one company had a critical mass of EI capabilities, their divisions outperformed yearly earnings goals by 20%.

The EI skills are:

- *Self-awareness*—knowing one's strengths, weaknesses, drives, values, and impact on others
- *Self-regulation*—controlling or redirecting disruptive impulses and moods
- *Motivation*—relishing achievement for its own sake
- *Empathy*—understanding other people's emotional makeup
- *Social skill*—building rapport with others to move them in desired directions

We're each born with certain levels of EI skills. But we can strengthen these abilities through persistence, practice, and feedback from colleagues or coaches.

The Idea in Practice

UNDERSTANDING EI'S COMPONENTS

EI Component	Definition	Hallmarks	Example
Self-awareness	Knowing one's emotions, strengths, weaknesses, drives, values, and goals—and their impact on others	• Self-confidence • Realistic self-assessment • Self-deprecating sense of humor • Thirst for constructive criticism	A manager knows tight deadlines bring out the worst in him. So he plans his time to get work done well in advance.
Self-regulation	Controlling or redirecting disruptive emotions and impulses	• Trustworthiness • Integrity • Comfort with ambiguity and change	When a team botches a presentation, its leader resists the urge to scream. Instead, she considers possible reasons for the failure, explains the consequences to her team, and explores solutions with them.
Motivation	Being driven to achieve for the sake of achievement	• A passion for the work itself and for new challenges • Unflagging energy to improve • Optimism in the face of failure	A portfolio manager at an investment company sees his fund tumble for three consecutive quarters. Major clients defect. Instead of blaming external circumstances, she decides to learn from the experience—and engineers a turnaround.
Empathy	Considering others' feelings, especially when making decisions	• Expertise in attracting and retaining talent • Ability to develop others • Sensitivity to cross-cultural differences	An American consultant and her team pitch a project to a potential client in Japan. Her team interprets the client's silence as disapproval, and prepares to leave. The consultant reads the client's body language and senses interest. She continues the meeting, and her team gets the job.
Social Skill	Managing relationships to move people in desired directions	• Effectiveness in leading change • Persuasiveness • Extensive networking • Expertise in building and leading teams	A manager wants his company to adopt a better Internet strategy. He finds kindred spirits and assembles a de facto team to create a prototype Web site. He persuades allies in other divisions to fund the company's participation in a relevant convention. His company forms an Internet division—and puts him in charge of it.

STRENGTHENING YOUR EI

Use practice and feedback from others to strengthen specific EI skills.

► Example:

An executive learned from others that she lacked empathy, especially the ability to listen. She wanted to fix the problem, so she asked a coach to tell her when she exhibited poor listening skills. She then role-played incidents to practice giving better responses; for example, not interrupting. She also began observing executives skilled at listening and imitated their behavior.

IQ and technical skills are important, but emotional intelligence is the sine qua non of leadership.

BEST OF HBR 1998

What Makes a Leader?

by Daniel Goleman

It was Daniel Goleman who first brought the term “emotional intelligence” to a wide audience with his 1995 book of that name, and it was Goleman who first applied the concept to business with his 1998 HBR article, reprinted here. In his research at nearly 200 large, global companies, Goleman found that while the qualities traditionally associated with leadership—such as intelligence, toughness, determination, and vision—are required for success, they are insufficient. Truly effective leaders are also distinguished by a high degree of emotional intelligence, which includes self-awareness, self-regulation, motivation, empathy, and social skill.

These qualities may sound “soft” and unbusinesslike, but Goleman found direct ties between emotional intelligence and measurable business results. While emotional intelligence’s relevance to business has continued to spark debate over the past six years, Goleman’s article remains the definitive reference on the subject, with a description of each component of emotional intelligence and a detailed discussion of how to recognize it in potential leaders, how

and why it connects to performance, and how it can be learned.

Every businessperson knows a story about a highly intelligent, highly skilled executive who was promoted into a leadership position only to fail at the job. And they also know a story about someone with solid—but not extraordinary—intellectual abilities and technical skills who was promoted into a similar position and then soared.

Such anecdotes support the widespread belief that identifying individuals with the “right stuff” to be leaders is more art than science. After all, the personal styles of superb leaders vary: Some leaders are subdued and analytical; others shout their manifestos from the mountaintops. And just as important, different situations call for different types of leadership. Most mergers need a sensitive negotiator at the helm, whereas many turnarounds require a more forceful authority.

I have found, however, that the most effective leaders are alike in one crucial way: They

all have a high degree of what has come to be known as *emotional intelligence*. It's not that IQ and technical skills are irrelevant. They do matter, but mainly as "threshold capabilities"; that is, they are the entry-level requirements for executive positions. But my research, along with other recent studies, clearly shows that emotional intelligence is the sine qua non of leadership. Without it, a person can have the best training in the world, an incisive, analytical mind, and an endless supply of smart ideas, but he still won't make a great leader.

In the course of the past year, my colleagues and I have focused on how emotional intelligence operates at work. We have examined the relationship between emotional intelligence and effective performance, especially in leaders. And we have observed how emotional intelligence shows itself on the job. How can you tell if someone has high emotional intelligence, for example, and how can you recognize it in yourself? In the following pages, we'll explore these questions, taking each of the components of emotional intelligence—self-awareness, self-regulation, motivation, empathy, and social skill—in turn.

Evaluating Emotional Intelligence

Most large companies today have employed trained psychologists to develop what are known as "competency models" to aid them in identifying, training, and promoting likely stars in the leadership firmament. The psychologists have also developed such models for lower-level positions. And in recent years, I have analyzed competency models from 188 companies, most of which were large and global and included the likes of Lucent Technologies, British Airways, and Credit Suisse.

In carrying out this work, my objective was to determine which personal capabilities drove outstanding performance within these organizations, and to what degree they did so. I grouped capabilities into three categories: purely technical skills like accounting and business planning; cognitive abilities like analytical reasoning; and competencies demonstrating emotional intelligence, such as the ability to work with others and effectiveness in leading change.

To create some of the competency models, psychologists asked senior managers at the companies to identify the capabilities that typified the organization's most outstanding leaders. To create other models, the psychologists used

objective criteria, such as a division's profitability, to differentiate the star performers at senior levels within their organizations from the average ones. Those individuals were then extensively interviewed and tested, and their capabilities were compared. This process resulted in the creation of lists of ingredients for highly effective leaders. The lists ranged in length from seven to 15 items and included such ingredients as initiative and strategic vision.

When I analyzed all this data, I found dramatic results. To be sure, intellect was a driver of outstanding performance. Cognitive skills such as big-picture thinking and long-term vision were particularly important. But when I calculated the ratio of technical skills, IQ, and emotional intelligence as ingredients of excellent performance, emotional intelligence proved to be twice as important as the others for jobs at all levels.

Moreover, my analysis showed that emotional intelligence played an increasingly important role at the highest levels of the company, where differences in technical skills are of negligible importance. In other words, the higher the rank of a person considered to be a star performer, the more emotional intelligence capabilities showed up as the reason for his or her effectiveness. When I compared star performers with average ones in senior leadership positions, nearly 90% of the difference in their profiles was attributable to emotional intelligence factors rather than cognitive abilities.

Other researchers have confirmed that emotional intelligence not only distinguishes outstanding leaders but can also be linked to strong performance. The findings of the late David McClelland, the renowned researcher in human and organizational behavior, are a good example. In a 1996 study of a global food and beverage company, McClelland found that when senior managers had a critical mass of emotional intelligence capabilities, their divisions outperformed yearly earnings goals by 20%. Meanwhile, division leaders without that critical mass underperformed by almost the same amount. McClelland's findings, interestingly, held as true in the company's U.S. divisions as in its divisions in Asia and Europe.

In short, the numbers are beginning to tell us a persuasive story about the link between a company's success and the emotional intelligence of its leaders. And just as important, research is also demonstrating that people can, if

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they take the right approach, develop their emotional intelligence. (See the sidebar “Can Emotional Intelligence Be Learned?”)

Self-Awareness

Self-awareness is the first component of emotional intelligence—which makes sense when one considers that the Delphic oracle gave the advice to “know thyself” thousands of years ago. Self-awareness means having a deep understanding of one’s emotions, strengths, weaknesses, needs, and drives. People with strong self-awareness are neither overly critical nor unrealistically hopeful. Rather, they are honest—with themselves and with others.

People who have a high degree of self-awareness recognize how their feelings affect them, other people, and their job performance. Thus, a self-aware person who knows that tight deadlines bring out the worst in him plans his time carefully and gets his work done well in advance. Another person with high self-awareness will be able to work with a demanding client. She will understand the client’s impact on her moods and the deeper reasons for her frustra-

tion. “Their trivial demands take us away from the real work that needs to be done,” she might explain. And she will go one step further and turn her anger into something constructive.

Self-awareness extends to a person’s understanding of his or her values and goals. Someone who is highly self-aware knows where he is headed and why; so, for example, he will be able to be firm in turning down a job offer that is tempting financially but does not fit with his principles or long-term goals. A person who lacks self-awareness is apt to make decisions that bring on inner turmoil by treading on buried values. “The money looked good so I signed on,” someone might say two years into a job, “but the work means so little to me that I’m constantly bored.” The decisions of self-aware people mesh with their values; consequently, they often find work to be energizing.

How can one recognize self-awareness? First and foremost, it shows itself as candor and an ability to assess oneself realistically. People with high self-awareness are able to speak accurately and openly—although not necessarily effusively or confessionally—about their emo-

The Five Components of Emotional Intelligence at Work

	Definition	Hallmarks
Self-Awareness	the ability to recognize and understand your moods, emotions, and drives, as well as their effect on others	self-confidence realistic self-assessment self-deprecating sense of humor
Self-Regulation	the ability to control or redirect disruptive impulses and moods the propensity to suspend judgment—to think before acting	trustworthiness and integrity comfort with ambiguity openness to change
Motivation	a passion to work for reasons that go beyond money or status a propensity to pursue goals with energy and persistence	strong drive to achieve optimism, even in the face of failure organizational commitment
Empathy	the ability to understand the emotional makeup of other people skill in treating people according to their emotional reactions	expertise in building and retaining talent cross-cultural sensitivity service to clients and customers
Social Skill	proficiency in managing relationships and building networks an ability to find common ground and build rapport	effectiveness in leading change persuasiveness expertise in building and leading teams

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tions and the impact they have on their work. For instance, one manager I know of was skeptical about a new personal-shopper service that her company, a major department-store chain, was about to introduce. Without prompting from her team or her boss, she offered them an explanation: "It's hard for me to get behind the rollout of this service," she admitted, "because I really wanted to run the project, but I wasn't selected. Bear with me while I deal with that." The manager did indeed examine her feelings;

a week later, she was supporting the project fully.

Such self-knowledge often shows itself in the hiring process. Ask a candidate to describe a time he got carried away by his feelings and did something he later regretted. Self-aware candidates will be frank in admitting to failure—and will often tell their tales with a smile. One of the hallmarks of self-awareness is a self-deprecating sense of humor.

Self-awareness can also be identified during performance reviews. Self-aware people know—

Can Emotional Intelligence Be Learned?

For ages, people have debated if leaders are born or made. So too goes the debate about emotional intelligence. Are people born with certain levels of empathy, for example, or do they acquire empathy as a result of life's experiences? The answer is both. Scientific inquiry strongly suggests that there is a genetic component to emotional intelligence. Psychological and developmental research indicates that nurture plays a role as well. How much of each perhaps will never be known, but research and practice clearly demonstrate that emotional intelligence can be learned.

One thing is certain: Emotional intelligence increases with age. There is an old-fashioned word for the phenomenon: maturity. Yet even with maturity, some people still need training to enhance their emotional intelligence. Unfortunately, far too many training programs that intend to build leadership skills—including emotional intelligence—are a waste of time and money. The problem is simple: They focus on the wrong part of the brain.

Emotional intelligence is born largely in the neurotransmitters of the brain's limbic system, which governs feelings, impulses, and drives. Research indicates that the limbic system learns best through motivation, extended practice, and feedback. Compare this with the kind of learning that goes on in the neocortex, which governs analytical and technical ability. The neocortex grasps concepts and logic. It is the part of the brain that figures out how to use a computer or make a sales call by reading a book. Not surprisingly—but mistakenly—it is also the part of the brain targeted by most training programs aimed at enhancing emotional intelligence. When such programs take, in effect, a neocortical approach, my research

with the Consortium for Research on Emotional Intelligence in Organizations has shown they can even have a *negative* impact on people's job performance.

To enhance emotional intelligence, organizations must refocus their training to include the limbic system. They must help people break old behavioral habits and establish new ones. That not only takes much more time than conventional training programs, it also requires an individualized approach.

Imagine an executive who is thought to be low on empathy by her colleagues. Part of that deficit shows itself as an inability to listen; she interrupts people and doesn't pay close attention to what they're saying. To fix the problem, the executive needs to be motivated to change, and then she needs practice and feedback from others in the company. A colleague or coach could be tapped to let the executive know when she has been observed failing to listen. She would then have to replay the incident and give a better response; that is, demonstrate her ability to absorb what others are saying. And the executive could be directed to observe certain executives who listen well and to mimic their behavior.

With persistence and practice, such a process can lead to lasting results. I know one Wall Street executive who sought to improve his empathy—specifically his ability to read people's reactions and see their perspectives. Before beginning his quest, the executive's subordinates were terrified of working with him. People even went so far as to hide bad news from him. Naturally, he was shocked when finally confronted with these facts. He went home and told his family—but they only confirmed what he had heard at work. When their

opinions on any given subject did not mesh with his, they, too, were frightened of him.

Enlisting the help of a coach, the executive went to work to heighten his empathy through practice and feedback. His first step was to take a vacation to a foreign country where he did not speak the language. While there, he monitored his reactions to the unfamiliar and his openness to people who were different from him. When he returned home, humbled by his week abroad, the executive asked his coach to shadow him for parts of the day, several times a week, to critique how he treated people with new or different perspectives. At the same time, he consciously used on-the-job interactions as opportunities to practice "hearing" ideas that differed from his. Finally, the executive had himself videotaped in meetings and asked those who worked for and with him to critique his ability to acknowledge and understand the feelings of others. It took several months, but the executive's emotional intelligence did ultimately rise, and the improvement was reflected in his overall performance on the job.

It's important to emphasize that building one's emotional intelligence cannot—will not—happen without sincere desire and concerted effort. A brief seminar won't help; nor can one buy a how-to manual. It is much harder to learn to empathize—to internalize empathy as a natural response to people—than it is to become adept at regression analysis. But it can be done. "Nothing great was ever achieved without enthusiasm," wrote Ralph Waldo Emerson. If your goal is to become a real leader, these words can serve as a guidepost in your efforts to develop high emotional intelligence.

and are comfortable talking about—their limitations and strengths, and they often demonstrate a thirst for constructive criticism. By contrast, people with low self-awareness interpret the message that they need to improve as a threat or a sign of failure.

Self-aware people can also be recognized by their self-confidence. They have a firm grasp of their capabilities and are less likely to set themselves up to fail by, for example, overstretching on assignments. They know, too, when to ask for help. And the risks they take on the job are calculated. They won't ask for a challenge that they know they can't handle alone. They'll play to their strengths.

Consider the actions of a midlevel employee who was invited to sit in on a strategy meeting with her company's top executives. Although she was the most junior person in the room, she did not sit there quietly, listening in awe-struck or fearful silence. She knew she had a head for clear logic and the skill to present ideas persuasively, and she offered cogent suggestions about the company's strategy. At the same time, her self-awareness stopped her from wandering into territory where she knew she was weak.

Despite the value of having self-aware people in the workplace, my research indicates that senior executives don't often give self-awareness the credit it deserves when they look for potential leaders. Many executives mistake candor about feelings for "wimpiness" and fail to give due respect to employees who openly acknowledge their shortcomings. Such people are too readily dismissed as "not tough enough" to lead others.

In fact, the opposite is true. In the first place, people generally admire and respect candor. Furthermore, leaders are constantly required to make judgment calls that require a candid assessment of capabilities—their own and those of others. Do we have the management expertise to acquire a competitor? Can we launch a new product within six months? People who assess themselves honestly—that is, self-aware people—are well suited to do the same for the organizations they run.

Self-Regulation

Biological impulses drive our emotions. We cannot do away with them—but we can do much to manage them. Self-regulation, which is like an ongoing inner conversation, is the

component of emotional intelligence that frees us from being prisoners of our feelings. People engaged in such a conversation feel bad moods and emotional impulses just as everyone else does, but they find ways to control them and even to channel them in useful ways.

Imagine an executive who has just watched a team of his employees present a botched analysis to the company's board of directors. In the gloom that follows, the executive might find himself tempted to pound on the table in anger or kick over a chair. He could leap up and scream at the group. Or he might maintain a grim silence, glaring at everyone before stalking off.

But if he had a gift for self-regulation, he would choose a different approach. He would pick his words carefully, acknowledging the team's poor performance without rushing to any hasty judgment. He would then step back to consider the reasons for the failure. Are they personal—a lack of effort? Are there any mitigating factors? What was his role in the debacle? After considering these questions, he would call the team together, lay out the incident's consequences, and offer his feelings about it. He would then present his analysis of the problem and a well-considered solution.

Why does self-regulation matter so much for leaders? First of all, people who are in control of their feelings and impulses—that is, people who are reasonable—are able to create an environment of trust and fairness. In such an environment, politics and infighting are sharply reduced and productivity is high. Talented people flock to the organization and aren't tempted to leave. And self-regulation has a trickle-down effect. No one wants to be known as a hothead when the boss is known for her calm approach. Fewer bad moods at the top mean fewer throughout the organization.

Second, self-regulation is important for competitive reasons. Everyone knows that business today is rife with ambiguity and change. Companies merge and break apart regularly. Technology transforms work at a dizzying pace. People who have mastered their emotions are able to roll with the changes. When a new program is announced, they don't panic; instead, they are able to suspend judgment, seek out information, and listen to the executives as they explain the new program. As the initiative moves forward, these people are able to move with it.

Sometimes they even lead the way. Consider the case of a manager at a large manufacturing

company. Like her colleagues, she had used a certain software program for five years. The program drove how she collected and reported data and how she thought about the company's strategy. One day, senior executives announced that a new program was to be installed that would radically change how information was gathered and assessed within the organization. While many people in the company complained bitterly about how disruptive the change would be, the manager mulled over the reasons for the new program and was convinced of its potential to improve performance. She eagerly attended training sessions—some of her colleagues refused to do so—and was eventually promoted to run several divisions, in part because she used the new technology so effectively.

I want to push the importance of self-regulation to leadership even further and make the case that it enhances integrity, which is not only a personal virtue but also an organizational strength. Many of the bad things that happen in companies are a function of impulsive behavior. People rarely plan to exaggerate profits, pad expense accounts, dip into the till, or abuse power for selfish ends. Instead, an opportunity presents itself, and people with low impulse control just say yes.

By contrast, consider the behavior of the senior executive at a large food company. The executive was scrupulously honest in his negotiations with local distributors. He would routinely lay out his cost structure in detail, thereby giving the distributors a realistic understanding of the company's pricing. This approach meant the executive couldn't always drive a hard bargain. Now, on occasion, he felt the urge to increase profits by withholding information about the company's costs. But he challenged that impulse—he saw that it made more sense in the long run to counteract it. His emotional self-regulation paid off in strong, lasting relationships with distributors that benefited the company more than any short-term financial gains would have.

The signs of emotional self-regulation, therefore, are easy to see: a propensity for reflection and thoughtfulness; comfort with ambiguity and change; and integrity—an ability to say no to impulsive urges.

Like self-awareness, self-regulation often does not get its due. People who can master their emotions are sometimes seen as cold fish—

their considered responses are taken as a lack of passion. People with fiery temperaments are frequently thought of as “classic” leaders—their outbursts are considered hallmarks of charisma and power. But when such people make it to the top, their impulsiveness often works against them. In my research, extreme displays of negative emotion have never emerged as a driver of good leadership.

Motivation

If there is one trait that virtually all effective leaders have, it is motivation. They are driven to achieve beyond expectations—their own and everyone else's. The key word here is *achieve*. Plenty of people are motivated by external factors, such as a big salary or the status that comes from having an impressive title or being part of a prestigious company. By contrast, those with leadership potential are motivated by a deeply embedded desire to achieve for the sake of achievement.

If you are looking for leaders, how can you identify people who are motivated by the drive to achieve rather than by external rewards? The first sign is a passion for the work itself—such people seek out creative challenges, love to learn, and take great pride in a job well done. They also display an unflagging energy to do things better. People with such energy often seem restless with the status quo. They are persistent with their questions about why things are done one way rather than another; they are eager to explore new approaches to their work.

A cosmetics company manager, for example, was frustrated that he had to wait two weeks to get sales results from people in the field. He finally tracked down an automated phone system that would beep each of his salespeople at 5 pm every day. An automated message then prompted them to punch in their numbers—how many calls and sales they had made that day. The system shortened the feedback time on sales results from weeks to hours.

That story illustrates two other common traits of people who are driven to achieve. They are forever raising the performance bar, and they like to keep score. Take the performance bar first. During performance reviews, people with high levels of motivation might ask to be “stretched” by their superiors. Of course, an employee who combines self-awareness with internal motivation will recognize her limits—but she won't settle for objectives that seem too easy to fulfill.

And it follows naturally that people who are driven to do better also want a way of tracking progress—their own, their team's, and their company's. Whereas people with low achievement motivation are often fuzzy about results, those with high achievement motivation often keep score by tracking such hard measures as profitability or market share. I know of a money manager who starts and ends his day on the Internet, gauging the performance of his stock fund against four industry-set benchmarks.

Interestingly, people with high motivation remain optimistic even when the score is against them. In such cases, self-regulation combines with achievement motivation to overcome the frustration and depression that come after a setback or failure. Take the case of another portfolio manager at a large investment company. After several successful years, her fund tumbled for three consecutive quarters, leading three large institutional clients to shift their business elsewhere.

Some executives would have blamed the nosedive on circumstances outside their control; others might have seen the setback as evidence of personal failure. This portfolio manager, however, saw an opportunity to prove she could lead a turnaround. Two years later, when she was promoted to a very senior level in the company, she described the experience as “the best thing that ever happened to me; I learned so much from it.”

Executives trying to recognize high levels of achievement motivation in their people can look for one last piece of evidence: commitment to the organization. When people love their jobs for the work itself, they often feel committed to the organizations that make that work possible. Committed employees are likely to stay with an organization even when they are pursued by headhunters waving money.

It's not difficult to understand how and why a motivation to achieve translates into strong leadership. If you set the performance bar high for yourself, you will do the same for the organization when you are in a position to do so. Likewise, a drive to surpass goals and an interest in keeping score can be contagious. Leaders with these traits can often build a team of managers around them with the same traits. And of course, optimism and organizational commitment are fundamental to leadership—just try to imagine running a company without them.

Empathy

Of all the dimensions of emotional intelligence, empathy is the most easily recognized. We have all felt the empathy of a sensitive teacher or friend; we have all been struck by its absence in an unfeeling coach or boss. But when it comes to business, we rarely hear people praised, let alone rewarded, for their empathy. The very word seems unbusinesslike, out of place amid the tough realities of the marketplace.

But empathy doesn't mean a kind of “I'm OK, you're OK” mushiness. For a leader, that is, it doesn't mean adopting other people's emotions as one's own and trying to please everybody. That would be a nightmare—it would make action impossible. Rather, empathy means thoughtfully considering employees' feelings—along with other factors—in the process of making intelligent decisions.

For an example of empathy in action, consider what happened when two giant brokerage companies merged, creating redundant jobs in all their divisions. One division manager called his people together and gave a gloomy speech that emphasized the number of people who would soon be fired. The manager of another division gave his people a different kind of speech. He was up-front about his own worry and confusion, and he promised to keep people informed and to treat everyone fairly.

The difference between these two managers was empathy. The first manager was too worried about his own fate to consider the feelings of his anxiety-stricken colleagues. The second knew intuitively what his people were feeling, and he acknowledged their fears with his words. Is it any surprise that the first manager saw his division sink as many demoralized people, especially the most talented, departed? By contrast, the second manager continued to be a strong leader, his best people stayed, and his division remained as productive as ever.

Empathy is particularly important today as a component of leadership for at least three reasons: the increasing use of teams; the rapid pace of globalization; and the growing need to retain talent.

Consider the challenge of leading a team. As anyone who has ever been a part of one can attest, teams are cauldrons of bubbling emotions. They are often charged with reaching a consensus—which is hard enough with two people and much more difficult as the numbers increase. Even in groups with as few as

four or five members, alliances form and clashing agendas get set. A team's leader must be able to sense and understand the viewpoints of everyone around the table.

That's exactly what a marketing manager at a large information technology company was able to do when she was appointed to lead a troubled team. The group was in turmoil, overloaded by work and missing deadlines. Tensions were high among the members. Tinkering with procedures was not enough to bring the group together and make it an effective part of the company.

So the manager took several steps. In a series of one-on-one sessions, she took the time to listen to everyone in the group—what was frustrating them, how they rated their colleagues, whether they felt they had been ignored. And then she directed the team in a way that brought it together: She encouraged people to speak more openly about their frustrations, and she helped people raise constructive complaints during meetings. In short, her empathy allowed her to understand her team's emotional makeup. The result was not just heightened collaboration among members but also added business, as the team was called on for help by a wider range of internal clients.

Globalization is another reason for the rising importance of empathy for business leaders. Cross-cultural dialogue can easily lead to mis-cues and misunderstandings. Empathy is an antidote. People who have it are attuned to subtleties in body language; they can hear the message beneath the words being spoken. Beyond that, they have a deep understanding of both the existence and the importance of cultural and ethnic differences.

Consider the case of an American consultant whose team had just pitched a project to a potential Japanese client. In its dealings with Americans, the team was accustomed to being bombarded with questions after such a proposal, but this time it was greeted with a long silence. Other members of the team, taking the silence as disapproval, were ready to pack and leave. The lead consultant gestured them to stop. Although he was not particularly familiar with Japanese culture, he read the client's face and posture and sensed not rejection but interest—even deep consideration. He was right: When the client finally spoke, it was to give the consulting firm the job.

Finally, empathy plays a key role in the re-

tention of talent, particularly in today's information economy. Leaders have always needed empathy to develop and keep good people, but today the stakes are higher. When good people leave, they take the company's knowledge with them.

That's where coaching and mentoring come in. It has repeatedly been shown that coaching and mentoring pay off not just in better performance but also in increased job satisfaction and decreased turnover. But what makes coaching and mentoring work best is the nature of the relationship. Outstanding coaches and mentors get inside the heads of the people they are helping. They sense how to give effective feedback. They know when to push for better performance and when to hold back. In the way they motivate their protégés, they demonstrate empathy in action.

In what is probably sounding like a refrain, let me repeat that empathy doesn't get much respect in business. People wonder how leaders can make hard decisions if they are "feeling" for all the people who will be affected. But leaders with empathy do more than sympathize with people around them: They use their knowledge to improve their companies in subtle but important ways.

Social Skill

The first three components of emotional intelligence are self-management skills. The last two, empathy and social skill, concern a person's ability to manage relationships with others. As a component of emotional intelligence, social skill is not as simple as it sounds. It's not just a matter of friendliness, although people with high levels of social skill are rarely mean-spirited. Social skill, rather, is friendliness with a purpose: moving people in the direction you desire, whether that's agreement on a new marketing strategy or enthusiasm about a new product.

Socially skilled people tend to have a wide circle of acquaintances, and they have a knack for finding common ground with people of all kinds—a knack for building rapport. That doesn't mean they socialize continually; it means they work according to the assumption that nothing important gets done alone. Such people have a network in place when the time for action comes.

Social skill is the culmination of the other dimensions of emotional intelligence. People

tend to be very effective at managing relationships when they can understand and control their own emotions and can empathize with the feelings of others. Even motivation contributes to social skill. Remember that people who are driven to achieve tend to be optimistic, even in the face of setbacks or failure. When people are upbeat, their “glow” is cast upon conversations and other social encounters. They are popular, and for good reason.

Because it is the outcome of the other dimensions of emotional intelligence, social skill is recognizable on the job in many ways that will by now sound familiar. Socially skilled people, for instance, are adept at managing teams—that’s their empathy at work. Likewise, they are expert persuaders—a manifestation of self-awareness, self-regulation, and empathy combined. Given those skills, good persuaders know when to make an emotional plea, for instance, and when an appeal to reason will work better. And motivation, when publicly visible, makes such people excellent collaborators; their passion for the work spreads to others, and they are driven to find solutions.

But sometimes social skill shows itself in ways the other emotional intelligence components do not. For instance, socially skilled people may at times appear not to be working while at work. They seem to be idly schmoozing—chatting in the hallways with colleagues or joking around with people who are not even connected to their “real” jobs. Socially skilled people, however, don’t think it makes sense to arbitrarily limit the scope of their relationships. They build bonds widely because they know that in these fluid times, they may need help someday from people they are just getting to know today.

For example, consider the case of an executive in the strategy department of a global computer manufacturer. By 1993, he was convinced that the company’s future lay with the Internet. Over the course of the next year, he found kindred spirits and used his social skill to stitch together a virtual community that cut across levels, divisions, and nations. He then used this *de facto* team to put up a corporate Web site, among the first by a major company. And, on his own initiative, with no budget or

formal status, he signed up the company to participate in an annual Internet industry convention. Calling on his allies and persuading various divisions to donate funds, he recruited more than 50 people from a dozen different units to represent the company at the convention.

Management took notice: Within a year of the conference, the executive’s team formed the basis for the company’s first Internet division, and he was formally put in charge of it. To get there, the executive had ignored conventional boundaries, forging and maintaining connections with people in every corner of the organization.

Is social skill considered a key leadership capability in most companies? The answer is yes, especially when compared with the other components of emotional intelligence. People seem to know intuitively that leaders need to manage relationships effectively; no leader is an island. After all, the leader’s task is to get work done through other people, and social skill makes that possible. A leader who cannot express her empathy may as well not have it at all. And a leader’s motivation will be useless if he cannot communicate his passion to the organization. Social skill allows leaders to put their emotional intelligence to work.

It would be foolish to assert that good-old-fashioned IQ and technical ability are not important ingredients in strong leadership. But the recipe would not be complete without emotional intelligence. It was once thought that the components of emotional intelligence were “nice to have” in business leaders. But now we know that, for the sake of performance, these are ingredients that leaders “need to have.”

It is fortunate, then, that emotional intelligence can be learned. The process is not easy. It takes time and, most of all, commitment. But the benefits that come from having a well-developed emotional intelligence, both for the individual and for the organization, make it worth the effort.

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What Makes a Leader?

Further Reading

ARTICLES

The Manager's Job: Folklore and Fact

by Henry Mintzberg

Harvard Business Review

March–April 1990

Product no. 90210

Whereas Goleman emphasizes emotional intelligence, Mintzberg focuses on specific skills. In this HBR Classic, Mintzberg uses his and other research to debunk myths about the manager's role. Managerial work involves interpersonal roles, informational roles, and decisional roles, he notes. These in turn require the ability to develop peer relationships, carry out negotiations, motivate subordinates, resolve conflicts, establish information networks and disseminate information, make decisions with little or ambiguous information, and allocate resources. Good self-management skills are characteristic of most leaders; outstanding leaders also have the ability to empathize with others and to use social skills to advance an agenda.

The Work of Leadership

by Ronald A. Heifetz and Donald L. Laurie

Harvard Business Review

January–February 1997

Product no. 97106

Successfully leading an organization through an adaptive challenge calls for leaders with a high degree of emotional intelligence. But Heifetz and Laurie focus on the requirements of adaptive work, not on emotional maturity. The principles for leading adaptive work include: "getting on the balcony," forming a picture of the entire pattern of activity; identifying the key challenge; regulating distress; maintaining disciplined attention; giving the work back to the people; and protecting voices of leadership from below.

The Ways Chief Executive Officers Lead

by Charles M. Farkas and Suzy Wetlaufer

Harvard Business Review

May–June 1996

Product no. 96303

CEOs inspire a variety of sentiments ranging from awe to wrath, but there's little debate over CEOs' importance in the business world. The authors conducted 160 interviews with executives around the world. Instead of finding 160 different approaches, they found five, each with a singular focus: strategy, people, expertise, controls, or change. The five components of emotional intelligence, singly or in combination, have a great effect on how each focus is expressed in an organization.

BOOK

John P. Kotter on What Leaders Really Do

by John P. Kotter

Harvard Business School Press

1999

Product no. 8974

In this collection of six articles, Kotter shares his observations on the nature of leadership gained over the past 30 years. Without leadership that can deal successfully with today's increasingly fast-moving and competitive business environment, he warns, organizations will slow down, stagnate, and lose their way. He presents his views on the current state of leadership through ten observations and revisits his now famous eight-step process for organizational transformation. In contrast to Goleman's article on emotional intelligence, which is about leadership qualities, Kotter's work focuses on action: What does a leader do to lead? And how will leadership need to be different in the future?

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Make Your Good Team Great

Increase group emotional intelligence to increase group results.

by Judith A. Ross

HIGH-FUNCTIONING TEAMS are what make high-performing companies click. Whether the task is to create an innovative service or implement a new system, groups rather than individuals are shouldering more of the burden than ever before. The ideal team merges individual talents and skills into one superperforming whole with capabilities that surpass those of even its most talented member.

Yet, in reality, many teams fail to get close to that utopian ideal. Members do not work together as seamlessly as they could. People disengage, information goes unshared, wires get crossed, and time and money are wasted.

What distinguishes top teams from the rest? High-performing teams aren't the result of happy accident, research shows. They achieve superior levels of participation, cooperation, and collaboration because their members trust one another, share a strong sense of group identity, and have confidence in their effectiveness as a team. In other words, such teams possess high levels of group emotional intelligence (EI).

Like individual EI, group EI has to do with an awareness of emotions and the ability to manage them in a healthy, productive manner, says Vanessa Urch Druskat, an associate professor at the University of New Hampshire and a pioneer of the concept. A two-year study in which Druskat and Steven B. Wolff, a research consultant at Hay Group (Philadelphia), examined cross-functional drug-development teams at Johnson & Johnson revealed that group EI was the biggest predictor of team success.

Building an emotionally intelligent team requires developing emotional competence for the group as a whole. A team, like any social group, is governed by shared attitudinal and behavioral norms, which, though sometimes unspoken, are understood within the group. Teams that enjoy high levels of group EI, Druskat and Wolff say, have established norms that strengthen trust, group identity, and group efficacy. As a result, their members cooperate more fully with one another and collaborate more creatively in furthering the team's work.

"When you create a climate of trust and the sense that 'We are better together than we are apart,'" says Druskat, "it leads to greater effectiveness."

Implementing the following three practices will get your efforts to build your team's EI off to a solid start, say Druskat, Wolff, and other experts:

1. Make time for team members to appreciate each other's skills

Interpersonal understanding is critical to trust, which, in turn, is critical for the flow of ideas and information. The group must be aware of each member's skills and personality. When a group is first formed, it's smart to hold a launch meeting that has time built in for introductions and socializing. Members can get acquainted with one another as they start hammering out team goals and creating a shared vision of success.

Once a team is established, taking five minutes at the beginning of regular meetings for members to share work progress and personal reflections helps fortify the group's understanding of each individual and how together they all contribute to a common goal. "People on teams where people knew one another better were more efficient and got more work done," Druskat says.

Some teams, such as the accounting team at Xerox Canada in North York, Ontario, tasked with achieving year-one adherence to Sarbanes-Oxley Act accounting and disclosure rules with new leadership and only six months remaining to obtain compliance, use more formal mechanisms. To showcase their skills and experiences, members took turns at a weekly meeting sharing a past success or crucial lesson. One member, whom others had discounted because she lacked a finance background, described how in a previous role she had managed the push and pull of providing customers with specific services by persuading internal people—people over whom she had no formal authority—to do the work required to deliver those services.

Her presentation opened her teammates' eyes to the value she could provide, says Denise Holmes, manager of internal control at Xerox Canada. Achieving compliance meant a lot of additional work on business owners' behalf and thus her experience, closely related to this task, increased other members' trust in her and enhanced the group's emerging sense of itself as a talented, capable collective that would be able to meet the formidable challenges that lay ahead.

2. Surface and manage emotional issues that can help or hinder the team's progress

It's important to establish comfortable, group-sanctioned ways to express the inevitable anger, tension, and frustration that arise in a team endeavor and to positively redirect that energy. "Inevitably, a team member will indulge in

behavior that crosses the line, and the team must feel comfortable calling the foul,” Druskat and Wolff write in their *Harvard Business Review* article, “Building the Emotional Intelligence of Groups” (Reprint # R0103E).

Both humor and playfulness can be helpful tools in defusing conflict and relieving tension. One team at the worldwide innovation consultancy Ideo (Palo Alto, Calif.), says Druskat, tossed soft toys over cubicle walls when feelings ran high. Besides lightening the mood, this action served as a reminder that the group had established norms for expressing difficult emotions, thereby making them feel less threatening to individuals and to the group as a whole.

In another approach, the Xerox team members wrote down their gripes, clipped them to play money in denominations from \$1 to \$100 depending on how serious they felt the issue to be, and dropped them into an “opportunities” jar. Their gripes were discussed at meetings, starting with problems attached to larger denominations.

The process enhanced the group’s emotional competence in several ways. First, it increased trust by fostering openness and decreasing the temptation for members to express their frustration in destructive ways. “Setting up a place where people can deposit something that bothers them allows them to get it off their chest and continue with their day,” says Linda Lopeke, president and CEO of Lexicorp Services in Mississauga, Ontario, who coached the Xerox team.

Second, those with complaints saw them dealt with fairly and positively. In response to a complaint that an overly gregarious (and unnamed) team member was a distraction, the group developed a good-natured solution: small placards for the backs of their chairs reading “The doctor is in” or “The doctor is out.” Holmes explains that when the doctor was “in,” visiting was OK; when the doctor was “out,” it wasn’t.

Third, the jar truly did offer opportunities by enabling members to expand skills while helping forward the team’s

work. For example, the jar revealed that members were unable to get past the Xerox firewall when working offsite. The individual who volunteered to troubleshoot was not an IT specialist but had enough computer knowledge, curiosity, and persistence to find and eliminate the glitch.

3. Celebrate success

Building the EI of a team also requires the expression of positive emotions, such as gratitude for going the extra mile or pride in a job well done. Recognizing individual and group achievements not only strengthens a team’s identity, but it also spotlights its effectiveness and fuels its collective passion for excellence. For instance, Xerox Canada created a “Wall of Fame” to honor members of the Sarbanes-Oxley team.

“Celebrating positive emotions is very easy to do,” says Druskat. Giving each other high fives, toasting one another at dinners, or simply clapping for someone in a meeting—it’s amazing, she says, what such simple acts “can do for building a sense of solidarity, efficacy, and identity.”

An added bonus

Xerox Canada’s Sarbanes-Oxley team achieved its objective of 2004 compliance, attracting positive attention from the entire organization in the process. Its celebration of its members’ accomplishments, its recognition of other teams’ contributions, and—above all—its success at meeting a very challenging goal gained it such widespread attention within the company that it is now inundated with applications when a job is posted.

This is not surprising, says Druskat. “People want to belong to something that they think is effective.” ♦

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Social Intelligence and the Biology of Leadership

The Idea in Brief

Your behavior can energize—or deflate—your entire organization through **mood contagion**. For example, if you laugh often and set an easygoing tone, you'll trigger similar behaviors among your team members. Shared behaviors unify a team, and bonded groups perform better than fragmented ones.

Mood contagion stems from neurobiology. Positive behaviors—such as exhibiting empathy—create a chemical connection between a leader's and his or her followers' brains. By managing those interconnections adroitly, leaders can deliver measurable business results. For example, after one executive at a *Fortune* 500 company worked with a coach and role model to improve her behavior, employee retention and emotional commitment in her unit soared. And the unit's annual sales jumped 6%.

How to foster the neurobiological changes that create positive behaviors and emotions in your employees? Goleman and Boyatzis advise sharpening your **social intelligence** skills.

The Idea in Practice

IDENTIFY SOCIAL STRENGTHS AND WEAKNESSES

Social intelligence skills include the following. Identify which ones you're good at—and which ones need improvement.

Skill	Do you...
Empathy	Understand what motivates other people, even those from different backgrounds? Are you sensitive to their needs?
Attunement	Listen attentively and think about how others feel? Are you attuned to others' moods?
Organizational Awareness	Appreciate your group's or organization's culture and values? Understand social networks and know their unspoken norms?
Influence	Persuade others by engaging them in discussion, appealing to their interests, and getting support from key people?
Developing Others	Coach and mentor others with compassion? Do you personally invest time and energy in mentoring and provide feedback that people find helpful for their professional development?
Inspiration	Articulate a compelling vision, build group pride, foster a positive emotional tone, and lead by bringing out the best in people?
Teamwork	Encourage the participation of everyone on your team, support all members, and foster cooperation?

CRAFT A PLAN FOR CHANGE

Now determine how you'll strengthen your social intelligence. Working with a coach—who can debrief you about what she observes—and learning directly from a role model are particularly powerful ways to make needed behavioral changes.

► Example:

Janice was hired as a marketing manager for her business expertise, strategic thinking powers, and ability to deal with obstacles to crucial goals. But within her first six months on the job, she was floundering. Other executives saw her as aggressive and opinionated—as well as careless about what she said and to whom.

Her boss called in a coach, who administered a 360-degree evaluation. Findings revealed that Janice didn't know how to establish rapport with people, notice their reactions to her, read social norms, or recognize oth-

ers' emotional cues when she violated those norms. Through coaching, Janice learned to express her ideas with conviction (instead of with pit bull–like determination) and to disagree with others without damaging relationships.

By switching to a job where she reported to a socially intelligent mentor, Janice further strengthened her skills, including learning how to critique others' performance in productive ways. She was promoted to a position two levels up where, with additional coaching, she mastered reading cues from direct reports who were still signaling frustration with her. Her company's investment in her (along with her own commitment to change) paid big dividends—in the form of lower turnover and higher sales in Janice's multibillion-dollar unit.

New studies of the brain show that leaders can improve group performance by understanding the biology of empathy.

Social Intelligence and the Biology of Leadership

by Daniel Goleman and Richard Boyatzis

In 1998, one of us, Daniel Goleman, published in these pages his first article on emotional intelligence and leadership. The response to “What Makes a Leader?” was enthusiastic. People throughout and beyond the business community started talking about the vital role that empathy and self-knowledge play in effective leadership. The concept of emotional intelligence continues to occupy a prominent space in the leadership literature and in everyday coaching practices. But in the past five years, research in the emerging field of social neuroscience—the study of what happens in the brain while people interact—is beginning to reveal subtle new truths about what makes a good leader.

The salient discovery is that certain things leaders do—specifically, exhibit empathy and become attuned to others’ moods—literally affect both their own brain chemistry and that of their followers. Indeed, researchers have found that the leader-follower dynamic is not a case of two (or more) independent brains reacting consciously or unconsciously to each other.

Rather, the individual minds become, in a sense, fused into a single system. We believe that great leaders are those whose behavior powerfully leverages the system of brain interconnectedness. We place them on the opposite end of the neural continuum from people with serious social disorders, such as autism or Asperger’s syndrome, that are characterized by underdevelopment in the areas of the brain associated with social interactions. If we are correct, it follows that a potent way of becoming a better leader is to find authentic contexts in which to learn the kinds of social behavior that reinforce the brain’s social circuitry. Leading effectively is, in other words, less about mastering situations—or even mastering social skill sets—than about developing a genuine interest in and talent for fostering positive feelings in the people whose cooperation and support you need.

The notion that effective leadership is about having powerful social circuits in the brain has prompted us to extend our concept of emotional intelligence, which we had

grounded in theories of individual psychology. A more relationship-based construct for assessing leadership is *social intelligence*, which we define as a set of interpersonal competencies built on specific neural circuits (and related endocrine systems) that inspire others to be effective.

The idea that leaders need social skills is not new, of course. In 1920, Columbia University psychologist Edward Thorndike pointed out that “the best mechanic in a factory may fail as a foreman for lack of social intelligence.” More recently, our colleague Claudio Fernández-Aráoz found in an analysis of new C-level executives that those who had been hired for their self-discipline, drive, and intellect were sometimes later fired for lacking basic social skills. In other words, the people Fernández-Aráoz studied had smarts in spades, but their inability to get along socially on the job was professionally self-defeating.

What’s new about our definition of social intelligence is its biological underpinning, which we will explore in the following pages. Drawing on the work of neuroscientists, our own research and consulting endeavors, and the findings of researchers affiliated with the Consortium for Research on Emotional Intelligence in Organizations, we will show you how to translate newly acquired knowledge about mirror neurons, spindle cells, and oscillators into practical, socially intelligent behaviors that can reinforce the neural links between you and your followers.

emotions. Collectively, these neurons create an instant sense of shared experience.

Mirror neurons have particular importance in organizations, because leaders’ emotions and actions prompt followers to mirror those feelings and deeds. The effects of activating neural circuitry in followers’ brains can be very powerful. In a recent study, our colleague Marie Dasborough observed two groups: One received negative performance feedback accompanied by positive emotional signals—namely, nods and smiles; the other was given positive feedback that was delivered critically, with frowns and narrowed eyes. In subsequent interviews conducted to compare the emotional states of the two groups, the people who had received positive feedback accompanied by negative emotional signals reported feeling worse about their performance than did the participants who had received good-natured negative feedback. In effect, the delivery was more important than the message itself. And everybody knows that when people feel better, they perform better. So, if leaders hope to get the best out of their people, they should continue to be demanding but in ways that foster a positive mood in their teams. The old carrot-and-stick approach alone doesn’t make neural sense; traditional incentive systems are simply not enough to get the best performance from followers.

Here’s an example of what does work. It turns out that there’s a subset of mirror neurons whose only job is to detect other people’s smiles and laughter, prompting smiles and laughter in return. A boss who is self-controlled and humorless will rarely engage those neurons in his team members, but a boss who laughs and sets an easygoing tone puts those neurons to work, triggering spontaneous laughter and knitting his team together in the process. A bonded group is one that performs well, as our colleague Fabio Sala has shown in his research. He found that top-performing leaders elicited laughter from their subordinates three times as often, on average, as did midperforming leaders. Being in a good mood, other research finds, helps people take in information effectively and respond nimbly and creatively. In other words, laughter is serious business.

It certainly made a difference at one university-based hospital in Boston. Two doctors we’ll call Dr. Burke and Dr. Humboldt were in

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Followers Mirror Their Leaders—Literally

Perhaps the most stunning recent discovery in behavioral neuroscience is the identification of *mirror neurons* in widely dispersed areas of the brain. Italian neuroscientists found them by accident while monitoring a particular cell in a monkey’s brain that fired only when the monkey raised its arm. One day a lab assistant lifted an ice cream cone to his own mouth and triggered a reaction in the monkey’s cell. It was the first evidence that the brain is peppered with neurons that mimic, or mirror, what another being does. This previously unknown class of brain cells operates as neural Wi-Fi, allowing us to navigate our social world. When we consciously or unconsciously detect someone else’s emotions through their actions, our mirror neurons reproduce those

contention for the post of CEO of the corporation that ran this hospital and others. Both of them headed up departments, were superb physicians, and had published many widely cited research articles in prestigious medical journals. But the two had very different personalities. Burke was intense, task focused, and impersonal. He was a relentless perfectionist with a combative tone that kept his staff continually on edge. Humboldt was no less demanding, but he was very approachable, even playful, in relating to staff, colleagues, and patients. Observers noted that people smiled and teased one another—and even spoke their minds—more in Humboldt's department than in Burke's. Prized talent often ended up leaving Burke's department; in contrast, outstanding folks gravitated to Humboldt's warmer working climate. Recognizing Humboldt's socially intelligent leadership style, the hospital corporation's board picked him as the new CEO.

The “Finely Attuned” Leader

Great executives often talk about leading from the gut. Indeed, having good instincts is widely recognized as an advantage for a leader in any context, whether in reading the mood of one's organization or in conducting a delicate negotiation with the competition. Leadership scholars characterize this talent as an ability to recognize patterns, usually born of extensive experience. Their advice: Trust your gut, but get lots of input as you make decisions. That's sound practice, of course, but managers don't always have the time to consult dozens of people.

Findings in neuroscience suggest that this approach is probably too cautious. Intuition, too, is in the brain, produced in part by a class of neurons called *spindle cells* because of their shape. They have a body size about four times that of other brain cells, with an extra-long branch to make attaching to other cells easier and transmitting thoughts and feelings to them quicker. This ultrarapid connection of emotions, beliefs, and judgments creates what behavioral scientists call our social guidance system. Spindle cells trigger neural networks that come into play whenever we have to choose the best response among many—even for a task as routine as prioritizing a to-do list. These cells also help us gauge whether someone is trustworthy and right (or wrong) for a

job. Within one-twentieth of a second, our spindle cells fire with information about how we feel about that person; such “thin-slice” judgments can be very accurate, as follow-up metrics reveal. Therefore, leaders should not fear to act on those judgments, provided that they are also attuned to others' moods.

Such attunement is literally physical. Followers of an effective leader experience rapport with her—or what we and our colleague Annie McKee call “resonance.” Much of this feeling arises unconsciously, thanks to mirror neurons and spindle-cell circuitry. But another class of neurons is also involved: *Oscillators* coordinate people physically by regulating how and when their bodies move together. You can see oscillators in action when you watch people about to kiss; their movements look like a dance, one body responding to the other seamlessly. The same dynamic occurs when two cellists play together. Not only do they hit their notes in unison, but thanks to oscillators, the two musicians' right brain hemispheres are more closely coordinated than are the left and right sides of their individual brains.

Firing Up Your Social Neurons

The firing of social neurons is evident all around us. We once analyzed a video of Herb Kelleher, a cofounder and former CEO of Southwest Airlines, strolling down the corridors of Love Field in Dallas, the airline's hub. We could practically see him activate the mirror neurons, oscillators, and other social circuitry in each person he encountered. He offered beaming smiles, shook hands with customers as he told them how much he appreciated their business, hugged employees as he thanked them for their good work. And he got back exactly what he gave. Typical was the flight attendant whose face lit up when she unexpectedly encountered her boss. “Oh, my honey!” she blurted, brimming with warmth, and gave him a big hug. She later explained, “Everyone just feels like family with him.”

Unfortunately, it's not easy to turn yourself into a Herb Kelleher or a Dr. Humboldt if you're not one already. We know of no clear-cut methods to strengthen mirror neurons, spindle cells, and oscillators; they activate by the thousands per second during any encounter, and their precise firing patterns remain elusive. What's more, self-conscious attempts to display social intelligence can often backfire.

Do Women Have Stronger Social Circuits?

People often ask whether gender differences factor into the social intelligence skills needed for outstanding leadership. The answer is yes and no. It's true that women tend, on average, to be better than men at immediately sensing other people's emotions, whereas men tend to have more social confidence, at least in work settings. However, gender differences in social intelligence that are dramatic in the general population are all but absent among the most successful leaders.

When the University of Toledo's Margaret Hopkins studied several hundred executives from a major bank, she found gender differences in social intelligence in the overall group but not between the most effective men and the most effective women. Ruth Malloy of the Hay Group uncovered a similar pattern in her study of CEOs of international companies. Gender, clearly, is not neural destiny.

When you make an intentional effort to coordinate movements with another person, it is not only oscillators that fire. In such situations the brain uses other, less adept circuitry to initiate and guide movements; as a result, the interaction feels forced.

The only way to develop your social circuitry effectively is to undertake the hard work of changing your behavior (see “Primal Leadership: The Hidden Driver of Great Performance,” our December 2001 HBR article with Annie McKee). Companies interested in leadership development need to begin by assessing the willingness of individuals to enter a change program. Eager candidates should first develop a personal vision for change and then undergo a thorough diagnostic assessment, akin to a medical workup, to identify areas of social weakness and strength. Armed with the feedback, the aspiring leader can be trained in specific areas where developing better social skills will have the greatest payoff. The training can range from rehearsing better ways of interacting and trying them out at every opportunity, to being shadowed by a coach and then debriefed about what he observes, to learning directly from a role model. The options are many, but the road to

success is always tough.

How to Become Socially Smarter

To see what social intelligence training involves, consider the case of a top executive we'll call Janice. She had been hired as a marketing manager by a *Fortune* 500 company because of her business expertise, outstanding track record as a strategic thinker and planner, reputation as a straight talker, and ability to anticipate business issues that were crucial for meeting goals. Within her first six months on the job, however, Janice was floundering; other executives saw her as aggressive and opinionated, lacking in political astuteness, and careless about what she said and to whom, especially higher-ups.

To save this promising leader, Janice's boss called in Kathleen Cavallo, an organizational psychologist and senior consultant with the Hay Group, who immediately put Janice through a 360-degree evaluation. Her direct reports, peers, and managers gave Janice low ratings on empathy, service orientation, adaptability, and managing conflicts. Cavallo learned more by having confidential conversations with the people who worked most closely with Janice. Their complaints focused

Are You a Socially Intelligent Leader?

To measure an executive's social intelligence and help him or her develop a plan for improving it, we have a specialist administer our behavioral assessment tool, the Emotional and Social Competency Inventory. It is a 360-degree evaluation instrument by which bosses, peers, direct reports, clients, and sometimes even family members assess a leader according to seven social intelligence qualities.

We came up with these seven by integrating our existing emotional intelligence framework with data assembled by our colleagues at the Hay Group, who used hard metrics to capture the behavior of top-performing leaders at hundreds of corporations over two decades. Listed here are each of the qualities, followed by some of the questions we use to assess them.

Empathy

- **Do you understand** what motivates other people, even those from different backgrounds?
- **Are you sensitive** to others' needs?

Attunement

- **Do you listen attentively** and think about how others feel?
- **Are you attuned** to others' moods?

Organizational Awareness

- **Do you appreciate** the culture and values of the group or organization?
- **Do you understand social networks** and know their unspoken norms?

Influence

- **Do you persuade others** by engaging them in discussion and appealing to their self-interests?
- **Do you get support** from key people?

Developing Others

- **Do you coach** and mentor others with compassion and personally invest time and energy in mentoring?
- **Do you provide feedback** that people find helpful for their professional development?

Inspiration

- **Do you articulate a compelling vision**, build group pride, and foster a positive emotional tone?
- **Do you lead** by bringing out the best in people?

Teamwork

- **Do you solicit input** from everyone on the team?
- **Do you support** all team members and encourage cooperation?

on her failure to establish rapport with people or even notice their reactions. The bottom line: Janice was adept neither at reading the social norms of a group nor at recognizing people's emotional cues when she violated those norms. Even more dangerous, Janice did not realize she was being too blunt in managing upward. When she had a strong difference of opinion with a manager, she did not sense when to back off. Her "let's get it all on the table and mix it up" approach was threatening her job; top management was getting fed up.

When Cavallo presented this performance feedback as a wake-up call to Janice, she was of course shaken to discover that her job might be in danger. What upset her more, though, was the realization that she was not having her desired impact on other people. Cavallo initiated coaching sessions in which Janice would describe notable successes and failures from her day. The more time Janice spent reviewing these incidents, the better she became at recognizing the difference between expressing an idea with conviction and acting like a pit bull. She began to anticipate how people might react to her in a meeting or during a negative performance review; she rehearsed more-astute ways to present her opinions; and she developed a personal vision for change. Such mental preparation activates the social circuitry of the brain, strengthening the neural connections you need to act effectively; that's why Olympic athletes put hundreds of hours into mental review of their moves.

At one point, Cavallo asked Janice to name a leader in her organization who had excellent social intelligence skills. Janice identified a veteran senior manager who was masterly both in the art of the critique and at expressing disagreement in meetings without damaging relationships. She asked him to help coach her, and she switched to a job where she could work with him—a post she held for two years. Janice was lucky to find a mentor who believed that part of a leader's job is to develop human capital. Many bosses would rather manage around a problem employee than help her get better. Janice's new boss took her on because he recognized her other strengths as invaluable, and his gut told him that Janice could improve with guidance.

Before meetings, Janice's mentor coached her on how to express her viewpoint about

contentious issues and how to talk to higher-ups, and he modeled for her the art of performance feedback. By observing him day in and day out, Janice learned to affirm people even as she challenged their positions or critiqued their performance. Spending time with a living, breathing model of effective behavior provides the perfect stimulation for our mirror neurons, which allow us to directly experience, internalize, and ultimately emulate what we observe.

Janice's transformation was genuine and comprehensive. In a sense, she went in one person and came out another. If you think about it, that's an important lesson from neuroscience: Because our behavior creates and develops neural networks, we are not necessarily prisoners of our genes and our early childhood experiences. Leaders can change if, like Janice, they are ready to put in the effort. As she progressed in her training, the social behaviors she was learning became more like second nature to her. In scientific terms, Janice was strengthening her social circuits through practice. And as others responded to her, their brains connected with hers more profoundly and effectively, thereby reinforcing Janice's cir-

The Chemistry of Stress

When people are under stress, surges in the stress hormones adrenaline and cortisol strongly affect their reasoning and cognition. At low levels, cortisol facilitates thinking and other mental functions, so well-timed pressure to perform and targeted critiques of subordinates certainly have their place. When a leader's demands become too great for a subordinate to handle, however, soaring cortisol levels and an added hard kick of adrenaline can paralyze the mind's critical abilities. Attention fixates on the threat from the boss rather than the work at hand; memory, planning, and creativity go out the window. People fall back on old habits, no matter how unsuitable those are for addressing new challenges.

Poorly delivered criticism and displays of anger by leaders are common triggers of hormonal surges. In fact,

when laboratory scientists want to study the highest levels of stress hormones, they simulate a job interview in which an applicant receives intense face-to-face criticism—an analogue of a boss's tearing apart a subordinate's performance. Researchers likewise find that when someone who is very important to a person expresses contempt or disgust toward him, his stress circuitry triggers an explosion by stress hormones and a spike in heart rate of 30 to 40 beats per minute. Then, because of the interpersonal dynamic of mirror neurons and oscillators, the tension spreads to other people. Before you know it, the destructive emotions have infected an entire group and inhibited its performance.

Leaders are themselves not immune to the contagion of stress. All the more reason they should take the time to understand the biology of their emotions.

cuits in a virtuous circle. The upshot: Janice went from being on the verge of dismissal to getting promoted to a position two levels up.

A few years later, some members of Janice's staff left the company because they were not happy—so she asked Cavallo to come back. Cavallo discovered that although Janice had mastered the ability to communicate and connect with management and peers, she still sometimes missed cues from her direct reports when they tried to signal their frustration. With more help from Cavallo, Janice was able to turn the situation around by refocusing her attention on her staff's emotional needs and fine-tuning her communication style. Opinion surveys conducted with Janice's staff before and after Cavallo's second round of coaching documented dramatic increases in their emotional commitment and intention to stay in the organization. Janice and the staff also delivered a 6% increase in annual sales, and after another successful year she was made president of a multibillion-dollar unit. Companies can clearly benefit a lot from putting people through the kind of program Janice completed.

Hard Metrics of Social Intelligence

Our research over the past decade has confirmed that there is a large performance gap between socially intelligent and socially unintelligent leaders. At a major national bank, for example, we found that levels of an executive's social intelligence competencies predicted yearly performance appraisals more powerfully than did the emotional intelligence competencies of self-awareness and self-management. (For a brief explanation of our assessment tool, which focuses on seven dimensions, see the exhibit "Are You a Socially Intelligent Leader?")

Social intelligence turns out to be especially important in crisis situations. Consider the experience of workers at a large Canadian provincial health care system that had gone through drastic cutbacks and a reorganization. Internal surveys revealed that the front-line workers had become frustrated that they

were no longer able to give their patients a high level of care. Notably, workers whose leaders scored low in social intelligence reported unmet patient-care needs at three times the rate—and emotional exhaustion at four times the rate—of their colleagues who had supportive leaders. At the same time, nurses with socially intelligent bosses reported good emotional health and an enhanced ability to care for their patients, even during the stress of layoffs (see the sidebar "The Chemistry of Stress"). These results should be compulsory reading for the boards of companies in crisis. Such boards typically favor expertise over social intelligence when selecting someone to guide the institution through tough times. A crisis manager needs both.

...

As we explore the discoveries of neuroscience, we are struck by how closely the best psychological theories of development map to the newly charted hardwiring of the brain. Back in the 1950s, for example, British pediatrician and psychoanalyst D.W. Winnicott was advocating for play as a way to accelerate children's learning. Similarly, British physician and psychoanalyst John Bowlby emphasized the importance of providing a secure base from which people can strive toward goals, take risks without unwarranted fear, and freely explore new possibilities. Hard-bitten executives may consider it absurdly indulgent and financially untenable to concern themselves with such theories in a world where bottom-line performance is the yardstick of success. But as new ways of scientifically measuring human development start to bear out these theories and link them directly with performance, the so-called soft side of business begins to look not so soft after all.

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BEST PRACTICE

Cultural Intelligence

by P. Christopher Earley and Elaine Mosakowski

You see them at international airports like Heathrow: posters advertising the global bank HSBC that show a grasshopper and the message “USA—Pest. China—Pet. Northern Thailand—Appetizer.”

Taxonomists pinned down the scientific definition of the family Acrididae more than two centuries ago. But culture is so powerful it can affect how even a lowly insect is perceived. So it should come as no surprise that the human actions, gestures, and speech patterns a person encounters in a foreign business setting are subject to an even wider range of interpretations, including ones that can make misunderstandings likely and cooperation impossible. But occasionally an outsider has a seemingly natural ability to interpret someone’s unfamiliar and ambiguous gestures in just the way that person’s compatriots and colleagues would, even to mirror them. We call that *cultural intelligence* or *CQ*. In a world where crossing boundaries is routine, CQ becomes a vitally important aptitude and skill, and not just for international bankers and borrowers.

Companies, too, have cultures, often very distinctive; anyone who joins a new company spends the first few weeks deciphering its cultural code. Within any large company there are sparring subcultures as well: The sales force can’t talk to the engineers, and the PR people lose patience with the lawyers. Departments, divisions, professions, geographical regions—each has a constellation of manners, meanings, histories, and values that will confuse the interloper and cause him or her to stumble. Unless, that is, he or she has a high CQ.

Cultural intelligence is related to emotional intelligence, but it picks up where emotional intelligence leaves off. A person with high emotional intelligence grasps what makes us human and at the same time what makes each of us different from one another. A person with high cultural intelligence can somehow tease out of a person’s or group’s behavior those features that would be true of all people and all groups, those peculiar to this person or this group, and those that are neither universal nor idiosyncratic. The vast realm that lies be-

tween those two poles is culture.

An American expatriate manager we know had his cultural intelligence tested while serving on a design team that included two German engineers. As other team members floated their ideas, the engineers condemned them repeatedly as stunted or immature or worse. The manager concluded that Germans in general are rude and aggressive.

A modicum of cultural intelligence would have helped the American realize he was mistakenly equating the merit of an idea with the merit of the person presenting it and that the Germans were able to make a sharp distinction between the two. A manager with even subtler powers of discernment might have tried to determine how much of the two Germans' behavior was arguably German and how much was explained by the fact that they were engineers.

An expatriate manager who was merely emotionally intelligent would probably have empathized with the team members whose ideas were being criticized, modulated his or her spontaneous reaction to the engineers' conduct, and proposed a new style of discussion that preserved candor but spared feelings, if indeed anyone's feelings had been hurt. But without being able to tell how much of the engineers' behavior was idiosyncratic and how much was culturally determined, he or she would not have known how to influence their actions or how easy it would be to do that.

One critical element that cultural intelligence and emotional intelligence do share is, in psychologist Daniel Goleman's words, "a propensity to suspend judgment—to think before acting." For someone richly endowed with CQ, the suspension might take hours or days, while someone with low CQ might have to take weeks or months. In either case, it involves using your senses to register all the ways that the personalities interacting in front of you are different from those in your home culture yet similar to one another. Only when conduct you have actually observed begins to settle into patterns can you safely begin to anticipate how these people will react in the next situation. The inferences you draw in this manner will be free of the hazards of stereotyping.

The people who are socially the most successful among their peers often have the greatest difficulty making sense of, and then being accepted by, cultural strangers. Those who

fully embody the habits and norms of their native culture may be the most alien when they enter a culture not their own. Sometimes, people who are somewhat detached from their own culture can more easily adopt the mores and even the body language of an unfamiliar host. They're used to being observers and making a conscious effort to fit in.

Although some aspects of cultural intelligence are innate, anyone reasonably alert, motivated, and poised can attain an acceptable level of cultural intelligence, as we have learned from surveying 2,000 managers in 60 countries and training many others. Given the number of cross-functional assignments, job transfers, new employers, and distant postings most corporate managers are likely to experience in the course of a career, low CQ can turn out to be an inherent disadvantage.

The Three Sources of Cultural Intelligence

Can it really be that some managers are socially intelligent in their own settings but ineffective in culturally novel ones? The experience of Peter, a sales manager at a California medical devices group acquired by Eli Lilly Pharmaceuticals, is not unusual. At the devices company, the atmosphere had been mercenary and competitive; the best-performing employees could make as much in performance bonuses as in salary. Senior managers hounded unproductive salespeople to perform better.

At Lilly's Indianapolis headquarters, to which Peter was transferred, the sales staff received bonuses that accounted for only a small percentage of total compensation. Furthermore, criticism was restrained and confrontation kept to a minimum. To motivate people, Lilly management encouraged them. Peter commented, "Back in L.A., I knew how to handle myself and how to manage my sales team. I'd push them and confront them if they weren't performing, and they'd respond. If you look at my evaluations, you'll see that I was very successful and people respected me. Here in Indianapolis, they don't like my style, and they seem to avoid the challenges that I put to them. I just can't seem to get things done as well here as I did in California."

Peter's problem was threefold. First, he didn't comprehend how much the landscape had changed. Second, he was unable to make

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his behavior consistent with that of everyone around him. And third, when he recognized that the arrangement wasn't working, he became disheartened.

Peter's three difficulties correspond to the three components of cultural intelligence: the cognitive; the physical; and the emotional/motivational. Cultural intelligence resides in the body and the heart, as well as the head. Although most managers are not equally strong in all three areas, each faculty is seriously hampered without the other two.

Head. Rote learning about the beliefs, customs, and taboos of foreign cultures, the approach corporate training programs tend to favor, will never prepare a person for every situation that arises, nor will it prevent terrible gaffes. However, inquiring about the meaning of some custom will often prove unavailing because natives may be reticent about explaining themselves to strangers, or they may have little practice looking at their own culture analytically.

Instead, a newcomer needs to devise what we call learning strategies. Although most people find it difficult to discover a point of entry into alien cultures, whose very coherence can make them seem like separate, parallel worlds, an individual with high cognitive CQ notices clues to a culture's shared understandings. These can appear in any form and any context but somehow indicate a line of interpretation worth pursuing.

An Irish manager at an international advertising firm was working with a new client, a German construction and engineering company. Devin's experience with executives in the German retail clothing industry was that they were reasonably flexible about deadlines and receptive to highly imaginative proposals for an advertising campaign. He had also worked with executives of a British construction and engineering company, whom he found to be strict about deadlines and intent on a media campaign that stressed the firm's technical expertise and the cost savings it offered.

Devin was unsure how to proceed. Should he assume that the German construction company would take after the German clothing retailer or, instead, the British construction company? He resolved to observe the new client's representative closely and draw general conclusions about the firm and its culture from his behavior, just as he had done in the other two

cases. Unfortunately, the client sent a new representative to every meeting. Many came from different business units and had grown up in different countries. Instead of equating the first representative's behavior with the client's corporate culture, Devin looked for consistencies in the various individuals' traits. Eventually he determined that they were all punctual, deadline-oriented, and tolerant of unconventional advertising messages. From that, he was able to infer much about the character of their employer.

Body. You will not disarm your foreign hosts, guests, or colleagues simply by showing you understand their culture; your actions and demeanor must prove that you have already to some extent entered their world. Whether it's the way you shake hands or order a coffee, evidence of an ability to mirror the customs and gestures of the people around you will prove that you esteem them well enough to want to be like them. By adopting people's habits and mannerisms, you eventually come to understand in the most elemental way what it is like to be them. They, in turn, become more trusting and open. University of Michigan professor Jeffrey Sanchez-Burks's research on cultural barriers in business found that job candidates who adopted some of the mannerisms of recruiters with cultural backgrounds different from their own were more likely to be made an offer.

This won't happen if a person suffers from a deep-seated reservation about the called-for behavior or lacks the physical poise to pull it off. Henri, a French manager at Aegis, a media corporation, followed the national custom of greeting his female clients with a hug and a kiss on both cheeks. Although Melanie, a British aerospace manager, understood that in France such familiarity was *de rigueur* in a professional setting, she couldn't suppress her discomfort when it happened to her, and she recoiled. Inability to receive and reciprocate gestures that are culturally characteristic reflects a low level of cultural intelligence's physical component.

In another instance, a Hispanic community leader in Los Angeles and an Anglo-American businessman fell into conversation at a charity event. As the former moved closer, the latter backed away. It took nearly 30 minutes of waltzing around the room for the community leader to realize that "Ang-

Cultural intelligence:
*an outsider's seemingly
natural ability to
interpret someone's
unfamiliar and
ambiguous gestures the
way that person's
compatriots would.*

Diagnosing Your Cultural Intelligence

These statements reflect different facets of cultural intelligence. For each set, add up your scores and divide by four to produce an average. Our work with large groups of managers shows that for purposes of your own development, it is most useful to think about your three scores in comparison to one another. Generally, an average of less than 3 would indicate an area calling for improvement, while an average of greater than 4.5 reflects a true CQ strength.

Rate the extent to which you agree with each statement, using the scale:

1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree.

_____	Before I interact with people from a new culture, I ask myself what I hope to achieve.
_____	If I encounter something unexpected while working in a new culture, I use this experience to figure out new ways to approach <i>other</i> cultures in the future.
_____	I plan how I'm going to relate to people from a different culture before I meet them.
+ _____	When I come into a new cultural situation, I can immediately sense whether something is going well or something is wrong.

Total _____ $\div 4 =$ **Cognitive CQ**

_____	It's easy for me to change my body language (for example, eye contact or posture) to suit people from a different culture.
_____	I can alter my expression when a cultural encounter requires it.
_____	I modify my speech style (for example, accent or tone) to suit people from a different culture.
+ _____	I easily change the way I act when a cross-cultural encounter seems to require it.

Total _____ $\div 4 =$ **Physical CQ**

_____	I have confidence that I can deal well with people from a different culture.
_____	I am certain that I can befriend people whose cultural backgrounds are different from mine.
_____	I can adapt to the lifestyle of a different culture with relative ease.
+ _____	I am confident that I can deal with a cultural situation that's unfamiliar.

Total _____ $\div 4 =$ **Emotional/
motivational CQ**

los" were not comfortable standing in such close physical proximity.

Heart. Adapting to a new culture involves overcoming obstacles and setbacks. People can do that only if they believe in their own efficacy. If they persevered in the face of challenging situations in the past, their confidence grew. Confidence is always rooted in mastery of a particular task or set of circumstances.

A person who doesn't believe herself capable of understanding people from unfamiliar cultures will often give up after her efforts meet with hostility or incomprehension. By contrast, a person with high motivation will, upon confronting obstacles, setbacks, or even failure, reengage with greater vigor. To stay motivated, highly efficacious people do not depend on obtaining rewards, which may be unconventional or long delayed.

Hyong Moon had experience leading racially mixed teams of designers at GM, but when he headed up a product design and development team that included representatives from the sales, production, marketing, R&D, engineering, and finance departments, things did not go smoothly. The sales manager, for example, objected to the safety engineer's attempt to add features such as side-impact air bags because they would boost the car's price excessively. The conflict became so intense and so public that a senior manager had to intervene. Although many managers would have felt chastened after that, Moon struggled even harder to gain control, which he eventually did by convincing the sales manager that the air bags could make the car more marketable. Although he had no experience with cross-functional teams, his successes with single-function teams had given him the confidence to persevere. He commented, "I'd seen these types of disagreements in other teams, and I'd been able to help team members overcome their differences, so I knew I could do it again."

How Head, Body, and Heart Work Together

At the end of 1997, U.S.-based Merrill Lynch acquired UK-based Mercury Asset Management. At the time of the merger, Mercury was a decorous, understated, hierarchical company known for doing business in the manner of an earlier generation. Merrill, by contrast, was informal, fast-paced, aggressive, and entrepreneurial. Both companies had employees

of many nationalities. Visiting Mercury about six months after the merger announcement, we were greeted by Chris, a Mercury personnel manager dressed in khakis and a knit shirt. Surprised by the deviation from his usual uniform of gray or navy pinstripes, we asked him what had happened. He told us that Merrill had instituted casual Fridays in its own offices and then extended the policy on a volunteer basis to its UK sites.

Chris understood the policy as Merrill's attempt to reduce hierarchical distinctions both within and between the companies. The intention, he thought, was to draw the two enterprises closer together. Chris also identified a liking for casual dress as probably an American cultural trait.

Not all Mercury managers were receptive to the change, however. Some went along with casual Fridays for a few weeks, then gave up. Others never doffed their more formal attire, viewing the new policy as a victory of carelessness over prudence and an attempt by Merrill to impose its identity on Mercury, whose professional dignity would suffer as a result. In short, the Mercury resisters did not understand the impulse behind the change (head); they could not bring themselves to alter their appearance (body); and they had been in the Mercury environment for so long that they lacked the motivation (heart) to see the experiment through. To put it even more simply, they dreaded being mistaken for Merrill executives.

How would you behave in a similar situation? The exhibit "Diagnosing Your Cultural Intelligence" allows you to assess the three facets of your own cultural intelligence and learn where your relative strengths and weaknesses lie. Attaining a high absolute score is not the objective.

Cultural Intelligence Profiles

Most managers fit at least one of the following six profiles. By answering the questions in the exhibit, you can decide which one describes you best.

The provincial can be quite effective when working with people of similar background but runs into trouble when venturing farther afield. A young engineer at Chevrolet's truck division received positive evaluations of his technical abilities as well as his interpersonal skills. Soon he was asked to lead a team at Sat-

urn, an autonomous division of GM. He was not able to adjust to Saturn's highly participative approach to teamwork—he mistakenly assumed it would be as orderly and deferential as Chevy's. Eventually, he was sent back to Chevy's truck division.

The analyst methodically deciphers a foreign culture's rules and expectations by resorting to a variety of elaborate learning strategies. The most common form of analyst realizes pretty quickly he is in alien territory but then ascertains, usually in stages, the nature of the patterns at work and how he should interact with them. Deirdre, for example, works as a broadcast director for a London-based company. Her principal responsibility is negotiating contracts with broadcast media owners. In June 2002, her company decided that all units should adopt a single negotiating strategy, and it was Deirdre's job to make sure this happened. Instead of forcing a showdown with the managers who resisted, she held one-on-one meetings in which she probed their reasons for resisting, got them together to share ideas, and revised the negotiating strategy to incorporate approaches they had found successful. The revised strategy was more culturally flexible than the original proposal—and the managers chose to cooperate.

The natural relies entirely on his intuition rather than on a systematic learning style. He is rarely steered wrong by first impressions. Donald, a brand manager for Unilever, commented, "As part of my job, I need to judge people from a wide variety of cultural backgrounds and understand their needs quickly. When I come into a new situation, I watch everyone for a few minutes and then I get a general sense of what is going on and how I need to act. I'm not really sure how I do it, but it seems to work." When facing ambiguous multicultural situations that he must take control of, the natural may falter because he has never had to improvise learning strategies or cope with feelings of disorientation.

The ambassador, like many political appointees, may not know much about the culture he has just entered, but he convincingly communicates his certainty that he belongs there. Among the managers of multinational companies we have studied, the ambassador is the most common type. His confidence is a very powerful component of his cultural intelligence. Some of it may be derived from watch-

People who are somewhat detached from their own culture can more easily adopt the mores and even the body language of an unfamiliar host.

You will not disarm your foreign hosts simply by showing you understand their culture; your actions must prove that you have entered their world.

ing how other managers have succeeded in comparable situations. The ambassador must have the humility to know what he doesn't know—that is, to know how to avoid underestimating cultural differences, even though doing so will inflict a degree of discomfort.

The mimic has a high degree of control over his actions and behavior, if not a great deal of insight into the significance of the cultural cues he picks up. Mimicry definitely puts hosts and guests at ease, facilitates communication, and builds trust. Mimicry is not, however, the same as pure imitation, which can be interpreted as mocking. Ming, a manager at the Shanghai regional power authority, relates, “When I deal with foreigners, I try to adopt their style of speaking and interacting. I find that simple things like keeping the right distance from the other person or making eye contact or speaking English at a speed that matches the other person's puts them at ease and makes it easier to make a connection. This really makes a difference to newcomers to China because they often are a bit threatened by the place.”

The chameleon possesses high levels of all three CQ components and is a very uncommon managerial type. He or she even may be mistaken for a native of the country. More important, chameleons don't generate any of the ripples that unassimilated foreigners inevitably do. Some are able to achieve results that natives cannot, due to their insider's skills and outsider's perspective. We found that only about 5% of the managers we surveyed belonged in this remarkable category.

One of them is Nigel, a British entrepreneur who has started businesses in Australia, France, and Germany. The son of diplomats, Nigel grew up all over the world. Most of his childhood, however, was spent in Saudi Arabia. After several successes of his own, some venture capitalists asked him to represent them in dealings with the founder of a money-losing Pakistani start-up.

To the founder, his company existed chiefly to employ members of his extended family and, secondarily, the citizens of Lahore. The VCs, naturally, had a different idea. They were tired of losses and wanted Nigel to persuade the founder to close down the business.

Upon relocating to Lahore, Nigel realized that the interests of family and community were not aligned. So he called in several community leaders, who agreed to meet with man-

agers and try to convince them that the larger community of Lahore would be hurt if potential investors came to view it as full of business-people unconcerned with a company's solvency. Nigel's Saudi upbringing had made him aware of Islamic principles of personal responsibility to the wider community, while his British origins tempered what in another person's hands might have been the mechanical application of those tenets. Throughout the negotiations, he displayed an authoritative style appropriate to the Pakistani setting. In relatively short order, the managers and the family agreed to terminate operations.

Many managers, of course, are a hybrid of two or more of the types. We discovered in our survey of more than 2,000 managers that even more prevalent than the ambassador was a hybrid of that type and the analyst. One example was a female African-American manager in Cairo named Brenda, who was insulted when a small group of young, well-meaning Egyptian males greeted her with a phrase they'd learned from rap music.

“I turned on my heel, went right up to the group and began upbraiding them as strongly as my Arabic would allow,” she said. “When I'd had my say, I stormed off to meet a friend.”

“After I had walked about half a block, I registered the shocked look on their faces as they listened to my words. I then realized they must have thought they were greeting me in a friendly way. So I went back to talk to the group. They asked me why I was so angry, I explained, they apologized profusely, and we all sat down and had tea and an interesting talk about how the wrong words can easily cause trouble. During our conversation, I brought up a number of examples of how Arabic expressions uttered in the wrong way or by the wrong person could spark an equivalent reaction in them. After spending about an hour with them, I had some new friends.”

Brenda's narrative illustrates the complexities and the perils of cross-cultural interactions. The young men had provoked her by trying, ineptly, to ingratiate themselves by using a bit of current slang from her native land. Forgetting in her anger that she was the stranger, she berated them for what was an act of cultural ignorance, not malice. Culturally uninformed mimicry got the young men in trouble; Brenda's—and the men's—cognitive flexibility and willingness to reengage got them out of it.

Cultivating Your Cultural Intelligence

Unlike other aspects of personality, cultural intelligence can be developed in psychologically healthy and professionally competent people. In our work with Deutsche Bank, we introduced a program to improve managers' work relationships with outsourcing partners in India. We developed a two-and-a-half day program that first identified a participant's strengths and weaknesses and then provided a series of steps, which we outline below, to enhance their CQ.

Step 1. The individual examines his CQ strengths and weaknesses in order to establish a starting point for subsequent development efforts. Our self-assessment instrument is one approach, but there are others, such as an assessment of a person's behavior in a simulated business encounter and 360-degree feedback on a person's past behavior in an actual situation. Hughes Electronics, for example, staged a cocktail party to evaluate an expatriate manager's grasp of South Korean social etiquette. Ideally, a manager will undergo a variety of assessments.

Step 2. The person selects training that focuses on her weaknesses. For example, someone lacking physical CQ might enroll in acting classes. Someone lacking cognitive CQ might work on developing his analogical and inductive reasoning—by, for example, reading several business case studies and distilling their common principles.

Step 3. The general training set out above is applied. If motivational CQ is low, a person might be given a series of simple exercises to perform, such as finding out where to buy a newspaper or greeting someone who has arrived to be interviewed. Mastering simple activities such as greetings or transactions with local shopkeepers establishes a solid base from which to move into more demanding activities, such as giving an employee a performance appraisal.

Step 4. The individual organizes her personal resources to support the approach she has chosen. Are there people at her organization with the skills to conduct this training, and does her work unit provide support for it? A realistic assessment of her workload and the time available for CQ enhancement is important.

Step 5. The person enters the cultural setting he needs to master. He coordinates his plans with others, basing them on his CQ

strengths and remaining weaknesses. If his strength is mimicry, for example, he would be among the first in his training group to venture forth. If his strength is analysis, he would first want to observe events unfold and then explain to the others why they followed the pattern they did.

Step 6. The individual reevaluates her newly developed skills and how effective they have been in the new setting, perhaps after collecting 360-degree feedback from colleagues individually or eavesdropping on a casual focus

Confidence Training

Helmut was a manager at a Berlin-based high-tech company who participated in our cultural-intelligence training program at London Business School. Three months earlier, he had been assigned to a large manufacturing facility in southern Germany to supervise the completion of a new plant and guide the local staff through the launch. Helmut came from northern Germany and had never worked in southern Germany; his direct reports had been raised in southern Germany and had worked for the local business unit for an average of seven years.

Helmut was good at developing new learning strategies, and he wasn't bad at adapting his behavior to his surroundings. But he had low confidence in his ability to cope with his new colleagues. To him, southern Germans were essentially foreigners; he found them "loud, brash, and cliquish."

To capitalize on his resourcefulness and build his confidence, we placed Helmut in heterogeneous groups of people, whom we encouraged to engage in freewheeling discussions. We also encouraged him to express his emotions more openly, in the manner of his southern compatriots, and to make more direct eye contact in the course of role-playing exercises.

Helmut's resourcefulness might have impelled him to take on more ambitious tasks than he could quite handle. It was important he get his footing first,

so that some subsequent reversal would not paralyze him. To enhance his motivational CQ, we asked him to list ten activities he thought would be part of his daily or weekly routine when he returned to Munich.

By the time Helmut returned to London for his second training session, he had proved to himself he could manage simple encounters like getting a coffee, shopping, and having a drink with colleagues. So we suggested he might be ready for more challenging tasks, such as providing face-to-face personnel appraisals. Even though Helmut was skilled at analyzing people's behavior, he doubted he was equal to this next set of hurdles. We encouraged him to view his analytic skills as giving him an important advantage. For example, Helmut had noticed that Bavarians were extroverted only with people familiar to them. With strangers they could be as formal as any Prussian. Realizing this allowed him to respond flexibly to either situation instead of being put off balance.

By the time he was asked to lead a quality-improvement team, he had concluded that his leadership style must unfold in two stages—commanding at the outset, then more personal and inclusive. On his third visit to London, Helmut reported good relations with the quality improvement team, and the members corroborated his assessment.

group that was formed to discuss her progress. She may decide to undergo further training in specific areas.

In the sidebar “Confidence Training,” we describe how we applied these six steps to the case of Helmut, one of five German managers we helped at their employer’s behest as they coped with new assignments within and outside of Germany.

• • •

Why can some people act appropriately and effectively in new cultures or among people with unfamiliar backgrounds while others

flounder? Our anecdotal and empirical evidence suggests that the answer doesn’t lie in tacit knowledge or in emotional or social intelligence. But a person with high CQ, whether cultivated or innate, can understand and master such situations, persevere, and do the right thing when needed.

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How to Manage Virtual Teams

Dispersed teams can actually outperform groups that are colocated. To succeed, however, virtual collaboration must be managed in specific ways.

BY FRANK SIEBDRAT, MARTIN HOEGL AND HOLGER ERNST

TEAMS ARE THE typical building blocks of an organization: They provide companies with the means to combine the various skills, talents and perspectives of a group of individuals to achieve corporate goals. In the past, managers used to colocate team members because of the high levels of interdependencies that are inherent in group work. Recently, though, more and more companies are beginning to organize projects over distance, with teams increasingly consisting of people who are based in dispersed geographical locations, come from different cultural backgrounds, speak different languages and were raised in different countries with different value systems.

Over the past 10 years, various studies have investigated the differences in performance of colocated and dispersed teams, quietly assuming that members of the latter never meet in person and members of the former work together in the same office throughout a project. But dispersion is not



THE LEADING QUESTION

What do managers need to know about virtual teams?

FINDINGS

- ▶ The overall effect of dispersion (people working at different sites) is not necessarily detrimental but rather depends on a team's task-related processes, including those that help coordinate work and ensure that each member is contributing fully.
- ▶ Even small levels of dispersion can substantially affect team performance.
- ▶ When assembling a virtual team, managers should carefully consider the social skills and self-sufficiency of the potential members.

COURTESY OF SAP

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only a matter of degree; it is also a matter of kind. Most teams are dispersed on some level. They can be spatially separated (from “across the hall” to “scattered worldwide”), temporally separated (spanning different time zones), configurationally uneven (for example, five members in one location and two in another) and culturally diverse. And as past research has repeatedly shown, even the smallest degrees of dispersion, such as working on different floors in the same building, can greatly affect the quality of collaboration.¹ In our own study, we have investigated the performance of 80 software development teams with varying levels of dispersion, including those with members in different cities, countries or continents. (See “About the Research.”) Such geographically distributed teams have commonly been referred to as “virtual” teams,² but that label is some-

ABOUT THE RESEARCH

We studied 80 software development teams from 28 labs worldwide (including labs in Brazil, China, Denmark, France, Germany, India and the United States). The labs varied in size (employing between 20 and 5,500 software developers), and each team contained up to nine members. Our research included those software development projects that were completed within 12 months prior to data collection. A total of 392 managers, team leaders and team members participated in the study, and data from multiple respondents were used to ensure the validity of results and to overcome common method bias.

To measure geographic distribution, we used the descriptions provided by team leaders to identify each member’s office location. We then calculated a dispersion index taking into account the following factors: (1) miles between team members, (2) time zone difference, (3) number of locations per team, (4) percentage of isolated team members and (5) unevenness of membership across sites. To assess team performance, managers were asked to evaluate the teams with respect to effectiveness (in terms of product quality, reliability, usability, customer satisfaction and so on) and efficiency (in terms of adherence to preset budget and schedule constraints).

thing of a misnomer, because these groups are very real with respect to the work they can accomplish. We found that virtual teams offer tremendous opportunities despite their greater managerial challenges. In fact, with the appropriate processes in place, dispersed teams can significantly outperform their colocated counterparts.

The Bright and Dark Sides of Dispersion

A team’s level of dispersion is neither preordained nor fixed; rather, it is an organizational design parameter that companies can set and adjust. When making such decisions, managers should take into

consideration the various pluses and minuses of separation. (See “The Pros and Cons of Dispersion.”)

Not surprisingly, several studies have found that collaboration across distance is more difficult than in a colocated environment. Potential issues include difficulties in communication and coordination, reduced trust, and an increased inability to establish a common ground. In contrast, proximity tends to promote more frequent communication and the development of closer and more positive interpersonal relationships. Indeed, the regular physical presence of coworkers improves people’s feelings of familiarity and fondness, and frequent informal interactions serve to strengthen social ties. Conversely, physical distance decreases closeness and affinity, which then leads to a greater potential for conflict. Distance also brings with it other issues, such as team members having to negotiate multiple time zones and requiring them to reorganize their workdays to accommodate others’ schedules. In such situations, frustration and confusion can ensue, especially if coworkers are regularly unavailable for discussion or clarification of task-related issues.

On the other hand, dispersion potentially has substantial advantages. First, in order to accomplish increasingly complex activities such as research and development, companies (particularly larger ones like IBM, General Electric or SAP) tend to cluster their competencies in different centers of excellence, which are often scattered geographically although part of an international corporate network of operations. SAP Aktiengesellschaft, for instance, has its global headquarters in Walldorf, Germany, but has built up large R&D centers in India, China, Israel and the United States in order to reduce costs and leverage their global know-how in software engineering. Within each of these competence centers, the depth of expertise tends to be very strong, while the diversity of functional backgrounds is relatively weak because of specialization. Managers can take advantage of this organizational structure by assembling employees from different locations in such networks to create a team that can optimally integrate the different pools of expertise to perform a particular task.³

Second, companies can take advantage of the increased heterogeneity that is inherent in the nature of dispersed teams. Virtual teams tend to

incorporate higher levels of structural and demographic diversity than do colocated teams, and both types of diversity can be highly beneficial.⁴ Structural diversity is a direct consequence of having team members from multiple locations associated with different business units and reporting to different managers. Such diversity can be highly valuable for teams, because it exposes members to heterogeneous sources of work experience, feedback and networking opportunities.⁵ In addition, virtual team members are often diverse in nationality. Although such diversity may complicate team dynamics, it can also enhance the overall problem-solving capacity of the group by bringing more vantage points to bear on a particular project.⁶

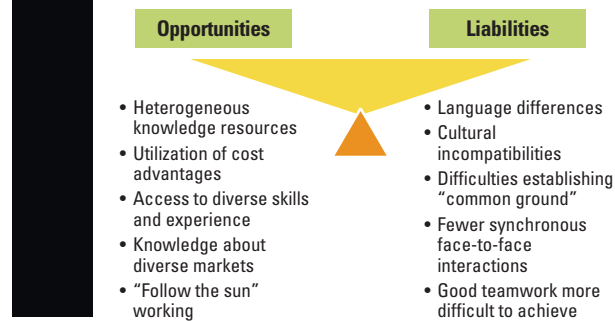
Performance of Dispersed vs. Colocated Teams

Most past studies have found that dispersion hurts performance.⁷ Often, dispersed teams fail to perform important processes effectively and are therefore unable to realize their potential. But given the fact that virtual teams have become an increasing reality for many companies, it behooves managers to understand how to maximize the benefits of dispersion while minimizing its disadvantages. Thus, our research investigated two fundamental questions: (1) When do virtual teams outperform colocated ones? and (2) how should companies manage dispersed teams? To answer these questions, we studied software development teams from 28 different labs in countries including Brazil, China, Denmark, France, Germany, India and the United States. From that broad survey, we found that the key drivers of performance are certain crucial team processes that, for example, help coordinate work and facilitate communication among members. In fact, we found that virtual teams with such processes can outperform their colocated counterparts, and that was true even for colocated teams with the same high levels of those processes.

In general, team processes can be classified into two categories: task-related — including those that help ensure each member is contributing fully; and socio-emotional — including those that increase the cohesion of the group. Our study found that

THE PROS AND CONS OF DISPERSION

Virtual teams provide a number of benefits but incur certain costs. Companies need to manage them in specific ways that take advantage of the opportunities while minimizing the liabilities.



those processes that are directly task-related are the most critical for the performance of dispersed teams. Specifically, virtual teams that had processes that increased the levels of mutual support, member effort, work coordination, balance of member contributions and task-related communications consistently outperformed other teams with lower levels. (See “The Importance of Task-Related Processes,” p. 67.) Moreover, dispersed teams that had high levels of task-related processes were notably able to outperform colocated teams with similar levels of those same processes despite the physical separation of their members. In other words, the overall effect of dispersion is not necessarily detrimental but rather depends on the quality of a team’s task-related processes. That said, dispersion carries significant risks: Those teams with poor task-related processes suffered heavily with increased dispersion. The bottom line is that the quality of task-related processes appears to be a significant factor in deciding whether dispersion becomes a liability or an opportunity.

Beyond task-related processes, organizations must also ensure that team members commit to the overall group goals, identify with the team and actively support a team spirit. In other words, social-emotional processes are important too. Especially in teams with physically dispersed members, interpersonal differences are a greater threat to the team’s social stability because of the greater difficulty in resolving conflicts across geographic boundaries. Such difficulties can, in turn, demotivate members from contributing fully, thus jeopardizing team

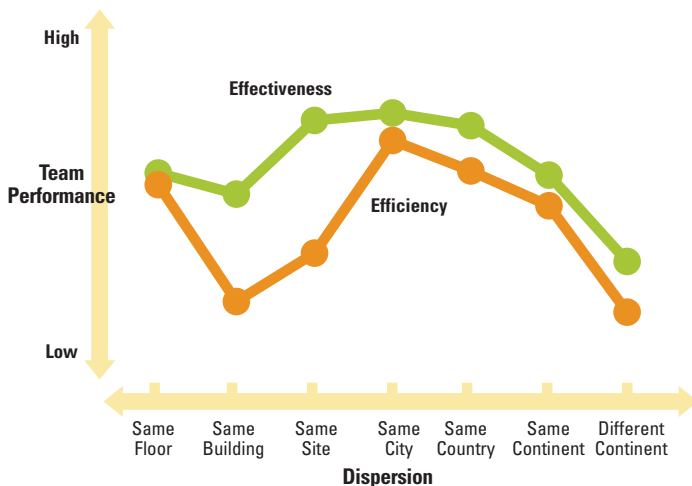
performance. Social processes that increase team cohesion, identification and informal communication can prevent that by helping to establish and maintain interpersonal bonds that enable a group to better cope with conflicts. In our study, we found that social processes were able to boost the performance of virtual as well as colocated teams. We had no indication, however, that virtual teams with favorable socio-emotional processes outperformed colocated teams with similar levels of the same processes. Our belief is that, although socio-emotional processes were not a differentiating factor, they likely facilitated more task-related processes (and hence indirectly enhanced the performance of virtual teams) through, for instance, increased knowledge transfer and better resolution of team conflicts.

The Dos and Don'ts of Managing Dispersion

To boost the performance of its teams, a company needs to implement the appropriate mechanisms for boosting both socio-emotional and task-related processes. Particularly for virtual teams, managers need to pay special attention to task-related processes that will capitalize on the specialized knowledge and expertise of such groups. The following key lessons can help companies maximize the performance of their virtual teams:

SMALL DISTANCES MATTER

In general, team performance tends to drop with increasing member dispersion. But sometimes even a low level of dispersion (namely, members working on different floors in the same building) can have a surprisingly large effect, especially with respect to a team's efficiency.



Don't underestimate the significance of small distances. Our research shows that performance is noticeably lower for teams with people located in the same building but on different floors when compared with teams where all members are on the same floor. (See “Small Distances Matter.”) This was true regarding both effectiveness (that is, the quality of team output) and efficiency (in terms of time and cost). Interestingly, teams with members in the same building but on different floors also performed worse than teams with greater degrees of dispersion, including those that had members spread across a city, country or even continent. In fact, the only teams that fared worse were the intercontinental teams, with a significantly higher level of intercultural diversity and temporal dispersion (spanning many time zones).

At first glance, those results might seem odd, but consider. Teams with members in the same building, albeit on different floors, do not usually consider themselves as being dispersed and, hence, may easily underestimate the barriers to collaboration deriving from, for instance, having to climb a flight of stairs to meet a teammate face to face. In contrast, groups that are dispersed across a country or continent are more aware of their situation and may make extra efforts to improve such vital processes as task-related communication and coordination. One manager of a leading worldwide software company in our study stated that team leaders regularly underestimate the significance of small distances. They tend to treat team members located on different floors or in an adjacent building as being in direct proximity, failing to acknowledge the negative effects of even such comparatively small distances. A team leader from the same company commented that sometimes “colocated” teams spread across his laboratory use electronic communication technologies such as e-mail, telephone and voicemail just as much as globally dispersed teams do — a sign that people might be allowing short physical distances to become larger obstacles than they should. To prevent that from happening, companies such as Cisco Systems, BMW and Corning have designed their office layouts to maximize interpersonal interactions. At Cisco Systems Inc.'s sites in Germany, for example, only three people have their own individual offices. All of the other 850 employees work in an open-space

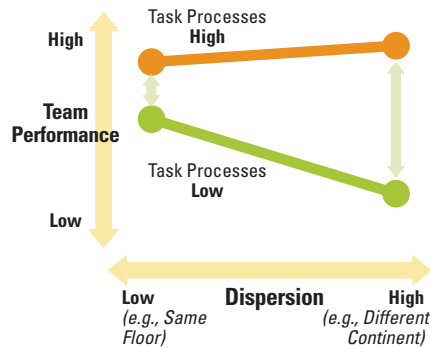
environment that provides ample opportunities for “hall talks” and other informal interactions.

Emphasize teamwork skills. Clearly, one of the key reasons for organizing a dispersed team is to draw on the superior knowledge that resides in remote locations. But many companies make the mistake of staffing such teams primarily (if not solely) on the basis of people’s expertise and availability. Instead, managers must also consider social skills — a major prerequisite for good teamwork — as a much more pivotal part of the catalog of requirements. In other words, it’s unrealistic to bring together individuals from different locations with the expectation that they will automatically know how to collaborate in a virtual environment. Groups with increasing levels of dispersion are also progressively more dependent on their level of teamwork, specifically, their ability to perform key processes such as mutual support, communication and coordination. In order for virtual teams to achieve their greater potential (and take advantage of their functional and structural diversity), members must first and foremost be able to establish a basis for the effective exchange of their varying capabilities — all of which requires teamwork-related skills as a critical ingredient. Otherwise, the virtual team could very likely perform worse than a colocated group. Thus, managers need to consider teamwork skills as a necessary attribute when selecting the members of a virtual team.

Promote self-leadership across the team. Beyond social skills, managers need to ensure that dispersed teams have broad-based leadership capabilities. When a group is closely colocated, an individual leader can more easily detect any deficiencies in teamwork and address them with a hands-on managerial style. An interpersonal conflict, for example, might be resolved by talking in person with the different parties in an informal setting. Such an approach is largely nonexistent in virtual teams. Geographic dispersion and cultural diversity make it difficult for any individual leader to ensure that the team is functioning effectively. Even though the advanced use of the latest information and communications technologies can help, they are no magical panacea for managing people across countries and time zones. “We are often not

THE IMPORTANCE OF TASK-RELATED PROCESSES

Teams with a high level of task-related processes (such as those that help ensure each member is contributing fully) outperform teams with a low level. The difference becomes particularly acute the more dispersed the team is. Moreover, virtual teams with high levels of task processes are able to outperform colocated teams with similar levels of those same processes despite the physical separation of their members. That is, the overall effect of dispersion can be beneficial, depending on the quality of a team’s task-related processes.



able to overcome the cultural problems,” admits one team leader in the study. “And only very experienced team leaders can handle these challenges and lead these teams to success.” For a virtual team to succeed, members generally need to be aware of the difficulties of dispersed collaboration and find effective ways to overcome those obstacles on their own. This highlights the need for people to be more self-sufficient in how they manage their own work because the team leader is less in a position to help. Consequently, companies that are serious about virtual collaboration must target their HR efforts not only at designated team leaders but also at team members so that those individuals can develop the skills necessary to work in a virtual setting.

Provide for face-to-face meetings. Periodic face-to-face meetings of dispersed team members can be particularly effective for initiating and maintaining key social processes that will encourage informal communication, team identification and cohesion. A project kick-off meeting, for example, can be used to bring everyone together in one location for several days so that people can develop a shared understanding of the task at hand and begin to identify with the team. These processes, in turn,

will support task collaboration during the project. The time and expense necessary to provide such opportunities for face-to-face interactions then become an investment that can lead to large returns if the virtual team is able to take full advantage of its diverse expertise and heterogeneity. Companies should also remember that informal interactions can be just as important as formal ones — if not more so. One experienced team leader in the study, for instance, asserted that projects should include one essential initial step: “to go out for a beer with all team members in order to establish a common ground before starting the collaboration.”

Foster a “global culture.” Our research suggests that a global mind-set, in which people see themselves as part of an international network, helps provide an environment that is conducive to dispersed teams. Accordingly, managers and team members need to recognize and frame their company as such, communicating the international nature of the organization’s operations and markets. Various human resource strategies can help foster that mind-set, including temporary staff assignments at foreign locations and inter-cultural training. Nestlé, General Electric, IBM and SAP — all known for the global reach of their business activities — provide good examples of how to actively foster a global employee mind-set. Managers at Nestlé S.A., for instance, are expected to move to another country every three or four years so that they can learn about the specifics of each of those markets and develop a global mind-set from their experiences. Such practices advance the development of diversity-friendly attitudes and the ability to work in different contexts, which in turn help employees cope with the challenges of distance when working on virtual teams. At General Electric Co., a steering committee oversees the company’s global R&D efforts, and employees are assigned to different locations worldwide in order to facilitate the development of an informal network across all four main R&D sites in the United States, China, Germany and India.

CONVENTIONAL WISDOM SUGGESTS that the performance of teams suffers with increasing levels of dispersion. Because of that, managers have typically viewed dispersion as a liability rather than an

opportunity. But dispersion can provide substantial benefits if companies can take advantage of the diversity and varied expertise of team members at different locations. In fact, our research shows that virtual teams can outperform their colocated counterparts when they are set up and managed in the right way. In other words, a company can’t just assemble a dispersed team of top-notch talent and hope for the best; it also needs to ensure that the group has the necessary socio-emotional and task-related processes in place. Only then can virtual teams effectively integrate dispersed knowledge to take advantage of their cultural and structural diversity, thereby avoiding some of the drawbacks of dispersion while reaping its benefits.

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Leadership in Work Teams

“The meeting to give feedback from our research to the members of the Omega Systems management team had been postponed twice, due to last-minute changes in the top executives’ agendas. In the end, the meeting started forty five minutes late. During the meeting, several managers who did not belong to the team came in to see if they could use the room, and some stayed for a couple of minutes talking to the managers in the team. One member of the team left halfway through the meeting to take a phone call that was supposed to last only five minutes. She never came back. Often, the managers interrupted one another, and sometimes there were two discussions going on simultaneously. Our attempts to make the team see what was happening, so that they would become aware of the dynamic of the meeting and decide whether they wanted to behave differently, were listened to but had no noticeable effect.”

Groups That Work (and Those That Don’t), 1990

This technical note was prepared by Professors Pablo Cardona and Paddy Miller. January 2000. Revised in July 2004.

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There are many objectives in business that do not depend on how well an individual performs, nor even on how well several isolated individuals perform, but on a specific phenomenon that includes relationships, rules and feelings, as well as individuals. That phenomenon is what is known as a team. A team is a social organization with an identity of its own that has a dynamic and that produces effects that cannot be reduced to the sum of its members. Consequently, leading a team is rather more complex than leading a group of people. To start with, not all teams are equal. Some perform below expectations, and others do not perform at all. Some teams perform well for a while but then start losing their punch and creativity. Others, by contrast, become real teams, capable of unsuspected achievements. What makes a team perform well? What role does the team leader play in that process?

Sometimes, it is said that it is a matter of “chemistry”, that some teams “gel” while others don’t. Other times, great stress is laid on the selection of team members and the make-up of the team, as if the team’s future depended on that alone. Experience tends to demonstrate the opposite: “chemistry” is not the cause but the result of the way a team works, which explains why a team can get better or worse without there being any major change in its composition. A team is not a given, but a living entity that needs to be properly nurtured. That is why the role of the leader is so critical. Leading a team is no trivial task: it demands an understanding and a practical command of the various processes that take place in teams, so that the factors that build the team are continually reinforced, while those that weaken or destroy it are detected and corrected. That is why the first step in leading any team is to understand what constitutes a team, and how it can develop or deteriorate.

What Makes a Team

Not all groups of people meeting regularly at work can be called teams. Although all teams are groups, not all groups are teams. Committees, for example, are groups of people who meet in order to share information, negotiate, and make certain work-related decisions. However, group members do not take responsibility for the results of the whole that is affected by their decisions, and so groups cannot be considered teams.

A team is a small number of people with complementary skills who are committed to a common purpose and certain shared goals, for which they hold themselves mutually accountable (Katzenbach and Smith, 1993). Teams are not big collectivities such as a company or a country. Teams can range from 2 to 25 people at most, but an advisable size is between 5 and 7 members (Rodríguez Porras, 1988). Very small teams may lack sufficient complementary skills or points of view, while large teams may have trouble interacting and working together as a team.

A team requires collective work products for which all members are accountable. This collective product is the result of the joint contributions of the team’s members working together toward a common goal. That is true of project teams or new product development teams. It may also be true of top management teams, but only if their

members are accountable for common results as well as departmental ones. A group of sales representatives who meet fairly regularly to review strategies and results, and even seek synergies, would not be a real team (even though they may sometimes be called a team) if subsequently each sales representative acts on her own account and is accountable only for her own results.

Team Composition

In creating a team, the selection of team members is a critical, albeit not a decisive, factor. Hence, the first concern of the team leader should be to surround herself with people who have the right mix of technical, decision-making, and interpersonal skills in order to accomplish the team's mission. What constitutes the right mix of people and skills is not self-evident, however. Several researchers have argued that cultural, functional, and trait diversity increases the amount and variety of information and views available to the team, thus improving its overall potential (Clark and Fujimoto, 1991; Brown and Eisenhardt, 1995). Others, however, have found that team performance depends on a team's common framework, and shared goals (Cohen and Levinthal, 1990; Walsh, 1995). Diversity produces divergent interpretative schemas and unshared interests, increasing the probability of conflict and political activity (Dougherty, 1992). These problems may result in a poor team decision-making process.

In order to solve these problems, Cohen and Levinthal proposed an effectiveness curve where there is an optimum level of diversity. Too little diversity may lead to inbreeding and lack of complementary skills, whereas too much diversity may produce a lack of common understanding and shared interests. This theory has been challenged by Earley and Mosakowski (2000), who studied different multicultural teams and found an effectiveness curve that is the inverse of Cohen and Levinthal's. In their study, both very homogeneous and very heterogeneous groups were more effective than groups with an intermediate degree of variety. While in the two extreme cases the groups established a common framework and shared objectives, the intermediate ones split into different coalitions that slowed down the team decision-making process.

The proper mix may also depend on the team's project or mission. In cross-functional new product development teams, the degree of involvement of marketing, engineering and manufacturing members may vary in different phases of the project. At Honeywell, for example, even though the team remains the same from beginning to end, the bulk of the responsibility and work load is assumed by marketing people in the initial phase of concept development and product requirements definition, by engineering people during the design phase, and by manufacturing people in the manufacturing phase (Bailey, 1991).

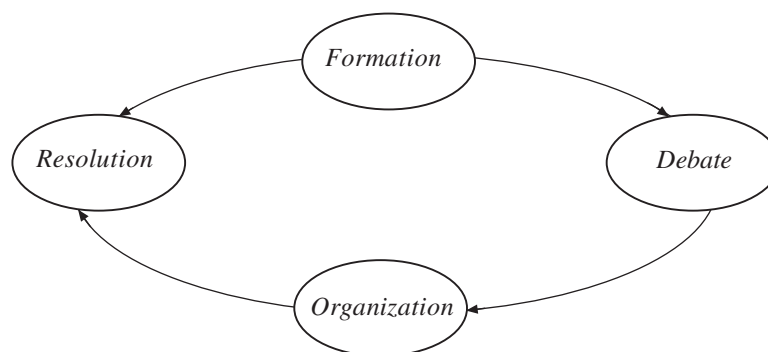
In summary, we can say that a team benefits from the complementarity of its members, while more diverse teams require a greater mastery of the basic team processes, which we will see in the next section. The leader must take the people she has at her disposal and their diversity into account when leading the team.

Team Development

There are four classical stages in team development: forming, storming, norming, and performing (Tuckman, 1965). In the *forming* stage, individuals get to know each other and try to establish membership criteria within the team. There is insecurity and anxiety until people feel they are accepted by the rest of the team members, and reach a basic level of mutual expectations. In the *storming* stage, individuals start responding to the team's challenges from their different viewpoints and interests. There may be bids for power and influence, and emotional arguments, until certain decision-making processes allow the team to proceed. In the *norming* stage, members decide on some rules and processes for accomplishing the task. Also, unwritten norms of acceptable behavior arise that help the team work as a coordinated unit. Finally, in the *performing* stage, people work together in a collaborative way. They cooperate with each other in order to accomplish the team's objective. The experience of accomplishment of objectives unites the team even more closely, reinforcing its identity as a team. This way, the team is built up and becomes more capable of tackling new projects and challenges.

These four stages constitute a cycle through which the team develops (see Figure 1). With each new project or challenge, the team starts a new cycle, whose forming stage is the end result of the previous cycle. After the experience of team work in the first cycle, the individuals learn to recognize and value other members' efforts and capabilities. This deeper knowledge of the other people in the team also boosts the level of affection and trust among team members. The team is now ready to face a new storming stage, which will be more effective thanks to the greater expertise and unity of the team. The decisions will be more realistic and will facilitate a more effective norming stage than the previous time around, and so on. The team develops and matures through these cycles until the tasks require a different type of team, or the membership changes abruptly enough to alter the team's identity.

Figure 1
The phases of a team's constructive cycle



In each stage, the team goes through a basic process which produces an output that is necessary for the team's success. The team leader needs to reinforce those basic processes, so that the team continues to obtain results as expected. The process of the forming stage is trust building, and its output is cohesiveness. The process of the storming stage is communication in team meetings, and its output is the team's decisions. The process of the norming stage is organization, and its output is an action plan. Finally, the process of the performing stage is collaboration, and its output is the results of the teamwork (see Table 1).

Table 1

Phases, processes and results

Stage	<i>Forming</i>	<i>Storming</i>	<i>Norming</i>	<i>Performing</i>
PROCESS	Trust building	Communciation	Organization	Collaboration
OUTPUT	Cohesiveness	Decision	Action plan	Results

The process of trust building starts with environmental safety. Team members need to feel a minimum of security within the physical setting and surrounding circumstances. Then, they will look for a personal fit with the other team members and the team's mission. It is important that the team leader or coach help team members to learn about each other, going from the most formal to the most informal issues that are relevant for their work and relationship. The process needs to include ways for team members to gain mutual respect and a sense of interdependency to accomplish their mission. This can be done through simple exercises or projects, analogous to the warm-up session for a soccer team. The output of this process is a cohesive team that is emotionally ready to make decisions relating to its mission.

The process of communication is the decision-making process that the team needs to go through in order to solve a problem or a challenge. It consists of the following steps: seeking information; defining the problem; clarifying relevant criteria; generating alternatives; evaluating those alternatives, and making a decision. To manage this process effectively, the leader must make sure the team follows the proper sequence, without jumping to the next step until all members have contributed to the previous one and understand each other's views on that step. In some cases, it may be advisable to appoint a facilitator or secretary to take care of this. Communication is the most critical process in team work, and we shall discuss it in greater detail in the section on roles within the team. For the time being, suffice it to say that the leader must be very alert to the roles played by the team members at this stage, because the outcome of the process will depend on it. To complete the process successfully, the leader must foster the greatest possible commitment of the team to the decisions agreed at the team meeting, and generate a sense of urgency to put them into practice. This sense of urgency is not to be confused with the pathological, stressful behavior of some managers who are more concerned about getting things done quickly than about where they are actually heading. Rather, a team's sense of urgency should arise from a



deeper understanding of the significance of the decisions taken, highlighting their priority over other issues.

The process of organization consists of elaborating the action plan to implement the decision. The plan will generally incorporate several tasks that team members should perform in coordination with each other. The leader must see to it that the team considers both the hard elements – such as the definition of specific responsibilities, resources, and deadlines – and soft elements – such as rules and procedures to establish acceptable and expected behavior. She also may specify, if she considers it necessary, the consequences of not accomplishing the responsibilities or not respecting the team's rules, such as penalties and alternative plans for accomplishing the tasks that need to be done. The output of this process is an action plan that is realistic and clear to all the team members.

The collaboration process starts with securing the required resources: human, financial, and technical. The leader may have to negotiate with other departments, or call on help from inside or outside the company, to obtain those resources. Then the team members need to work with a holistic view, knowing that their work affects the other members' effectiveness, and that their own effectiveness is, in turn, affected by the other members' work. In order to coordinate efforts, team members usually need to interact frequently during the execution of the action plan. The leader should promote such interaction through physical proximity whenever possible, or, at least, adequate channels of information, such as e-mail or video conferencing facilities. The leader must conduct regular progress reviews to measure how the tasks are being accomplished and deadlines are being met. If necessary, she will have to adapt the action plan to changing circumstances. The output of this process is the specific result the team wanted to accomplish. The leader must be sure to recognize and celebrate the team's accomplishments. This reinforces team identity and cohesiveness, preparing it to face more difficult challenges.

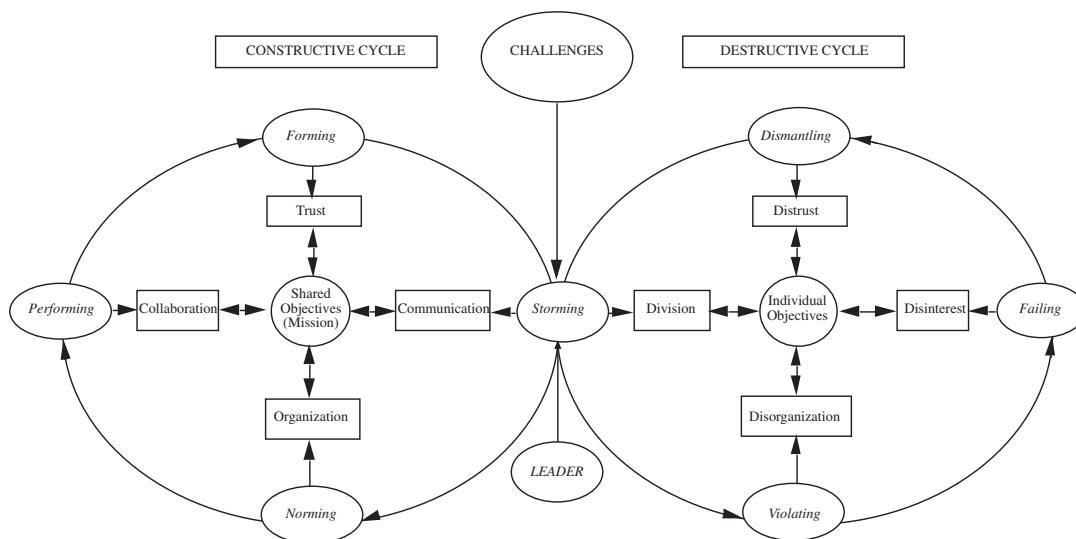
The Carmill Model of Team Development

In the previous section we saw the constructive cycle of team development. In this cycle, teams go through a series of stages that make them stronger and more mature. Unfortunately, in real teams development is not always so positive. Teams may experience crises and negative behavior that weaken their capacity to accomplish their mission.

The Carmill model (Cardona and Miller, 2000) distinguishes two cycles: constructive and destructive (see Figure 2). The heart of the constructive cycle is the shared objectives (or team mission). Those objectives are the foundation of the team's identity and permanently influence its basic processes: trust building, communication, organization, and collaboration. The processes, in turn, influence the shared objectives. For example, if the members of a team are deeply committed to a set of shared objectives, they will be more likely to develop mutual trust. Conversely, if the members of a team have a high degree of mutual trust, they will be more likely to share

objectives. The heart of the destructive cycle is individual or private objectives. Both these cycles are found in the storming phase. The storming phase is critical for the team's development. It is the moment of truth for the team, since the members need to commit to a specific decision. Team members must choose between the objectives they share as a team (the team's mission) and their own individual objectives. If the team members put their individual objectives before the shared ones, the team will enter the destructive cycle. As we will see later on, it is also the moment of truth for the leader, as it is in making decisions that the different types of leadership that can arise in a team are formed.

Figure 2
The Carmill model



The leader must learn to detect early on when the team is entering the destructive cycle, in order to be able to take corrective measures in good time. The first symptom is the formation of coalitions in the communication process, leading to division and lack of commitment to the team's decisions. Coalitions appear when the leader does not control the communication process and allows the storming process to degenerate into confrontation. Although there may have been opposing views in the decision making process (which is not a bad thing – on the contrary), the leader must keep order in the process and control the emotional aspect of the debate, so that the team focuses on the issues and not on the personalities or the subgroups within the team. When discussions degenerate into hostile coalitions at an emotional level, the losing subgroup will refuse to accept the solution imposed by the winning subgroup. As a result, the leader will have great difficulty in securing the commitment of the *whole* team to the team's decisions.



The team then enters a destructive cycle. This destructive route is followed by the disorganization that arises when some team members violate the team norms or do not follow the action plan wholeheartedly. If the leader does not act in time, the team will continue in the destructive cycle until it enters a “failing” stage, where it is extremely difficult to get anything done, because people do not accept responsibility. Instead of collaboration among team members, there is disinterest in other people’s responsibilities, and each person confines herself to doing the absolute minimum to avoid getting complaints from the boss. When at last the foreseeable results are obtained, a process of mutual recrimination begins, which effectively pulls the team apart. In this “dismantling” phase, trust between team members is undermined, and the team loses the capacity to face new challenges successfully.

If the leader detects a slide towards the destructive cycle in good time, she may try to guide the team back to the storming stage and orient it toward the constructive route (a strategy of *going back*). However, if the team is already at an advanced stage of the destructive cycle, the leader must try to use the next project (or create a new challenge) to change the cycle (a strategy of *moving forward*). Even a seriously weakened team may switch from the destructive to the constructive cycle if it is presented with a sufficiently important challenge. Some teams do not react against their destructive behavior until they are faced with a very major challenge, such as the survival of their team, or even of the company itself. In these cases, the new challenge is really a new opportunity: an opportunity to confirm shared objectives and start working as a real team.

Given the importance of the storming stage in team dynamics, in the following sections we will focus on the communication process, and more specifically on the dynamics, roles and conflicts in team meetings. In this stage, the team’s effectiveness in current and future projects is at stake.

The Dynamics of Team Meetings

The dynamics of team meetings are crucial to the effectiveness of team work. Very often, it is possible to deduce how well a team is working and what results it is capable of achieving just by observing the dynamics of its meetings. The management team of Omega Systems, described at the beginning of this note, is an example of how the dynamics of a meeting may reflect the progress of the team as a whole. The way Omega Systems operates shows us some of the problems that may influence the dynamics of team meetings. The first symptom of trouble in the team is the low priority given to meetings in the team members’ agendas. Finding time to speak to a manager is difficult enough already. Finding a time that suits all the members of a team (particularly if they are senior executives) is next to impossible. If meetings are not given the right priority, they will tend to be put off time and again. A team that wants to work as a team must start by fixing the dates of its ordinary meetings, at the appropriate intervals, and stick rigidly to those dates, unless there is a very good reason to change them.

Given the amount of time taken up by meetings (the duration of the meeting multiplied by the number of participants), it is important that they be used to best effect. If the team members feel that their meetings are a waste of time, it is a sign that something is wrong. Many teams suffer from too many meetings, when the members are brought together indiscriminately to solve any and every problem. The leader has a serious responsibility to consider how often meetings should be held, and how long they should last. Although it is impossible to lay down any definite rules, there are some obvious common sense guidelines. The first guideline is that team members should spend at least as long preparing the meeting as actually at the meeting. If people come to the meeting with an attitude of "Let's see what we can talk about today", the meeting is clearly going to be a waste of time and the team work will be inefficient. In order not to succumb to this dynamic of ineffectiveness, all the team members must have the information necessary to prepare the meeting sufficiently in advance (at least 24 hours).

The second guideline is that meetings should start and end at a set time. Although this may seem superfluous, not all teams give it the importance it deserves. Many meetings do not start on time. The meeting at Omega Systems started forty five minutes late, with all the disruption and time wasting that entailed for so many people. Some teams agree on a rule (a more or less symbolic penalty) to encourage everyone to arrive at meetings on time. On the other hand, some meetings do not have a set time for finishing. That can be very dangerous, because meetings have an incredible tendency to stretch out to fill all the time available, however unnecessarily. If a team agrees to meet "starting 3 o'clock", there is a danger it will be kept busy all afternoon and evening. Hence the importance of fixing the duration of the meeting, even though in some circumstances it may have to be extended to deal with some important or urgent matter.

The third guideline follows from the second. In order to cover all the issues in the agreed time, there has to be a clear, well thought out agenda. For each meeting, the leader must decide what issues are to be discussed, in what order, and for how long, so that they all can be dealt with in the necessary depth without taking up more time than necessary. In some cases, the leader may delegate this task to a secretary (especially if there are recurring topics), provided that she checks the agenda before it is sent out to the team members. During the meeting, the leader must make sure that the timings on the agenda are adhered to. This task may usefully be delegated to a person specifically charged with monitoring the timing of the meeting, so that the leader is able to give her full attention to the content of the debate.

The fourth guideline concerns the presence and attention of the team members during the meeting. For a team meeting to be as effective and productive as possible, it is vital to avoid interruptions as far as possible. The case of Omega Systems is a clear example of what should not happen in a meeting. To start with, it is important to choose the right physical meeting place for the number of people attending, one that is sufficiently isolated against possible interference or interruption. Every time a person enters the meeting room, she effectively steals the time of several other busy people. And the isolation must be maintained as far as possible, avoiding phone calls or other issues that may distract attention.



Lastly, the leader must see to it that people take turns to speak (asking before they talk), keep to the point, and at all times maintain an attitude of respect, both the person who is talking and those who are listening. It is also important that the secretary keep minutes of the conclusions and decisions taken in the meeting, as also of the individuals responsible and the deadlines for implementation. Besides following these guidelines, the leader must also take into account her team members' spontaneous behavior in meetings. These spontaneous patterns of behavior are known as roles, and the success of the team meetings will depend largely on the leader's fostering the right roles for each person. In the following section we shall see what those roles are, and how they can influence team meetings for better or worse.

Roles in Teams

According to research conducted by Glenn Parker (1990), for a work team to be effective its members must spontaneously share out among themselves a number of roles. After asking senior executives from a hundred or so companies about those roles, Parker identified four that seemed crucial¹. These roles are complementary, and make up a coherent system. We shall call them *constructive roles*. They are: *contributor*, *communicator*, *questioner*, and *collaborator*. Each of these four roles reinforces one of the key components of the decision making process. These components are: information gathering, discussion, evaluation, and action planning. Every so often, the leader must check to see that each of the four roles is being adequately performed by at least one of the team's members.

Just as there are constructive roles that strengthen the team, there are also types of behavior and attitudes that weaken it. We shall call them *debilitating roles*. They are: *doubter*, *distracted*, *diplomat*, *dominator*, and *defeatist*. The debilitating roles are the opposite of the constructive roles: the *doubter* is the opposite of the *contributor*; the *distracted* participant is the opposite of the *communicator*; and the *defeatist* is the opposite of the *collaborator*. The *diplomat* and *dominator* roles are the two extremes of a continuum in which the *questioner* role represents the midpoint (see Table 2). Below is a summary of these roles.

Table 2
Roles in a work team

Elements of the decision making process	Constructive roles	Debilitating roles
Information gathering	Contributor	Doubter
Discussion	Communicator	Distracted
Evaluation	Questioner	Diplomat/Dominator
Action plan	Collaborator	Defeatist

¹ Other systems use a larger number of roles. Belbin (1981), for example, distinguishes nine roles that are necessary for team work.

Constructive roles

To guarantee the fullest possible communication, the leader must ensure that all the constructive roles are represented in her team. If any one of them is missing, there will be a tendency to avoid or bypass some of the basic elements of the decision making process. In some cases, all the members chosen by the leader have certain personality traits in common and tend to adopt the same roles. For example, a team may have a lot of questioners and no communicators, or vice versa. If that is the case, the leader and her team must make an effort to identify the constructive roles that best fit each team member. Having roles duplicated is less of a problem than having a role that is not represented at all. If a particular role is found to be absent, the leader must encourage one or more members of the team to adopt the role that needs to be covered.

Contributor. The contributor *enjoys providing the team with technical information and data*, encouraging the others to set themselves high performance standards and use their resources intelligently. Most people see her as a person who inspires a sense of security, although sometimes she seems to get too caught up in details, to lose sight of the big picture, or not to appreciate the need for a positive climate in the team. People describe her as responsible, reliable, efficient and organized. This is a key role for achieving efficiency in information gathering.

Communicator. The communicator *facilitates team discussion, involvement by team members, and conflict resolution*. She listens to the others, seeks consensus and feedback, and does her best to establish a relaxed atmosphere. Most people see her contribution as very positive and necessary, but they also feel that at times she puts too much emphasis on the process, as if it were an end in itself, inhibiting healthy discussion among team members. People describe her as considerate, relaxed, lively and tactful. This is a key role for achieving efficiency in the decision making process.

Questioner. The questioner *questions the team's objectives, methods, and even its principles*. She is prepared to disagree with the team leader and encourages the team to take calculated risks. Most people value her for her spontaneity, but think that she sometimes pushes the team too far or fails to see when it is time to retreat. People describe her as honest, frank, ethical and enterprising. This is a key role for achieving efficiency in the evaluation of data and action alternatives.

Collaborator. The collaborator is always willing to get down to work and share successes with others. For her, the team goal or mission is primordial, and yet she is flexible and open to new ideas. Most people see her as someone who has a clear grasp of the project as a whole, but who sometimes needs to put aside that broad perspective and pay more attention to the team's basic tasks or the personal needs of other team members. People describe her as someone who looks ahead, is goal-oriented, flexible, and imaginative. This is a key role for achieving efficiency in working out and implementing action plans.



Debilitating roles

The team leader must be constantly alert to detect any debilitating roles in her team, and find a way to limit their damaging effects. Debilitating roles tend to appear most commonly at times of exhaustion or tension, and are based on the spontaneous tendencies of the team members. At such times, the team members should tactfully but honestly support one another, so as to continue in their constructive roles and avoid acquiring habits or emotional reactions that may seriously damage the team. It may sometimes be advisable to call a break or postpone the meeting until the next day. Normally, however, it will be enough just to treat the debilitating role in question appropriately. Below, for each debilitating role we suggest steps that may be taken to steer the person concerned back in the right direction. Although the leader bears ultimate responsibility, she may appoint another person to detect and rectify these roles.

Doubter. The doubter *does not know her own mind and prefers to let others make the decisions for her.* She tends to be the last to volunteer an opinion and to stand on the sidelines during discussions. She only ever takes part when she is explicitly asked for her opinion. Most people see her as reserved and insecure, although she no doubt has some interesting views to contribute. People describe her as introverted, reserved, quiet, and insecure. This is a role that weakens the team's efficiency in information gathering. The leader should encourage the doubter to formally voice her opinion, and take it into account in decision making. It is important that her contribution be recognized. She may also be asked to open the debate or present her views in writing.

Distracted. Distracted *tends to leapfrog over the agreed schedule of business.* She finds it difficult to focus on the matter at hand. Most of the time, she is extroverted, and tends to interrupt the meeting at odd times to talk about things that have nothing to do with the agenda. Most people see her as spontaneous, and even fun, although she can waste a lot of the team's time with her interruptions. People describe her as spontaneous, fidgety, extroverted, and superficial. This is a role that weakens the overall efficiency of the decision making process. The leader must gently but firmly cut short her digressions, leaving them for the breaks (breakfast, coffee, etc.). Then, she must guide the discussion back to the matter at hand.

Diplomat. The diplomat *wants to reach a consensus as soon as possible, avoiding argument as far as possible.* She tends to escape disagreements by looking for majority solutions, without fully examining the causes of the problems. Most people see her as attentive and polite, but too impatient to endure constructive criticism. People describe her as polite, organized, pleasant, and calm. This is a role that weakens the team's effectiveness in evaluating data and action alternatives, through a lack of engagement. The leader must question her apparent acceptance of the majority opinion. If necessary, to keep tempers calm, she may call a break and ask the diplomat for her opinion in private. If there is no time for that, at least she should ask the diplomat to explain the reasons for her decision.

Dominator. The dominator *tries systematically to impose her views*. She has no qualms about breaking the team's rules in order to win an argument. She does not listen and often monopolizes the discussion. Most people see her as rigid, authoritarian, and sometimes aggressive. People describe her as extroverted, spontaneous, ambitious and tenacious. This is a role that weakens the team's effectiveness in evaluating data and action alternatives, through overengagement. To prevent the dominator from monopolizing the meeting, the leader should enforce a team rule that promotes participation. For example, before an issue is taken as settled, she could ask each member of the team to give her opinion, encouraging the dominator to actively listen to the others' views.

Defeatist. The defeatist *constantly airs her pessimistic view of the team's proposals*. She is not very proactive and tends not to volunteer for projects. She needs constant encouragement to prevent her from falling by the wayside. Most people see her as being sincere, but too negative and discouraging, to such an extent that she can become a burden for the team. People describe her as sincere, pessimistic, passive and reactive. This is a role that weakens the team's effectiveness in specifying and implementing action plans. The leader must help the defeatist to see the positive side of the team's proposals and ask her to come up with solutions rather than concentrating exclusively on the problems. It may also be a good idea, when sharing out the tasks among the team members, to team her up with a collaborator.

Conflict Management in Teams

Teams are social groups with an added complexity: joint responsibility for a collective outcome. If the risk of conflict is implicit in any interaction between people, all the more so in a relationship that is based on interdependence and collaboration, and that requires a certain unity of opinion and action. Sometimes, conflict between team members is open and accepted. Very often, however, it is masked and difficult to recognize. The leader must be very sensitive to different tones of voice in conversation, and even to body language (facial expressions and gestures), in order to detect incipient conflicts before they mature and crystallize.

Conflicts take many forms and can be classified in many different ways. However, it is important to distinguish at least two dimensions: the rational dimension and the emotional dimension (Rodríguez Porras, 1995). Rational conflict tends to be explicit and usually involves disagreement on a particular *issue* (a decision, a goal, a decision criterion, etc.). Emotional conflict tends to be implicit and usually involves disagreement with an *attitude* (of a person or group of people). Emotional conflict tends not to be expressed openly, because it is a feeling rather than an opinion. However, it manifests itself in the rational dimension: in a person's tone of voice, and in the intensity with which issues are discussed in meetings. Combining these two dimensions, we get four possible states of a team meeting: conformity, confrontation, disagreement, and unity (see Table 3).



Table 3
States of a team meeting

EMOTIONAL	Agreement	Disagreement	Unity
	Disagreement	Confrontation	Conformity
		Disagreement	Agreement
		RATIONAL	

Conformity is a deceptive state, because although the team members appear to be formally in agreement on the main issues, they are not wholeheartedly committed to the decisions. It is the state that we find when the boss asks, “Do we all agree on that?” and everybody says “yes”, doing their best not to look their boss in the eye. But then, after the meeting, and behind their boss’s back, they voice their disagreement with the decision that has been taken. In some cultures or teams, there is such resistance to conflict that people tend to conform to the decisions of the majority, or of whatever group dominates the team. The state of conformity is most characteristic of teams that tend to move in the destructive cycle.

Confrontation occurs when the discussion of specific issues on which people disagree is colored by personal judgments. The various groups or coalitions that have formed start a heated argument, putting more emphasis on accusations against individuals or groups than on the facts of the matter. A typical expression in this type of argument is “You lot always...” Expressions such as this reveal an emotional attitude towards a group in general, rather than a specific judgment of the matter at hand. If the state of confrontation is not skillfully handled, it may open serious wounds at an emotional level that will break up the team or, at least, push it down the route of the destructive cycle. Faced with this threat, the temptation is to avoid conflict at all costs, and even to forbid argument, which will lead the team to the state of conformity.

Disagreement arises when different members of a team disagree on some particular issue, but nevertheless respect the positions of their opponents and try to understand the strengths of their opponents’ views. A person who disagrees tends to ask questions and listen. When it is her turn, she puts her point of view respectfully and forcefully, and yet she is always ready to change her opinion, rather than obstinately sticking to it come what may. Disagreement differs from confrontation in the respectful tone of voice adopted, the attitude of active listening, and the focus of the discussion on facts rather than on people. This state is sustainable only if there is sufficient trust and respect among team members. If it is not skillfully managed, it may easily deteriorate into confrontation. The team members will then switch to the emotional plane and stop listening to one another.

Unity is the state that arises when the team members have reached a final consensus on an issue and are genuinely committed to the solutions adopted (even if they are not the decisions they themselves would initially have preferred). A team is unlikely to find itself in this state for very long. In fact, any normal team will always have people with complementary viewpoints, which will enrich the discussion, leading the team to a state of disagreement. The important thing is to move on from the state of disagreement by finding points of agreement where the team can act as one. If the leader insists on crystallizing a state of unity on all issues, she runs the risk of dragging the team towards a state of disagreement from which it will have great difficulty escaping.

One of the leader's most basic tasks is to manage conflict in such a way that agreement is maintained at an emotional level. Then the team will alternate between the states of unity and disagreement, which is healthy and creative. If the team is in a state of conformity, the leader must cut through the false equilibrium by pushing the team into a state of confrontation, where people's views become explicit and the need to address the underlying problems becomes apparent. This is a very difficult and risky step to take, and so calls for extreme tact, so that the team members react positively and maturely to their differences. This process must include an effort to understand the points of view of the other subgroups or individuals and, sometimes, an exercise in catharsis that will help team members to forget the not always very positive history of their mutual relationship. This is the most delicate step in the whole conflict resolution process, and sometimes the leader will need external help to carry it through (especially if the leader is herself involved in the conflict). If it is done well, however, and in good time, it can serve to resolve the emotional conflict and lead the team to a state of disagreement, from which the team members can start to work together as a real team.

Leadership in a Work Team

The fundamental mission of a team leader is to create and strengthen the team's identity. To do that, besides managing all the processes that we have discussed in the preceding sections, the leader has one basic responsibility: to foster the shared objectives, which essentially are the heart of the team and the foundation of its identity as a team. A manager who masters the art of managing team meetings effectively, but who is unable to make continual progress in whatever it is that turns a group of people into a team, is not a true leader, but a mere team administrator.

Just as in relational leadership we can distinguish three types of leaders, depending on the type of relationship the leader is able to build with her subordinates, in teams, too, we can distinguish those same three types of leadership. In this case, the important thing is the type of objectives that the leader is capable of persuading the team members to share. Depending on the quality of those objectives, the leader will be a transactional leader, a transforming leader, or a transcendent leader.



A transactional leader unites her team around certain extrinsic objectives, that is to say, the rewards that the team can expect to obtain for accomplishing its mission. Those objectives may include a group bonus, or beating a rival team. Extrinsic objectives generate what we might call *instrumental* cohesion. Instrumental cohesion consists of a union among people that is sustained by the conviction that, without those other people, I will not be able to achieve my own objective (my share of the group bonus, for example). Instrumental cohesion is the most fragile type of cohesion, as it rests on a balance of various individual objectives. The transactional leader will only be able to keep her team united so long as that balance is maintained, which often will be difficult, especially if the link between effort and reward or punishment is unclear or not well justified. Also, the leader must be constantly on the alert against opportunistic behaviors on the part of team members, who may try to achieve the team's objectives with the least possible sacrifice of their own private goals.

A transforming leader unites her team around certain goals that include not only extrinsic but also intrinsic objectives, that is to say, objectives where the internal benefits flow from the mere fact of working in a team. Those objectives might be, for example, the learning or the comradeship that comes from working in a well matched team, or the feeling of triumph that comes with accomplishing a mission (even if the team receives no extrinsic reward for its success). Intrinsic objectives generate a deeper kind of cohesion than extrinsic objectives, a cohesion that we could describe as *emotional*. Emotional cohesion consists of a union among people that is sustained by the fact that, without those people, I would not obtain the same intrinsic benefits (learning, comradeship, satisfaction of meeting a challenge, etc.) as I would if I worked on my own or in another team. Emotional cohesion is not based on any balance of private goals, but on a balance between the positive and negative feelings and emotions that each team member experiences as a result of working in this particular team. If the friction, the arguments and the frustration are stronger than the sense of achievement and personal satisfaction, then the balance will become negative and the team's emotional cohesion will be damaged. A transforming leader is able to keep her team united only so long as a positive emotional balance is maintained, which may depend on many factors, such as the personalities of the team members, their moods, or their interpersonal relations. Hence, a transformational leader will know how to handle the emotional aspect of meetings and will try always to foster a climate of improvement and comradeship in relations within the team.

A transcendent leader unites her team around objectives which include not only extrinsic and intrinsic goals but also transcendent objectives, that is to say, the benefits that working in a team can bring to others. Those objectives may be, for example, giving good service to customers, resolving problems for the company or for society, or helping to develop other team members. Transcendent objectives generate an even deeper type of cohesion than the previous sort, one that we could call *structural* cohesion. Structural cohesion consists of a union between people that is sustained by the fact that, without those people, it would be impossible for me to contribute to a mission that has a meaning in itself. In fact, it is called structural cohesion because the principle that produces the cohesion is not extrinsic (such as a team bonus), nor intrinsic (such as comradeship), but comes from the team's own structural contribution,

that is, the mission that gives the team its identity. For example, for a new product development team, the structural contribution is the new products that the team develops. The transcendent leader unites the team members through the value that those new products have for the company and for society, not only through the money they may earn if they do their job well, or how much they will develop professionally by working in this particular team.

Structural cohesion is based not on a balance of private objectives, nor even on a balance at the level of feelings and emotions, but on the shared motivation to accomplish the team's mission. The transcendent leader gives great importance to the mission, and the team members' sense of mission, and is able to convey her conviction to them. She puts herself to the test particularly in the toughest moments, when the tasks demand sacrifice and both extrinsic and intrinsic gratifications disappear or fade into the distance. Those moments are critical, as they can make or break the team, if the cohesion is not deep enough (that is, if it is not structural). On the other hand, those moments may enhance the team's cohesion still further if they are used to reinforce the members' identification with the mission they have come together to serve.

A transcendent leader must try as far as possible to bring the three types of cohesion – instrumental, emotional and structural – into line with one another. Alignment produces synergy, as the different types of cohesion reinforce one another. For example, if the leader creates a healthy desire for victory (emotional cohesion), she is more likely to be able to convey the sense of mission (structural cohesion), and vice versa. Conversely, a lack of alignment among the three different types of shared objectives may seriously weaken the team's cohesion. For example, it will be difficult to maintain structural cohesion if disunity is fostered at the instrumental level through incentives that value only private objectives.

It is often said that a leader needs to be able to communicate well. That is true, and yet the most important type of communication takes place when decisions are made. A message that is well communicated and repeated time and again will be completely ineffective if, when it comes to the crunch, the decisions that are made contradict it. That is why one of the best ways for the leader to align the shared objectives is through the decisions she takes in the team, much more than with speeches or written communications. Through the criteria and judgments she applies in her decision making, the leader creates, strengthens or destroys the team identity, an identity based on extrinsic, intrinsic and/or transcendent objectives shared by the team members. If the leader is unable to create a core of shared objectives, the team will have no identity and does not really deserve to be called a team at all. Therefore, the fundamental mission of the team leader is to make decisions in such a way that the team's identity is constantly deepened and its cohesion reinforced.



Conclusion

A team is a complex social phenomenon that must be tended with great care if it is to develop satisfactorily. Leading a team, therefore, is no easy task. The leader's work begins with choosing the right team members, so that the team has the right mix of complementary skills and the right unity. The leader must be an expert in various key processes which every team must go through: trust building, communication, organization, and collaboration. Depending on how these processes are managed, the team will either enter a constructive cycle, in which it emerges strengthened from each project, or a destructive cycle that weakens it and may even threaten its survival. The most critical phase in team building is the storming phase, in which team decisions are taken. The leader must prepare the agenda and environment of each meeting in advance, and control the dynamics of the discussion, especially the roles and any conflicts that emerge, which may greatly assist or jeopardize the successful outcome of the meeting. The leader's most important role, however, is to create, maintain and strengthen the shared objectives of the team members. Depending on the type of cohesion that the team leader is able to create in her team, we can distinguish three types of leader: the transactional leader, the transforming leader, and the transcendent leader.

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Developing Team Leadership: An Interview With Coach Mike Krzyzewski

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Teams increasingly are being relied upon to accomplish work both in corporations and a wide variety of other kinds of organizations. The quality of team leadership, whether from formal leaders or from other team members, is becoming increasingly important. Thus, the question, “What does it take to foster and develop superb team leadership?” is a critically important one.

To explore this question, we interviewed Duke University’s renowned basketball coach, Mike Krzyzewski, to obtain his insights, experiences, and advice for those of us whose day jobs centrally involve the study or development of individual and shared team leadership. Krzyzewski has coached the Duke Men’s Basketball team for 31 years, and also has been head coach of the United States National Men’s Basketball Team. He is one of only three coaches in NCAA history to have won four or more National Men’s Division I Basketball titles, and in one remarkable year, his Duke and United States teams won the NCAA title, the Olympic Gold Medal, and the World Basketball Championship. He is the author of five books, a much-in-demand speaker, and the host of a popular radio show, “Beyond Basketball,” in which he discusses leadership issues with a wide variety of guests from all sectors of society.

To draw on his extraordinary record of successful team leadership and leader development, we structured our interview around three general questions: How do you recruit and develop team leaders? How do you create a context for team success? And how do you develop and sustain your own team leadership capacity?

RECRUITING AND DEVELOPING TEAM LEADERS

You have had players who are quite different from each other, and one of your trademarks is

how you adjust your system and strategy to the composition of your team each year. How do you go about that?

Let me illustrate with an example. In our most recent team, we had senior co-captains who were supposed to be our leaders. They had two different personalities. One, Kyle Singler, was not a verbal leader; he led through example, and I never asked him to do much more than that. I said, “You play hard and you practice hard all the time. But every once in a while, just say something to a teammate like ‘That’s good’ or in a huddle, say ‘Let’s go.’” If I asked him to do too much more verbally, I think it would have messed him up. In contrast, Nolan Smith was effervescent. He led us well on the road or in the locker room and on the court. But it was really difficult for him to confront somebody. So I also turned to the point guard and said, “During the game, you are okay to confront somebody.” And then, as a staff, we had to do more confrontation because the two guys we had, it didn’t fit their wheelhouse. I try to adjust my leadership based on who I have to help me lead the team.

You’ve said that each team leader should be asked to do different things depending on what their capabilities are. And you may be able to develop them, but you are not going to change who they are. How do you walk the fine line between encouraging them to develop new capabilities as leaders and accepting their liabilities?

I tried to meet twice a month with Kyle and Nolan, just empathizing with them, not trying to get them to be anybody different. I was concerned about insisting “You need to be this leader or that leader.” I wanted them to be a player too, and I

didn't want leading to conflict with their natural playing abilities. I think that is important. Like in a business, when somebody is promoted to a certain position, you say, "I now need you to lead." Well, the reason they are up there is because they've got certain abilities, whether they're with sales, or whatever it is they do. We want to keep their strengths while working on their leadership. I have had other guys who just led the whole team, and being a leader helped them become better players. But that is not always the case. I will tell you, it's tough to find a lot of leaders.

Helping Budding Leaders Realize Their Potential

Sometimes the best leaders are the youngest or newest team members. How do you encourage them to step forward while still showing respect for the more seasoned members of the team?

Leadership is plural, not singular, so there can be a number of leaders. You want to make sure that as you are developing your senior leaders, you don't stifle a freshman who has great leadership qualities. You give them opportunities to help the older leader and then by the time they do get to be that older person, they are even better at what they do.

Sometimes the best leaders are the youngest or newest team members. How do you encourage them to step forward while still showing respect for the more seasoned members of the team?—Sitkin and Hackman

I think it's important, before they ever join the team, that I have seen them on their high school teams. So I already know this kid has leadership ability, he has good communication skills, he is somebody who could lead by example or verbally. And then I try to encourage those who I think would be potential leaders to help out even as freshmen. What I try to do is not assume that just because the oldest person is the oldest that he is the leader. You hope that they are because they have the most experience, but not everybody on a team is a leader or wants to be a leader.

Individuals do not always realize how others are looking to them for leadership. They don't always realize how much power and influence they have, or that they have the ability to lead others.

How do you help them see what they have to offer?

One of my best leaders by far of all time is Shane Battier, who now plays for Memphis. In the first practice of his senior year, the team had finished stretching, and I'm getting ready to talk to them to give them a bit of motivation—just a little 1-minute talk. Before I start, Shane gets them together and he says some things to the team. I said, "That's pretty good. I don't think I can top that." I told Shane after the workout, "That was good. If you want to do that every day, you can." He said, "I'll do it every day." I never again spoke to the team before practice for the rest of that year.

Here is another example. One of our standards is to show strong face. When we watch tape, it's not just watching how you shoot or defend. If I see a sequence where a player shows this magnificent face that's strong, I'll stop and say something about it. This past summer in Madrid, I stopped the tape as Kevin Durant, a great young player who I wanted to emerge, was coming down the court. He looks magnificent; he's just so strong. So I asked his teammate, Russell Westbrook, "When Kevin looks like that, how do you feel?" And he says, "Coach, when he looks like that, I feel like we're going to win." So I turned to Kevin and said, "Kevin, I want you to understand the power you have. Even before you shoot or defend, you can create an atmosphere where the people around you feel like they can win. How good is that, man?"

As you become more secure as a leader, it gets easier to share leadership, to empower others. Thank goodness I have had great leaders on the court for me. One of them is coaching at Harvard now, Tommy Amaker, a point guard who was a natural leader right from his freshman year, and then we had Quinn Snyder who also was a great leader. The more I got guys like that, the more I realized that I needed to give them more opportunities. It comes with experience.

Finding Leadership in Unexpected Places

Among your players, you have uneven talent, motivation, and need for glory. Yet you need to ensure that the team functions effectively as a team. How do you draw on the full range of talent in your team given the wide variety of players' skills and motivations?

In some organizations you only listen to talent. You've got to be talented before you can give advice or be recognized. We've tried not to have that culture. If you have a guy go from freshman to senior, sometimes the freshman that you bring in

is better than the senior. It wasn't always that way; it used to be that if you're an upper classman, you should always beat out the younger guy. Now, you can bring in three freshmen and they would start. So how is that senior going to be a leader when he is not the best player?

We had a walk-on who became a scholarship player and was a 5-year player, Jordan Davidson. Guys listened to him more than anybody because he had established himself. So I think some of it is credibility. If I'm having a team meeting, I might say, "Jordan, what do you think?" before asking anybody else, to accentuate my respect for him as a leader.

Aligning the Stars

It is a common human tendency, at least in Western cultures, to give the credit or blame for team performance to the designated team leader. Research on professional symphony orchestras, for example, suggests that both audiences and critics tend to hold the conductor accountable for how the orchestra plays. Moreover, guest soloists—the wonderful violinist or the extraordinary vocalist—sometimes come in and expect everyone to cater to their needs.

Players in top-ranked basketball teams, whether Duke or the Olympic teams you have coached, also are composed of high-level stars, people who are used to having the planets rotate around them. How do you deal with this? How do you help your players accept your own coaching and, ideally, the leadership that other players may be able to provide? And what do you do if it's an 18-year-old kid, someone not yet fully formed, who was all-state and recruited by five colleges, who also expects to start out as a star at Duke?

You actually do some things socially rather than on the basketball court. In fact, we wouldn't continue to recruit a kid who we felt would not eventually "get it," because his great talent could turn out to be destructive rather than constructive. So character is a significant part of our recruiting. Grades too, of course, but character is probably the main thing. I want to see that the kid is someone who will listen to his coach, that he has shown respect to his parents and other authorities he has dealt with, and that he is willing to learn.

It's important to look for things like that when you are recruiting someone for your team, even if he is a ridiculously good athlete. It is true that your best player can lead you to the Promised Land, but your most talented player can also lead you to the

junk pile. Because that best player is going to have a lot of influence, you want to make sure before he comes in that you can have a good relationship with him.

All the players who arrive at Duke are immediately humbled in some ways because of the level of the work, the speed at which they have to play, and the fact that they are not always the best player on the court. A lot of them never had to work that hard before because they always had been the best player. You come in here and you're not—you are potentially the best player but initially you're not. Someone else is working harder than you are and someone is running the sprints faster than you can. You become fragile during that time.

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—Coach K

I liken it to the experience I had when I went to West Point. I thought I was really a hot ticket. But once I got there I got killed, and I needed somebody to help me out. So if you're the guy who provides that help, then you develop your relationship even more—you protect them and you keep them from completely falling apart. On the day they get kicked, you want to be there or you ask someone on the team to go to them, and that helps them develop. You ask the senior who is not as good as him—but who on that particular day is better—to go to him and say, "Don't worry man, you're going to become our best player."

What do players who are true stars need from their coach?

I've found that when I am coaching my Duke team, I need to be the best player's best friend. Being the best player is a lonely position. Even though you get accolades, no matter how good of a team you have, there is always some level of jealousy. Always. Because you're competitive. A little bit of it is not bad. But I want to make sure that I'm connected with that guy because in a tense moment he

also might produce better knowing that he's not out there alone.

With the Olympic team, Kobe Bryant told my youngest daughter an interesting thing: "Since I was in high school, nobody has tried to motivate me, they just pay me." But, he said, "Your dad and his staff try to motivate us every day, and that's so refreshing." Leadership is not just to let the star produce, but to be a friend of the star, to motivate the star. Your team is going to go a lot further if your stars push ahead, and everybody else has to work to catch up.

How about with well-established, highly experienced players? Is coaching them and developing them as leaders the same kind of thing as coaching college players, or does it require a whole different approach?

I remember when I was an assistant coach on the Olympics Dream Team that won the gold medal in Barcelona 1992. We had Michael Jordan, Larry Bird, Magic Johnson, David Robinson, Patrick Ewing, Karl Malone, Charles Barkley, Scottie Pippen. I'm at my first practice, and Jordan is the best player. He also is from North Carolina and I'm from Duke. So, in the totem pole there you have Michael Jordan at the top and well down the pole is Mike Krzyzewski.

So I was a little bit nervous, I didn't want to make a mistake. After the first practice, I'm having a drink of soda and Jordan walks toward me. I knew he was going to bust my chops, you know, do some Duke/Carolina stuff. But he comes up to me and he says, "Coach, I'd like to work on some individual moves for about a half hour. Would you please work with me?" And so we worked for a half hour and at the end he said, "Coach, thanks a lot." Of all the things that I learned on that trip, that meeting was the most important. I still get chills thinking about it. Those kinds of events are force multipliers for any team.

Jordan could have been the biggest prima donna in the world, but he wasn't. He understood that on that team there wasn't any totem pole, that everybody was important. He could have called out "Hey, Mike, get over here," and I would have run over there. And I would have felt like an idiot, but I would have done that job, and I would have lost respect for myself. He didn't want that, so he said, "Coach," and then he said, "Please," and at the end he said, "Thank you." How good is that? I think it was masterful on his part. It's a powerful thing when a person who is in Jordan's position does things like that to create an environment that's conducive to success. I don't know if he knew he

was doing that, but he did it, and I respect him forever for it—and it had a big impact on my own coaching back at Duke.

Clearly, a great deal of your coaching focuses on your individual players—helping them excel, but also helping them learn how to help their teammates. What does it take to get everybody on a team to help provide leadership?

One thing I tried to do in every practice with the Olympic team was to have my assistants do a lot of the technical things. I made it a point to talk to four to six guys every day, and about things other than basketball—"When is your family coming over?" or "I heard this is happening, what do you think?" That kind of thing. I got to know them as people, which helped me understand the dynamics that I had to work with on the team.

On the Olympic team I had this alpha dog in Kobe Bryant and I had another alpha dog in LeBron James. One had accomplished a lot, and the other wanted to accomplish what that other guy had accomplished already. I tried to have them interact. So I said to Kobe, "You need to be good with LeBron," and I said to LeBron, "You need to be good with Kobe." Well, LeBron has a really good sense of humor, he's an entertainer. So, when we would be in a team meeting, LeBron would imitate Kobe—he would take his warm-up pants and pull them up to here and go through a whole routine. And the team is laughing and Kobe is laughing because one of the best things about imitating you is that it means I accept you, I like you. Those two stars became, at least during that time, not competitors but just real good teammates. It set the tone for everyone else.

Another example is from the Olympic Dream Team. Arguably, Jordan was the best player, but we had two older great players on the team in Larry Bird and Magic Johnson. Head Coach Chuck Daly was running a staff meeting with Lenny Wilkens, P. J. Carlesimo, and me. Jordan came in and we talked about who should be captain and he says, "I do not want to be captain, Larry and Magic should be captain. You make sure." Unbelievable, right? He did a great thing.

Dealing With Derailers

How do you handle "derailers," people who cause problems no matter what team they're on—be it in business or athletics or music or wherever. When they're there, bad things happen. Such people exhibit a lack of integrity, or they are unable to see what the world looks

like through any eyes other than their own, or they bring out the worst in their teammates. So imagine that somebody passed the recruiting screen and now you've got a sophomore or a junior who is a derail and is souring the team. Do we try to save him or do we kick him off?

You save him. With the Olympic team, we would never select them because you don't have enough time to help them. It's a different mission when you're coaching a college team. A kid can get side-tracked, and he might be a derail because of insecurity or for any of a number of reasons. Saving a kid is important, because it might just be that he lost his starting job, or he's discovered that he's not good enough no matter how hard he works. Part of it can be redefining what success is for that kid. Before, his idea of success was, "I'm going to be a pro, I'm going to be a top draft pick," and then all of a sudden, "I'm not even starting on my team. Holy mackerel, my whole life is horrible and I'm going to make it horrible for everyone else."

So I would try to counsel him, individually and doing things face to face, not yelling but just saying, "Look, you're not on the team right now. I mean, it's not that you're kicked off, but you're not part of us. Why would you do these things? Tell me. I'm going to try to understand. Or do you not know you're doing them?" You deal with it on a one-on-one basis.

TEAM LEADERSHIP AS CREATING A CONTEXT FOR SUCCESS

When you started at Duke over 30 years ago, you didn't already have a successful program or a culture that fostered both winning and mutual respect. How did you get the right conditions in place, and how have you sustained them?

We could not have succeeded if I were not on a great team myself. By that I mean that Duke University was a great team under the leadership of Terry Sanford as president and Tom Butters as athletic director. I always felt that I was on their team, and that has been true with every president and athletic director since then. I worked hard to develop a good relationship with them. Not that it has not been the other way around, expecting them to develop a good relationship with me. I knew how much I depended on them and needed their commitment while I was learning how to do this. I learned a great deal from them and the people around them.

Maintaining Stability

In today's college basketball, there is rapid turnover among the star players, just as many corporations face personnel churn among the most talented, and MBA programs also confront the problem of trying to forge a community when students are in the program for only a short period of time. How do you create a "cocoon" that allows member leadership to develop on your teams? And how much of a problem is it that every year it's a new team with a different mix of players?

The culture of college basketball has changed. With the "one and done," you don't know who you're going to have from year to year. There are a lot of different dynamics right now in our sport. The thing that we do know is that we're going to make sure our own culture is the same.

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The question is how do you perpetuate that culture, the environment that this new group is going to come into? Where is the stability? Well, one thing is me: I've been at Duke for 31 years, and my staff also has been stable. And a huge thing is having my former players on the staff. They end up being like the seniors on the team—they know Duke, they know me, they know college basketball. Another source of stability is our managers. We have about 12 managers on our team and they are terrific kids. They do all the logistics to set up everything for us and they have equal footing with our players. They are here from freshman to senior year. We've tried to adjust to the new dynamics in college basketball, and it's worked out fairly well. But I'd still much rather have the continuity of having a kid from freshman through senior year, with the seniors teaching the young guys.

It is also important for our national Olympic team to have stability. There is stability in leadership from Jerry Colangelo, who runs United States basketball. Colangelo said in 2006 we were going to start building a program where we get to know

our guys and there is some continuity. Before, we thought that selecting 12 people and a coach meant that you had a team, which is absurd. It has been a huge help for our Olympic team to have some stability in membership and leadership. I've signed up to coach our team again in 2012 for the London Olympics. Even though I am not with these guys during their seasons, I'll call or write them to maintain a relationship with them along the way.

How about timing? Are there particular times when you focus on different leadership activities?

Some things can be done quickly; others take a lot of time to establish. And once you are in the game phase, when you actually start your season, there is a faster rhythm. That is when you see the results of whatever you've done in the off season to develop your team. During practices you are not judged by whether you win or lose, so I can take a little more time. For example, I might say to a player, "Look, today at practice, I'd like for you to say a couple things. I don't care when you say them or how you say them, but we need to address this." Hopefully some of that will be used later, in the game phase. But it really is a different rhythm.

Setting Standards and Clearing Away Distractions

You are dealing with fast-changing, fishbowl team environments. What do you do to keep all team members on the same page?

We try to not have any rules on my teams. I have what I call "standards." When I went to West Point we had a bunch of rules, all of which I didn't agree with. Usually when you're ruled, you never agree with all the rules, you just abide by them. But if you have standards and if everyone contributes to the way you're going to do things, you end up owning how you do things. In my experience, the best teams have standards everyone owns.

With the Olympic team, I met with the individual stars. I met with Jason Kidd individually and then LeBron, Kobe, and Dwayne Wade before we had a collective meeting. I told them, "I'm going to have a meeting tonight, not about offense and defense, but about how we're going to live for the next 6 weeks. I am going to tell you two of the standards that I want. When we talk to each other, we look each other in the eye. That's one. The second one is we always tell each other the truth. If we can do those two things, trust will be developed, which will be the single most important thing for our foundation as a group." And then I said, "You don't

have to tell me now, but I would like for you to contribute to the meeting and say at least one thing tonight. And whatever you say will become, if everyone agrees, one of our standards."

We had a great meeting in which we came up with 15 standards. Each of those guys put their hand up; they took ownership. It was no longer just their talent; now it was also the things they said. LeBron said, "No excuses. You know we have the best talent. We're playing for the best country. So, no excuses." And that was our first standard. Jason Kidd said, "We shouldn't be late and we should respect one another." I said, "We should respect our opponents because they've been beating us for the last few years. So we should prepare and we should never have a bad practice." And it went on from there. We never had a guy late and we never had a bad practice. I really felt it bonded us because it wasn't just me putting on them something that I believed in. It was me asking them, "What do you guys believe in?"

You said nobody was ever late, but what if somebody was? Would people have looked at you to deal with it, or would the team have taken on responsibility for enforcing the standard?

If someone was late for the first time I probably would have taken the initiative. I would have said to a couple of the most respected players something like, "You know, Dwayne was late, do you want me to take care of that?" They would have said that they would take care of it. And then if it happened again, I would have brought it to the whole group. I would not have been hesitant to do that if the players did not take care of it themselves.

What do you do to ensure that problems get resolved and minor issues do not become big ones that distract from team goals?

I continue to pay close attention to the team's context. Sometimes I'll meet with my team or my staff and I'll say, "I want you to think about irritants. We'll have a meeting on irritants and let's try to get rid of as many irritants as possible. In other words, let's not let Duke beat Duke because every day we can't stand something." I try to make sure, even with the Olympic team, "Ok, let's have a meeting. What's bugging us right now . . . food, whatever? Nothing? Good, let's go." You can lead better if everybody is not distracted.

Asking people how they feel or if there is something that is bothering them demonstrates your concern. It affirms that they are an important part

of the team. And it also recognizes that they have eyes, that they can see things that you, the leader, may have missed or be blind to. You want everyone's eyes on the team and how things are working. If there's something that is keeping one of my assistants from doing the best job possible, then we need to change that.

There are two things in any bureaucracy that block good ideas. One is to think, we've never done that before, so why should we do it now? The other is that it would cost too much, we don't have the money. So we're not going to talk about the good idea any more. I've tried to address those two blocks over the last 15 or 20 years of my career by raising money on our own so we can put in place what we need to succeed.

There are two things in any bureaucracy that block good ideas. One is to think, we've never done that before, so why should we do it now? The other is that it would cost too much, we don't have the money. So we're not going to talk about the good idea any more.—Coach K

CULTIVATING AND SUSTAINING YOUR OWN TEAM LEADERSHIP CAPACITY

Taking Care of Yourself

Coaches also have emotions and get angry. "Did you come to play today or did you just come to stop by?" Now that's a really cutting thing to say, but the coach is angry and shows it. How do you keep yourself in balance, not faking your own emotions, but also not going too far in expressing them?

On a day-to-day basis you do have to have balance and be clear headed. So you need to make sure you have your personal stuff together so that when you encounter these obstacles you don't fly off the handle. I like to deal with everything face to face, right away. It is a big thing for me to stay fresh and balanced. I try not to have irritants in my own life so that when I come to my business life, I'm not bringing my life into the business. I've found that maintaining a fairly active health life, faith life, and family life are pillars that help me to become a better leader. I don't know how it works for everyone else. But I start every day fairly fresh and with a pretty clear conscience. That creates my own atmosphere conducive for success, and then I try to bring that atmosphere to the team.

That's visible to the players even though you probably don't advertise it. It's a kind of leadership around issues of character and health and general well-being that they can see. No doubt at least some of your players are saying to themselves, "Gee, I'd kind of like to have that kind of resilience, too." That has to be helpful to them as they are learning how to grow up.

You still can fly off the handle occasionally. But when you do, I think it has more impact than if you're flying off the handle all the time. I've learned over time that to lead you have to be able to listen and see and feel. And if you create obstacles for yourself—whether you don't allow yourself to see other people's vision, or you don't ever talk to anybody, or you're not keeping in good health—eventually you're going to have more bad situations than you would if you keep those avenues open.

Learning Continuously

You have been coaching for a long time. What do you do to make sure you keep on developing as a leader?

I've learned so much from getting outside of my area. I think you need to get involved—whether it be a charity, a hospital, or working with a kid's group—to keep actively learning. If you look, you'll see natural leadership happening around you all the time. I'm used to leading, going against other college basketball coaches. Now, internationally, I'm going against the best coaches internationally. They think differently. One's not right and one's not wrong. They think differently and it forces you to think differently. I believe that you have to do that if you want to constantly get better in leadership.

You can learn about being a better leader from everybody. You can go and study an orchestra. You can go study a basketball team, a business, or whatever. That's why I love talking about leadership. There is so much you can do to develop it. And that's why I've loved my association with the Fuqua School of Business. It gets me out of my area and I say, "You know what, that was really a better way of putting it" or "I never thought of it that way." I think people who want to understand leadership have to have that approach. It's exciting.

In developing leadership, you're not just helping a young kid on your team become a better leader. By attempting to teach that person, you're developing your own leadership. I learn from every speech I give. We have our own radio show where instead of being interviewed, I interview and I take notes

all the time. That's how I look at it. It's not going to happen all at once. It's not, "Okay, I got it. I'm the leader," because then you just forfeited your right to be one.

Being Yourself

One of the things that you see sometimes among students who anticipate a career in management or aspire to leadership positions is that they will read a book or hear a speech and they'll say, "Oh, I want to be like that." You frequently refer to others from whom you have learned. Do you have any advice for the rest of us who see in you or in some other leader a model for ourselves?

I was lucky that I got coached by one of the great coaches of all time, Bob Knight. Through him I met two other great coaches, Henry Iba and Pete Newell. And I'd just listen to them. A couple times when Coach Knight went away, both Iba and Newell said, "I know you've learned a lot from coach and he's great. But you have to be yourself. If there's something that you want to talk about with your teams, figure out what you want to teach and then use your own personality and your values to do it. Don't ever try to be like one of us." They were three of the great coaches of all time, right there in one setting. And what they said made a lot of sense to me.



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I tell the guys who work for me: "don't ever try to be like me." I tell players the same thing. "I don't want you to be this guy. I want you to be you. Let's figure out who you are, what kind of a leader you are, and what we can do to keep making you better." That's why I'm not someone who will read an autobiography and say I want to be exactly like that person. Come on, you can't be exactly like that person, that's ridiculous. What you can do is learn about the experiences of other leaders and then take some of the lessons that they have learned and incorporate them into your own mix of skills. That's what I try to do with my players, and I think the same approach would work just as well in other kinds of teams and organizations.



Mike Krzyzewski



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The Himalayas are one of nature's most demanding classrooms, but they can teach us four important principles about taking charge of our followers – and our own egos.

PHOTOGRAPH: PASCAL TOURNAIRE/CORBIS SYGMA

The Leadership Lessons of Mount Everest

by Michael Useem



OUR TWIN OTTER was descending at a dangerously steep angle, but at the last minute the pilot managed to pull the nose up and ease us onto the runway. We had arrived at the gateway to the Himalayas – a tiny airstrip surrounded by snow-covered peaks in the village of Lukla, elevation 9,350 feet. With fully laden backpacks and a keen sense of adventure, we began our journey into the mountain range capped by Mount Everest.

We went to the Himalayas to learn about leadership in one of the outdoors'

most stunning yet demanding classrooms. For the next 11 days, our team of 20 trekkers, including MBA graduates and midcareer executives, hiked some 80 miles over rough terrain to reach a high point of over 18,000 feet. Through our experiences along the way, we heightened our understanding of what true leadership is all about.

Of course, we didn't need to travel halfway around the world to appreciate the basic principles of leadership. All of us already recognized that leadership requires strategic thinking, deci-

sive action, personal integrity, and other worthy qualities. Yet we also knew that converting such abstract concepts into practice is often an elusive process. Indeed, few behavioral concepts defy translation into reality as much as those that involve leadership.

We made the trip to Mount Everest not because it could teach us things about leadership that we couldn't have learned elsewhere but because the lessons there would have a far greater urgency. When problems arose, they could rapidly worsen – or be resolved –

depending on how quickly people put into action those theoretical leadership concepts. For the hundreds of trekkers who have attempted to reach the summit of Mount Everest, effective leadership has often literally meant the difference between life and death.

For us, hiking along the lower slopes, the decisions we would make would not have the same life-or-death consequences. Nevertheless, our journey would push us in untold ways. Most people in our group had no mountaineering experience whatsoever; many had never spent a single night camping in a tent. So hiking ten miles a day over tough landscape at high altitudes would test people as they had never been tested before. And although we planned to stay along the lower ridges of Mount Everest, we were well aware of the dangers of altitude sickness and careless mistakes – a bad slip could result in a sprained or broken ankle, a minor disaster in such a remote location.

With our senses heightened to such risks, we would be more receptive to the leadership lessons we would learn. Specifically, over the course of our journey, four essential principles emerged: Leaders should be led by the group's needs; inaction can sometimes be the most difficult—but wisest—action; if your words don't stick, you haven't spoken; and leading upwards can feel wrong when it's right.

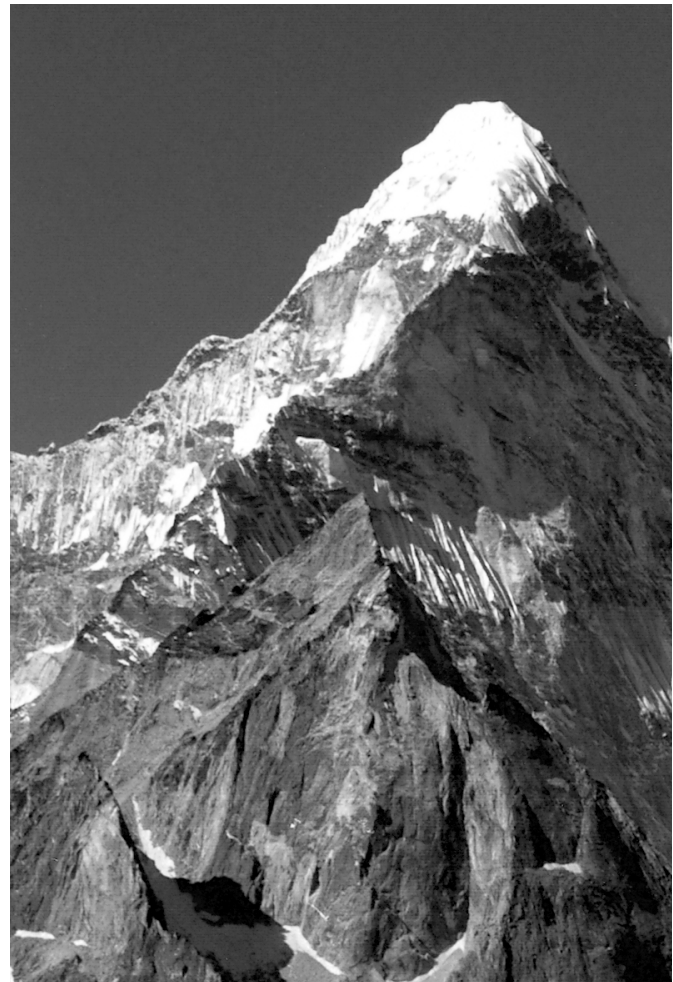
From Gettysburg to Everest

Before we look at the lessons in more detail, first a word about the genesis of the Mount Everest program. The impetus for the expeditions dates to the early 1990s. At the time, recruiters from investment banks, consulting firms, and other companies said that they liked the functional skills of Wharton graduates, but they also wanted those newly minted managers to be able to lead. Their mar-

kets were far too unpredictable and fast moving for anything less. But teaching leadership in the classroom was one thing; actually implementing those skills in the workplace was quite another.

To help fill that gap, I began creating off-site experiences intended to enhance our graduates' understanding of leadership. The first was a one-day program in which our executive MBA students walked the Gettysburg battlefield and discussed the leadership lessons of that pivotal struggle more than a century ago. The Himalayas presented another, more powerful venue for the same kind of inductive learning. Not only could participants benefit from the historical expeditions of others, they could also learn from their own unfolding experiences.

So four years ago, my associate Edwin Bernbaum, the director of the Sacred Mountains Program at the Mountain Institute, and I launched an annual program that is open to our MBA and executive MBA graduates, as well as to managers who have completed one of our executive programs. Each participant can bring along a guest, perhaps a spouse or coworker, with the proviso that everyone is a student and must take part in all activities. A typical group consists of some 20 men and women, ranging in age from their 20s to their 50s. For months before arriving in Nepal, participants work themselves into the best physical shape possible, exercising aerobically five or six days a week, often on

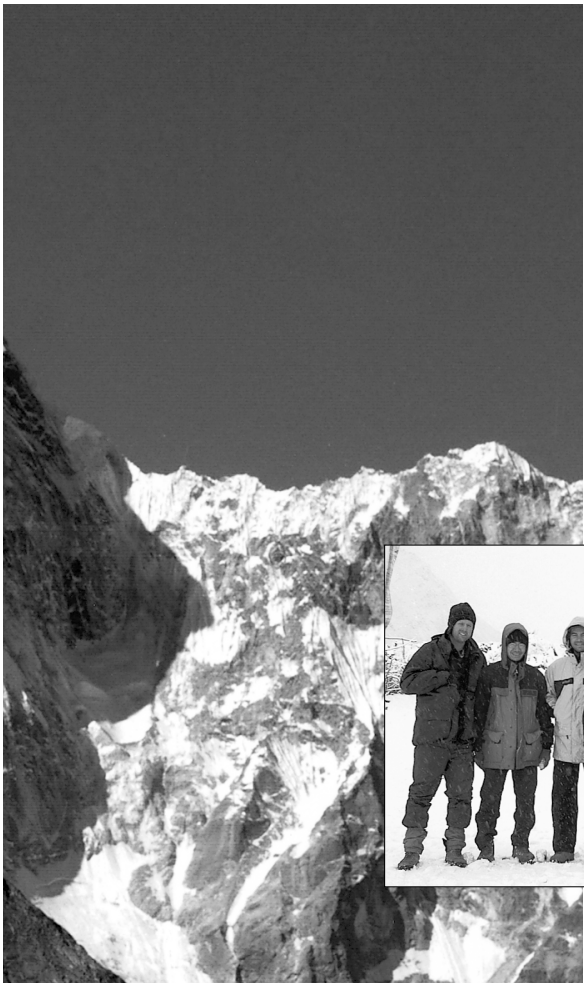


a hilly trail, a treadmill, or StairMaster. Some have even hired personal trainers to prepare for the journey.

During the treks (this article draws on four of them), we explored the leadership terrain through three methods that continually reinforced one another, often in unexpected ways. First, we held daily seminars over lunch and dinner, drawing on preassigned materials, including books, articles, and cases of the past triumphs and disasters of mountaineers who have attempted to reach the Himalayas' uppermost ridges. Second, every day two participants took their turn as leaders, assuming responsibility for the day's hiking assignments, logistical issues, and seminar topics. The day leaders also handled personnel problems ranging from irritation to illness. Each night, the entire group held a discussion to learn from everyone's experiences, analyzing the tribulations

PHOTOGRAPHY: MICHAEL USEEM

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The Wharton School conducts an annual two-week trek along the lower slopes of Mount Everest. Through the journey, the participants, including MBA graduates and midcareer executives, experience firsthand how abstract concepts of leadership are converted into practice. Pictured here are some of the team members from the expedition in 2000, near the Tengboche monastery on a ridge at an elevation of 12,670 feet.



we had faced and miscalculations we had made. Third, as we hiked the path toward the base camp of Mount Everest, we encountered climbers who just days earlier had themselves been on its highest slopes or even its summit. We learned from their firsthand accounts, especially when they talked frankly about the mistakes they had made and the things they would have done differently.

Now to the lessons themselves.

Lesson 1

Leaders Should Be Led by the Group's Needs

On the first day of our journey, we departed from Lukla by midmorning, wending our way along village homes, terraced fields, and valley walls. The

trail, which was the sole path to Mount Everest from our direction, was so steep and narrow along its many miles that hikers, porters, and yaks had to carry all gear and provisions required for the journey. By late afternoon, we arrived at our campsite, nestled in a deep valley with a roaring stream nearby and icy peaks above.

That evening, we presented shirts emblazoned with a trek logo to each of the 25 Sherpas who would be our trail guides and yak herders in the days ahead. The act was more than just a token gesture. Each of us was now part of a team, and the success of our expedition would depend greatly on how well we worked with one another. Often, that would mean subjugating one's own needs to those of the group, and we discussed how it was especially important that leaders not let their own interests cloud their judgment when

making decisions that would ultimately affect everyone.

Several days later, this principle was brought home to me in a very personal way. An American whom we had met on the trail walked into our campsite at dusk. We had pitched our tents far above the timberline at 14,150 feet, the highest campsite of the trip. Our unexpected visitor reported that her brother was showing the classic symptoms of altitude sickness: nausea, dizziness, and an uncertain gait. If untreated, we knew it could become fatal, but the only sure treatment was to walk him down to a far lower altitude. That would have been harrowing, however, since night was falling and the descent with the stricken hiker would take hours.

Fortunately, our physician for the trek, a graduate of our executive MBA program who specialized in emergency medicine, had packed a full load of medicine. She advised treating the suffering trekker and placing him on an hourly watch to ensure that his symptoms did not worsen during the night. She anticipated that with the early light of dawn, he would be able to walk himself safely down to a lower altitude.

The unexpected encounter raised several conflicting concerns. First, the brother and sister were the children of one of my colleagues at Wharton. Because of that connection, I felt compelled to walk down with the ailing trekker that night to be absolutely sure that his condition didn't deteriorate. But second, I was also responsible for the well-being of my own group, and I knew I had to keep that responsibility uppermost in mind. And third, I was myself exhausted by the day's doings, and the last thing I was fit for at that moment was a long nighttime descent. After weighing these competing considerations, I made up my mind to follow our physician's advice, but if the hiker's health declined during the night, I would make the difficult descent with him.

Fortunately, our doctor had it right: The young man weathered the night, and the next morning he was able to walk himself down to a safer altitude. Several days later, we found him fully recovered

in the thicker air of the region's main trading village at 11,300 feet. The incident strengthened my own resolve to keep personal interests from taking precedence over what was best for all.

This concept was reinforced each day of the journey. As our trekkers took turns being leaders for the day, they gained a deeper appreciation of how difficult it can be to put the needs of the group first. Like everyone else, the leaders for the day arrived late in the afternoon at our camp, dog-tired, famished, and sometimes chilled. Their primary responsibility, however, was to ensure that everybody arrived safely, and they had to tend to the immediate needs of others before addressing their own. Placing team needs ahead of one's own can be an abstract concept, but it is put to a primal test when a person is hungry, tired, and cranky. Being the last to eat and the last to sleep helped drive this lesson home. Each of us had to rise to the occasion no matter how miserable we might have felt.

In business, executives and managers are frequently tempted to put their own careers first. They may let their egos cloud their thinking or find convenient

When leaders truly serve and subordinate their private welfare to that of all others, their authority often becomes unquestionable.

ways to rationalize decisions that are based purely on their own interests. They may also lose sight of the needs of their teams, bending over backwards to please their bosses or single-mindedly focusing on shareholder demands. Ultimately, though, much of the strength of an organization depends on leaders who are concerned with doing what is best for their followers.

Days later, that lesson was driven home in an unexpected way when we reached a monastery that is home to the spiritual leader for the region's largely Buddhist population. By arrangement, we were able to receive a private audience with the high monk, the reincar-

nate lama. With the aid of interpreters, we engaged in a freewheeling discussion of Buddhist concepts of leadership. The high monk left us with two indelible affirmations. First, leadership is built by serving. Second, when leaders truly serve and subordinate their private welfare to that of all others, their authority often becomes unquestionable.

Lesson 2



Inaction Can Sometimes Be the Most Difficult – But Wisest – Action

As darkness descended on our high campsite at 14,150 feet—higher than the summit of Colorado's Pikes Peak—our discussion focused on the next day's big event. We were to rise at 2 AM to depart for a long hike to the highest point of our trek, a rocky crag called Chukhung Ri some three and a half miles above sea level. The climb required no ropes, but we knew it would demand strength of will: The distance would be daunting and the air thin. Each of us was privately wondering if we had what it would take—not only to reach the summit but, more important, to back away if the circumstances dictated.

Pondering that issue, we turned our discussion to Arlene Blum, who led an all-women's expedition to climb Annapurna, considered one of the most dangerous peaks in the Himalayas. In the mid-1970s, Blum had tried to join other expeditions but was denied membership because her presence would allegedly undercut the male camaraderie deemed so important for success. So she decided to organize her own team of ten women to reach the summit of the 26,545-foot mountain, the world's tenth highest.

Blum recruited well: Each of her climbers was a world-class mountaineer with a fierce determination to reach the summit. But even if everything went well, not all of them would make it to the top. Expedition mountaineering requires a massive team effort to

establish a route and move supplies up the mountain so that on the final day a small group can make the ultimate push to the top. If just one person reaches the summit, all members bask in the glory of that success. This stands in sharp contrast to the recent advent of commercial mountaineering, whose goal is to place all the paying clients on the summit, with success credited only to those who actually stand on top.

On October 15, 1978, after an arduous push from a high camp, two of Blum's team made it to the summit. It was a crowning moment for the group, for women, and for mountaineering: The whole world had been waiting to see if Blum's expedition could equal the accomplishment of the all-men's French team that had been the first to ascend Annapurna in 1950.

A day later, however, two other members of Blum's expedition wanted to reach the summit themselves. At first Blum resisted because her team had already achieved its objective of placing at least one member on top, and the expedition would gain little if others repeated that feat. But the two climbers insisted they be given a chance. Finally, Blum relented. Two days later, the bodies of the two mountaineers were found below the summit, evidence pointing to a fatal fall.

Without a driving urge to succeed, Blum's team would not have been able to move the supplies up the mountain, and the first two climbers would likely have had to stop short of their goal. But the team also needed an equally keen awareness of risk among all of its members. The second two climbers pushed that envelope too far, forever marring what would otherwise have been a brilliant accomplishment.

As we turned to our own challenge for the next day, our discussion revolved around the same two polar concerns. Many of us were eager to climb to the highest possible point, and we knew that would require all the mental and physical reserves we could summon. At the same time, we told ourselves that without an objective appraisal of our own limitations and of the potential

perils of the hike, we ran the risk of allowing our desire to reach that goal to recklessly overwhelm our good judgment, possibly endangering ourselves and others.

Tempering the desire for action in business is likewise difficult. Many executives have been promoted precisely because of their instinct for decisive action. They have been rewarded for being able to pull the trigger when others can't, to fund a risky but potentially lucrative project, or to fire an underperforming manager. Often, though, doing nothing is the wisest course if the alternative is to act precipitously. And not only must leaders keep an eye on themselves, they must also dissuade others from rash decisions.

The next day's hike promised a once-in-a-lifetime opportunity to view the Himalayas from a spectacular vantage point. But the risks were significant: a long, rocky, steep trail with several particularly demanding stretches. With that information in hand, several in our party wisely decided that they would not attempt to reach the high point. Instead, they would accompany us for only part of the hike, stopping on a ridge at 17,000 feet.

At 3:00 the next morning, we started off across the dark terrain, our headlamps bobbing along the trail, giving the appearance of a pearl necklace snaking its way up the mountainside. Those who had decided against trying to reach the high point arrived at the 17,000-foot turnaround location by mid-morning and returned safely back to camp by midafternoon.

The rest of us pushed farther up to the high point of 18,238 feet on Chukhung Ri, arriving by noon at one of the most stunning vistas in the world. Gigantic glaciers flowed below on both sides, huge peaks soared in front, and a mammoth ice wall of the world's third highest mountain rose just behind. As we emerged from the total concentration of climbing to finally look around, we marveled in silence at the majestic view.

Later, a few people who had initially underestimated their abilities to reach that summit but were encouraged by

their teammates to try for it remarked on how grateful they were to have been pushed beyond what they thought they were capable of. They had gained a firsthand appreciation for the role that others can play in helping people overcome their personal doubts and fears to fulfill their potential.

But for those who are instinctive risk takers, as most leaders are, tempering that inclination can be extremely difficult. A few days earlier, as we were heading for our high camp, one person in the group became dizzy and disoriented. Even so, he insisted that he was fine, and others encouraged him to go on. Later, his altitude sickness worsened. Still, he continued to believe that he could make it. The chief executive of a small industrial company, he was not used to sitting on the sidelines. But others on the team had become worried about his safety. Finally, after a long discussion with a group of us, he agreed that he should turn back with one of the guides and rejoin us when we returned to a lower elevation. The conversation leading up to that decision was difficult and time consuming, but I believe that everyone involved learned from it. For me, it reinforced the idea that although leaders need to help people go for the highest achievement of which they are capable, they must also be keenly aware of the hazards ahead and take the necessary – and sometimes unappealing – steps to avert too grave a risk.

Lesson 3



If Your Words Don't Stick, You Haven't Spoken

Upon our return from Chukhung Ri to the high camp, we were elated by our sense of victory, if utterly spent by the price of achieving it. Many knew that the 18,238-foot summit would most likely be the highest point on which they would ever stand.

The next day had been set aside to give people time to recover. Some worked

on their diaries; others opted to do nothing. But several in the group hiked to nearby vistas, such as a lake on the slopes of Ama Dablam, a Matterhorn-like spire jutting above us. I, along with four hikers and two guides, decided to walk toward the base camp of Mount Everest.

By early afternoon, we reached a tiny settlement called Lobuche, perched alongside the enormous Khumbu glacier upon which the camp is located. After a brief rest, we decided to return to our own camp by crossing the glacier, a mile-wide jumble of loose rock and precipitous slopes. The hike across proved very tedious, and we were still on the trail when everyone else was back at camp at 6 PM, the scheduled time for dinner. Alarmed by the possibility of an injury or worse, the day leaders at our camp dispatched a group of Sherpas with hot tea to find us before dark. We met them just 30 minutes from camp and were back before dinner was over.

At first, people were greatly relieved that we had returned safely, but after confirming that we were all fine, their mood changed to anger. Several criticized me for not communicating my plans better. "We didn't know where you were," one said. "We needed more information about what might have been causing your delay. Without that, it was difficult to decide whether to send a rescue party or to wait."

Initially, I was defensive. When I had left that morning, I had firm plans in mind, and I thought I had communicated them to several others over breakfast. But now I realized that I must have just casually mentioned the possibility of crossing the Khumbu glacier because nobody could recall my mention of it by the time they realized we were missing. And, more important, I had not stated clearly that they shouldn't worry if we weren't back by 6 PM, since crossing the glacier might make us late for dinner. Unwittingly, I had become a textbook example of how *not* to communicate.

In trying to rectify the situation, the worst thing I could have done would have been to downplay my errors, which would have sent the wrong message about how we all needed to communi-

cate. To make sure I didn't do that, I explicitly reviewed what I should have done, and I apologized to everyone for the mistakes I had made. Regardless of what had been said during breakfast, I was ultimately responsible for making sure that the day leaders knew about my plans. My failure to do so not only caused our team to become unneces-

sary, it also resulted in unnecessary work for our Sherpa guides.

When leaders make their strategic intent abundantly clear, others know what to do without requiring myriad further instructions.

sarily alarmed, it also resulted in unnecessary work for our Sherpa guides.

Business managers often make the same mistake, failing to grasp the crucial distinction between telling people something and delivering that information so that it really sticks. Indeed, poor communication is one reason why many companies that have devised brilliant strategies fail miserably in executing them. When leaders make their strategic intent abundantly clear – as Wal-Mart's management has in proclaiming its strategy of "low prices, every day" – employees know what to do without requiring myriad further instructions. Achieving that clarity, however, is often far more difficult than managers appreciate.

Although my missteps did not have dire consequences for our group, poor communication did lead to disastrous events on Mount Everest on May 10, 1996. On that ill-fated day, described in the best-seller *Into Thin Air*, a freak blizzard caught dozens of hikers near the summit, killing eight.

During the weeks of preparation for their trek, commercial team leaders Rob Hall and Scott Fischer repeatedly told their clients about the "two o'clock rule." On the day they would attempt to reach the summit, they would have to do so by 2 PM; otherwise they'd have to turn around even if they were within sight of the top. The rationale was clear: Climbers needed time to descend and reach the high camp before nightfall, where the relative security of their tents, sleeping bags, and oxygen could protect them. If they failed to reach camp by

dark, they could die on the exposed ridge where windchills can plunge to 100 degrees below zero.

Although Hall and Fischer repeatedly emphasized the two o'clock rule, they evidently failed to do so persuasively. Many of the 33 climbers who had left the high camp just after midnight on May 10 were still pressing

for the summit after 2 PM, and Hall and Fischer themselves did not reach the top until well after that time. The consequences were tragic. After 5 PM, when all the climbers should have been crawling into their life-protecting tents back at the high camp, a violent storm hit the mountain and killed five climbers in the party (and three others on the Tibetan side of Mount Everest) caught in the open, including both Hall and Fischer.

Lesson 4



Leading Upwards Can Feel Wrong When It's Right

One of the most magnificent settings of our trek was Tengboche, a ridge at 12,670 feet that is the home of the region's best-known monastery. With a commanding view of Mount Everest, Tengboche has long been a stopping point for virtually everyone on their way to Everest.

It was at this location that the final, equally powerful lesson was driven home. We had been debating the events of *Into Thin Air*, and among our questions was whether one of the commercial clients, Beck Weathers, might have averted the disaster that nearly resulted in his death. On his way up the summit ridge, Weathers became temporarily blind, and his team leader, Rob Hall, instructed him to stay put until Hall returned from the summit to lead him safely down to the high camp.

But Weathers failed to ask Hall to elaborate on his terse instruction, and as a result Weathers spent the entire day waiting for his leader to return. Caught in the killer storm later that afternoon, Hall never did come down, and Weathers's resulting delay in descending left him badly exposed when the storm hit. After he lost consciousness, others left him for dead. He somehow survived the storm but suffered grievous frostbite on his hands and face. In retrospect, had Weathers pressed Hall, his superior on the expedition, for more information, they could have developed a contingency plan: If Hall wasn't back by an agreed-upon time, then Weathers should head down with another guide or teammate.

After much discussion about Weathers, our ongoing debate was aided by a serendipitous encounter. Along the Tengboche ridge, we happened to meet another of the principals who had miraculously survived the 1996 disaster, Sandy Hill Pittman. She and Weathers had been among the many clients who had left the high camp at 26,000 feet just past midnight on May 10. Having already debated the events of that fateful day, and with the summit of Mount Everest on our horizon, we asked Pittman if there was anything she would have done differently. Her response was unexpected.

Pittman's guide, Scott Fischer, had moved slowly toward the summit during the early morning hours of May 10. She had recognized that he was off his game, but she said nothing as they headed for the summit. She was too focused on her own ascent and too confident in Fischer to worry about his condition. Later that day, however, as the storm enveloped the mountain, Fischer sat down on the way back and never stood up.

Pittman told us that she wished she had done more to help him. Earlier on their expedition, Fischer had insisted that his clients build teamwork among themselves to ensure that they would assist one another during a crisis, and his demand proved lifesaving for Pittman, who was rescued from the storm by her team members. But she had not

done enough for Fischer. His leadership had saved her life, she said, but hers had fallen short in saving his.

Pittman's frank assessment of her actions helped bring home the notion that leadership is not just about mobilizing those below; it's also about marshaling the people above. After all, everyone is fallible, and even the most experienced CEOs and other top executives have blind spots. Our responsibility, then, is to help them avoid the pitfalls that they haven't seen. Of course, leading upwards often feels wrong because of the hierarchical culture prevalent in most companies, and it requires tremendous diplomacy and tact to avoid a political blunder that can derail or end a promising career. At the same time, many great companies have foundered be-

cause of faulty decisions made at the top while middle managers sat on their hands. The harrowing experience of Weathers and Pittman—and the difference that upward leadership might have made for them and for Scott Fischer that day—stands as a forceful reminder for keeping this leadership principle in mind. In effect, we all need to be ready to lead even when we are not in charge.

At the end of our journey, we spent our final evening together in Kathmandu, recapping the various things we learned, both from our achievements and from our mistakes. We were tanner and fitter—and noticeably thinner—than we were when we first arrived in Nepal two weeks earlier. We were also more aware that

good leadership requires many capabilities and actions, and we had a deeper, fuller appreciation of what it really takes to lead.

During our trek, we had hiked some 40,000 vertical feet, and we had gazed upon four of the world's six highest summits. Humbled by our own experiences and by those of other trekkers in the Himalayas, we realized more than ever that mastering leadership is an ongoing journey. Indeed, as difficult as our hike up the lower slopes of Mount Everest was, the harder work would commence as we applied the principles of good leadership to our management responsibilities in the years ahead. ▢

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BRENDA ELLINGTON BOOTH AND KAREN L. CATES

Growing Managers: Moving from Team Member to Team Leader

Melissa Richardson sat stunned in her office in Phoenix, Arizona, after a disastrous early July meeting with her boss, Beth Campbell. In March, Richardson had been the top Chicago salesperson and a high-potential candidate for management at ColorTech Greenhouses, Inc., a premium grower and distributor of annual and perennial flowers.

Richardson remembered the call she had made to her mother, who still lived in her childhood home on the north side of Chicago. “Mom, I just got off the phone with the southwest regional sales manager in Los Angeles,” she had said. “They want me for the sales manager spot in Phoenix!” Richardson had been looking for an opportunity to move up at ColorTech, and her boss had recommended her for the promotion when the position opened. Thirty-two years old and single, Richardson had been excited to show her new team how to break into the top sales ranks the way she had done.

But after only a few short months, she had failed to improve her team’s performance and felt like a liability on her regional manager’s watch list. Richardson wondered how things had gone so wrong so quickly and what she could do to fix them.

About ColorTech Greenhouses, Inc.

ColorTech was a privately held supplier of annual and perennial flowers to big-box stores (large, no-frills, warehouse-like retail stores) such as Home Depot and Walmart. Within the color industry (the term used to describe growers of the colorful, flowering bedding plants used to create outdoor, in-ground floral displays), ColorTech was well known for its patented hybrid plants and high-tech automated greenhouse operations located primarily in southern North America.

Along with the rest of the industry, the company was facing increased price competition and a downward trend in sales caused by a saturated market and a shift away from water- and maintenance-intensive home and garden improvements. ColorTech in particular was exposed to aggressive demands for lower prices and costly customization from the big-box stores.

Eager to grow revenue, ColorTech had recently purchased a Colombian company specializing in cut flowers as part of its growth strategy to become a strong niche supplier to grocery store chains and independent florists that sold exotic stems in their arrangements.

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ColorTech was also evaluating the acquisition of an Ecuadorian concern as a way to enter the long-stemmed rose segment of the cut-flower market.

ColorTech operated its main U.S. greenhouses in Phoenix, Arizona; San Diego, California; and Columbia, South Carolina. As a supplement to its own operations, ColorTech leased greenhouse space in a few other American cities to handle special orders (including plants that were too delicate to ship long distances) and negotiated distributor agreements with other greenhouses in some northern states that enabled it to offer region-specific and seasonal plants. With a large operation in Nogales, Mexico, its Colombian acquisition, and plans to expand into Ecuador, ColorTech was quickly becoming the largest and most international grower in the Western Hemisphere.

The Phoenix Office

Phoenix was not only the location of ColorTech's corporate headquarters; it was the site of the founders' first greenhouse and, quite literally, was the heart of the company. State-of-the-art in their day, the Phoenix greenhouses still boasted the highest production levels in the company. Thirteen employees managed the automated assembly line-like process that produced geraniums, pansies, and petunias by moving pots on tracks through the greenhouses, starting with seeds and progressing through various stages of fertilizing, watering, potting, and labeling for customers. The shipping area was an energizing riot of flowering color and shouted instructions in Spanish as thousands of color products were packed and shipped to ColorTech customers around the United States.

The six sales staff and the greenhouse administrative workers sat in the company's original offices, which were attached to one of the original greenhouses. Located onsite but detached from the greenhouses, the newer corporate offices had a more formal atmosphere and dress code. Spanish was the default language in the greenhouses due to the high concentration of laborers with ancestry in Mexico and Central America, but during meetings in the corporate offices everyone spoke English, even executives from the Colombia and Mexico operations. In the sales office, English was spoken publicly, but most people spoke Spanish to communicate one-on-one. Many of the greenhouse workers cooked their lunches on a portable grill that, at the direction of management, was kept on the far side of the building complex and out of sight of the parking lots. Sales staff often shared these outdoor lunches with the greenhouse workers, but corporate staff did not.

Getting There

As she prepared to leave Chicago, Richardson juggled her sales manager training courses with packing and saying goodbye to longtime clients in the Chicago area. The latter was no small task, as over the past eight years Richardson had built a substantial client base that had earned her frequent sales awards. In the middle of a wet April snow shower, however, she hugged her mother goodbye and drove toward the interstate that would take her west to Arizona.

During the long drive, Richardson had ample time to reflect on the content discussed in her management training courses. As a salesperson, Richardson had not been exposed to many of the management issues, paperwork, and processes covered in the classes. Legal issues related to

human resources had been stressed repeatedly, but Richardson had little confidence in her understanding of the risks and requirements. Fortunately, every manager-in-training had received a business card from the vice president of human resources with the instruction, “When in doubt, give us a shout.”

More frustrating, Richardson felt the courses about leading teams and troubleshooting problems had been of little benefit. She could see that senior managers were trying to help her by sharing stories about their own experiences, but unless her problems were exactly the same, Richardson was not sure how she could apply what they had told her. She had been reading leadership books on her own, however, and had started to develop her vision and ways to share it with her team. She especially enjoyed books that listed hundreds of ideas for motivating teams; she could already picture the Friday afternoon pizza lunches and ice cream cart celebrations she would sponsor when they exceeded their quarterly sales goals.

Based on some conversations she had had with other Phoenix staff in her courses, Richardson decided to brush up on her high school Spanish by listening to Spanish language tapes during her drive from Chicago to Phoenix. It also helped pass the time on the long trip. After three days on the road, Richardson pulled into Phoenix on a sunny 80-degree Friday afternoon. She could not wait for Monday.

A First Look

Literally, Richardson could not wait for Monday. After she checked in with her landlady, Richardson headed directly to the office. She knew Friday was casual day at ColorTech, so her jeans would fit right in. She found the office manager, who showed Richardson her office, directed her to the supply closet, gave her a set of keys, and wished her good luck. Richardson eased into her chair and with a kick of her feet spun herself around, smiling as she rotated a full 360 degrees. Then she left a voicemail message with Beth Campbell, her regional sales manager. Campbell apparently had already left her Los Angeles office for the weekend. Richardson frowned. She had met Campbell only once during her interview in Chicago, and she had hoped to schedule some one-on-one time to get a better feel for Campbell’s management style and expectations.

Richardson took stock of her office and the supplies she would need, made a few notes, and then began to head out the door to start unpacking boxes in her apartment. She would return early on Saturday so that everything would be in order when she officially started on Monday morning.

As she was leaving the office, Richardson took a quick tour of the area where her salespeople worked. It was only four o’clock on a Friday afternoon, but no one was there. Except for the receptionist, the office manager, and a few other administrative staff, the floor was empty. Where was everyone? In Chicago, Richardson worked six days a week and was on call Sundays. Customers could depend on her to answer her mobile phone anytime and anywhere. She wondered what kind of relationship her absent sales team could possibly have with customers and immediately understood why hardheaded bosses held sales team meetings on Friday afternoons. Clearly, this team needed to get into shape.

Sales Team

Richardson spent Saturday arranging the furniture in her office and the items on her desk. She set up folders for each of her team members, which included three account representatives and two store merchandisers. ColorTech store merchandisers supported the account reps for the big-box stores by working closely with customers to ensure that merchandise arrived undamaged, replacement product was ordered when there was damage, and unsold product was shipped back to the greenhouses for possible redistribution or recycling. Store merchandisers often were promoted to become account representatives.

From her predecessor's notes, Richardson assembled some basic information on her team (see **Table 1**).

Table 1: Phoenix Sales Team

Alex Hoffman Account Representative	Age: 32 Length of service: 8 years Sales this year: \$2.11 MM Sales last year: \$1.95 MM Sales previous year: \$1.85 MM
Gregorio Torres Account Representative	Age: 36 Length of service: 12 years Sales this year: \$850K Sales last year: \$950K Sales previous year: \$1.05 MM
Sarah Vega Account Representative	Age: 26 Length of service: 3 years Sales this year: \$950K Sales last year: \$1.10 MM Sales previous year: \$900K
Chelsea Peterson Store Merchandiser	Age: 23 Length of service: 2 years
Nick Ruiz Store Merchandiser	Age: 22 Length of service: 1 year Seeking promotion to account representative

Hoffman was the top salesperson in the company, and he had earned every award and received every perk ColorTech offered. Richardson was not sure how he achieved his sales numbers; his customers had limits on how much product they could purchase in a given season. She figured he must be making phone sales outside his area, something Richardson did to boost her own numbers in Chicago. If that were the case, she had to give him credit for taking that kind of initiative.

Richardson had no information about Torres except that his sales numbers were low for his tenure with the company and lower this year than last. She made a note to discuss this with him.

Vega was new to sales and had only been with ColorTech for three years. Her numbers were sporadic from month to month and year to year. Richardson was unsure if she just needed more time to build her client base or if something else was going on. Richardson made another note.

Maybe she could give Torres and Vega some Friday afternoon lessons. She smiled at that, remembering the empty office yesterday afternoon.

The sales team was supported by two store merchandisers, Nick Ruiz and Chelsea Peterson. Both appeared to have arrived fresh out of college. Ruiz had apparently expressed an interest in joining the sales team. Richardson liked that kind of initiative and decided she would talk to him to find out more; if he had the right stuff, she would keep him in mind.

First Meeting

Late Sunday night Richardson got a call from her regional manager, Campbell, who said she would be unable make it to Phoenix in the morning and asked if Richardson could introduce herself to her new team. Campbell also said she would e-mail the first quarter sales report to Richardson for her to complete. The report had to be submitted by April 15—in eight days. Although this was not exactly welcome news, Richardson figured she may as well learn how to do the report now and entered the due date into her calendar.

Richardson arrived at the office on Monday morning before anyone else. She wanted to greet her team members individually as they came in rather than show up after some had already settled in at their desks. The first arrival, a neatly dressed man with shoulder-length black hair and a dazzling smile, had a tray of cookies in one arm, a bakery box in the other, and a messenger bag slung over his shoulder. Richardson offered to help him with the door, but before she could introduce herself, he gave her a big smile and said, “You must be Melissa! I’m Gregorio. Hola! Welcome to the Phoenix office. Here, take this box. It’s for you.” Flustered by the unexpected gesture, Richardson took the box and thanked him.

As Torres hurried into the kitchen with the cookies, a man and woman walked in the door. Box in hand, Richardson greeted them. “Hi, I’m Melissa. And you must be . . . ?” “Alex. Alex Hoffman,” said the young man abruptly, with barely a smile. “And this is Chelsea.” “Hi!” said the young woman as they hurried past her to the kitchen. Ruiz arrived a few minutes later and punched in just before 9:00 a.m. The only one missing was Vega.

Wanting to establish some order the office seemed to lack, Richardson popped her head into the kitchen where the team members had congregated and announced a meeting in the conference room at 9:15 a.m. so she could get acquainted with them.

At 9:15, Vega still had not arrived at the office. Torres, Ruiz, and Peterson were sitting in the big leather chairs around the conference table and Hoffman was nowhere to be seen. After a fruitless scan of the floor, Richardson returned to the conference room to start the meeting. “I said 9:15,” she thought, “so we’re starting at 9:15.”

Richardson delivered the short speech she had prepared. She began by explaining her background with ColorTech and then said she had some ideas for improving sales in Phoenix and looked forward to learning what motivated each of them. She ended by sharing her goal to make Phoenix the number one sales office. Just as Richardson finished her speech, Hoffman barged into the room, mobile phone in hand, and noisily took the conference chair closest to the door. Richardson stood with her mouth slightly open as he continued texting on his phone. At that moment, a woman who must have been Vega rushed into the room, obviously having run from

the parking lot. “Are we having a meeting? Sorry I’m late, but the traffic was killer. What did I miss?” She sat down next to Hoffman, looked up, smiled, and said, “Oh! You must be Melissa!”

Before Richardson could respond, a young man in coveralls knocked on the open conference room door. “Melissa Richardson? I’m T.J., the greenhouse manager. Ms. Campbell called me this morning and told me to give you a tour of the operations.”

Richardson sighed. The interruption only added to her feeling that this meeting had been a weak introduction to her team, but a part of her welcomed the excuse to disappear. Before she left she told the team she would work her way across the floor later in the day to find out more about their work and their expectations from her as the new sales manager. Richardson thanked them for their time, and as she walked out the door with T.J., she heard Torres saying something terse to Vega in Spanish. Vega replied in an equally curt tone. Richardson felt the tension in the air as she walked out of the room.

Getting to Know the Team

It took longer than an afternoon for Richardson to meet with each member of her team. Due to her own phone meetings with personnel and a mountain of paperwork (“Why didn’t anyone tell me I would spend so much time on paperwork?” she thought), Richardson had to settle for meeting with everyone over the first week.

Alex Hoffman

During her meeting with Hoffman, Richardson felt a continuation of the dismissive attitude she had noticed on Monday. Regarding his sales, if she read him right, Hoffman loved the annual and perennial color business but had no interest in selling cut flowers. In frustration, he told Richardson, “So you’re asking me to call on every little mom-and-pop florist shop to sell them, what, a couple thousand a month in stems? You’ve got to be kidding! Why don’t you just let me deal with the real customers?”

Gregorio Torres

Richardson’s meeting with Torres was no more successful, but for different reasons. Torres seemed uninterested in discussing his sales performance, but he was enthusiastic about sharing his ideas for a new website to manage customer service, especially for the small florist shops ColorTech was targeting with the new cut-flower business. Richardson had to admit that Torres had some creative ideas for servicing scattered, low-volume florists that might be customers someday, but she needed him to be making sales now. When asked why he felt his sales numbers were so low, he shrugged. “I’m just not a hard-sell kind of guy,” he answered. “I keep getting in trouble with the greenhouses for the orders I’m taking. They are so rigid in there. I keep getting caught between customers who are trying to meet demand and that archaic greenhouse operation that can change course only with three months’ advance notice!”

Nick Ruiz

From the moment Ruiz met Richardson, he wanted her to know he would do whatever it took to get into a sales position. His attitude proved refreshing to Richardson after her discussions with Hoffman and Torres. Ruiz knew a lot about the product from his conversations with customers. In addition, being on site with the Phoenix greenhouses gave him first-hand knowledge about the operation that account reps in other locations could never match. During breaks he often could be found in the greenhouses, following workers around and asking them about their jobs. Before the end of their short meeting, Ruiz presented Richardson with his resume and a letter explaining why he would be a great fit for sales. Richardson left the meeting with a desire to tap into this young man's energy and drive.

Chelsea Peterson

Peterson, by contrast, was openly hostile to her new boss. Richardson tried to keep her composure but finally had to be quite direct. "Look, I'm not sure what's going on," she said. "We only just met, so why are you so upset with me?" Through clenched teeth, Peterson answered, "I know you've been talking to Nick about promoting him to account rep. I've been here six months longer than him." "I didn't know you were interested in a sales position," Richardson replied, trying to sound calm. "I didn't know there was an opening!" Peterson exclaimed. "A position isn't open right now, but if you're interested, why don't you put together your resume, and you can be considered should something come up," Richardson responded, trying to defuse the situation. "I would think you of all people would want to give this opportunity to another woman," retorted Peterson. And with that, the meeting was over.

Sarah Vega

It took Richardson a few days to pin down Vega for a meeting. Richardson could not help thinking of a butterfly whenever Vega came into a room. She arrived late and flitted about before sitting down, only to begin fidgeting again after a few minutes. Vega's approach to her job seemed equally scattered. Her messages piled up at the reception desk. Her product knowledge was deep in some places and almost nonexistent in others, and she seemed more interested in the text messages that were constantly coming in to her phone than in the career advice Richardson was trying to deliver.

By Friday, Richardson was weary and her enthusiasm had waned a bit. So far, she had seen more challenges than positives in her sales team. She made a few notes on each person and added them to her files (see **Table 2**).

Table 2: Phoenix Sales Team—Additional Information

Alex Hoffman Account Representative	Likes color industry, unclear about ColorTech (or me) Go-getter, top seller, driven by commissions Resistant to selling new stem products
Gregorio Torres Account Representative	Seems to like the company, but not closing sales Ideas about customer service website Understands products and customer service, but does he understand greenhousing?
Sarah Vega Account Representative	Unfocused, distracted by events outside of work? Uneven sales performance, often late or absent May need training
Chelsea Peterson Store Merchandiser	Negative interactions are the norm Interested in sales position when open, but no experience, skills
Nick Ruiz Store Merchandiser	Enthusiastic, knowledgeable Ready for sales position when open (see resume in file) Knows greenhousing from the ground up

The deadline for the quarterly sales report, April 15, was Monday, and she still did not know where to get many of the numbers, even though she had the last report as a reference. It looked as if her plans to bike and hike over the weekend would have to take a back seat.

Problems Emerge

Sales Report

The quarterly sales report was an exercise in frustration. Richardson spent hours working on it over the weekend but finally had to give up because some of the numbers on the previous report made no sense. She faxed what she had to Campbell first thing Monday morning. The phone rang almost immediately. Without even saying “Good morning,” Campbell started in. “You’re using last quarter’s report as a reference? Do you know why your predecessor left? He was fired for falsifying his reports!” Richardson wondered why that bit of news had not been shared with her before she had been assigned to do the report or even had accepted the job. Rather than challenge Campbell, however, she apologized. “I’m sorry, I had no idea,” she said. “I can still work on this. The deadline’s not until five o’clock.” Campbell replied, “Never mind. I’ll do it myself.” And then with a little impatience in her voice, she added, “You should start thinking about your monthly report, which is due in three weeks.” Richardson started to ask if they could review it together before the May 6 deadline but Campbell cut her off, saying, “I’ll e-mail the form and you can start getting acquainted with it now.”

Greenhouse Woes

In late April, a fungus infected one of the greenhouses in the Colombia cut-flower facility, resulting in the need to destroy the stock inside it, disinfect it, and start over. The result would be

weeks of delay in orders to new customers, most of them small florists. Richardson's sales team could not afford to lose these hard-won new accounts, so she looked for help in filling the affected orders; her team might have to absorb the added cost of placing rush orders, but heroic efforts could save the accounts. Richardson's hopes rose when she heard the Nogales manager had connections with local cut-flower providers in Mexico, but those hopes were soon dashed when she was told the export paperwork alone would take weeks, and even that was possible only with personal attention the manager did not have time to give. For Richardson, the most frustrating part of the problem was that the delivery date was still a few weeks in the future; it was as if she were watching an automobile accident in slow motion and could do nothing to stop it. Unable to think of a viable alternative, Richardson made the difficult phone calls to her team's new customers and attempted to make good by offering discounts on future orders.

HR Challenges

When she had a moment to spare, Richardson tried to work with her team members. But Hoffman almost never came into the office and never answered his phone, so Richardson had to contact him by sending e-mails and leaving voicemail messages. When he learned about the fungus problem in Colombia, he seemed almost smug and his tone of voice seemed to say, "I told you so!" The Colombia fiasco seemed to have deflated Torres more than ever, and Richardson could not find a way to motivate him.

A call from personnel informed Richardson that Vega was missing a day of work almost every week for some reason—a dentist appointment, a sick day, and so on. Richardson had learned that Vega lived with her extended family just outside of Phoenix, and she suspected Vega might be staying home to help care for her cousin's baby. Richardson did not think that qualified as family leave, but she made a note to confirm it with personnel.

Surprise Customer Visit

Just when Richardson thought she could not manage one more challenge, a regional buyer for Home Depot made a surprise site visit to the greenhouse. Everything was fine until he noticed that the product was being put in the wrong pots—each big-box customer received plants in plastic pots that showed its unique bar codes for price scanning and inventory management. This mistake would mean the team would be charged for emergency repotting costs as well as discounts offered as compensation for delayed delivery if they did not act quickly.

Richardson called on her team to show up at the greenhouse the next Saturday morning to help repot plants. She thought it would be a team builder, but it turned into another failure. Torres and Ruiz arrived early, ready to work. Vega, as usual, was late and came dressed in a business suit. Hoffman and Peterson never showed up. Richardson's mood darkened as Vega, Torres, and Ruiz fell into an easy Spanish banter with the greenhouse employees. Despite her efforts with the language tapes, she could not understand a word. Her team members seemed to be bonding with each other, anyway. Richardson smiled ruefully; she never imagined that being promoted to sales manager would result in her being up to her elbows in dirt on a Saturday.

Richardson heard the phone ringing from the hallway as she made her way back to her office at three o'clock that afternoon. When she answered, she heard Campbell say, "Oh, you're there. I was going to leave you a message to remind you that you need to get your monthly report in on

Monday. And don't forget, you need to submit your team's monthly expense reports on Monday, too." More paperwork. Staring at the dirt under her fingernails, Richardson took a deep breath. "Monday. Right," was all she had the energy to say. "Is everything all right?" Campbell asked. "Fine. Everything's fine," said Richardson in the most professional tone she could muster.

Events Lead To A Crisis

Sales Take a Hit

Sales results were down for the rest of May and June, in part because Colombia had struggled to get the greenhouse fungus under control and also because the big-box stores seemed to be heaping more and more demands on all growers, ColorTech included. Richardson was working twelve-hour days, six and sometimes seven days a week. She felt most of her time was spent babysitting her team: Hoffman's sales continued to be strong, but he would not share information if Richardson did not specifically ask for it; Torres continued to whine about his web-based customer service project while his sales numbers slid; Vega had a great May, but her June sales were down 50 percent; Ruiz was starting to test Richardson's patience with his perky inquiries about a sales position; and Peterson mostly pouted. Richardson's team hated paperwork as much as she did, so she asked Torres to do some of his colleagues' reports for them in order to meet their deadlines.

Campbell Visit Part 1: A Cryptic Message

Campbell made a visit to the Phoenix office in early June, which Richardson suspected was to make sure the monthly sales report was going to be done on time. They sat down together to review the report, and Campbell corrected some of Richardson's mistakes. It was an uneventful meeting, and when it was over Campbell left Richardson with the advice: "Keep your eyes on the prize."

New Customer

At the end of June, Richardson closed a big client. She had met the regional buyer for Lowe's during a trip to Chicago, where she learned Lowe's was interested in a new southwestern supplier for annuals and perennials. She arranged a meeting in Phoenix and closed the deal after Lowe's had a tour of the greenhouses. She was also now working with a large grocery chain to switch its cut-flower business to ColorTech. Richardson asked Torres to meet with her and the buyer. After that meeting, Torres was more energized than she had ever seen him; he was full of ideas for servicing this demanding, detail-oriented type of customer.

Campbell Visit Part 2: Crisis

When she visited again in early July, Campbell did not even mention the new Lowe's and grocery chain customers. After reviewing the monthly sales revenues and expenses, Campbell asked Richardson what she was doing to address performance issues with her team, as sales

figures were below last year's. After listening to Richardson's explanations about the Colombia greenhouse problems and the big boxes' increasingly idiosyncratic demands, Campbell pushed her chair back and asked, "Is there something you need to tell me about Chelsea Peterson?" Before Richardson could figure out why she was being asked about the store merchandiser, Campbell shared that she had received a call from ColorTech legal the previous day informing her that someone claiming to be Chelsea Peterson's attorney had called to ask about ColorTech's gender diversity record.

Richardson was shocked. A couple of weeks ago, Peterson had finally submitted a resume, but she had failed to include a cover letter. More important, she lacked the experience and enthusiasm for a sales position, and she had continued to be just barely civil to Richardson. And with sales down, there was no chance of adding an account rep. Richardson had explained to Peterson why she was not ready for a sales position and suggested some ColorTech training courses Peterson could take to prepare herself. Peterson had left the meeting angry and had not raised the topic since. Now it seemed she had hired an attorney—because she was denied a position that did not even exist.

Conclusion

After Campbell left that afternoon, Richardson sat in stunned silence. She thought back to her naïve dreams of Friday pizza lunches and ice cream cart celebrations. Not only was there no money in her budget for parties, her team had not earned those kinds of rewards—nor had even acted like a team. She had had such high hopes for making a difference in Phoenix. "What's wrong with them? What's wrong with *me*?" Richardson thought. "I wonder if I could go back to Chicago. Maybe my old boss would take me back." She heaved a big sigh and asked herself, "What do I do now?"



Teams whose members come from different nations and backgrounds place special demands on managers—especially when a feuding team looks to the boss for help with a conflict.

Managing Multicultural Teams

by Jeanne Brett, Kristin Behfar, and Mary C. Kern

When a major international software developer needed to produce a new product quickly, the project manager assembled a team of employees from India and the United States. From the start the team members could not agree on a delivery date for the product. The Americans thought the work could be done in two to three weeks; the Indians predicted it would take two to three months. As time went on, the Indian team members proved reluctant to report setbacks in the production process, which the American team members would find out about only when work was due to be passed to them. Such conflicts, of course, may affect any team, but in this case they arose from cultural differences. As tensions mounted, conflict over delivery dates and feedback became personal, disrupting team members' communication about even mundane issues. The project manager decided he had to intervene—with the result that both the American and the Indian team members came to rely on him for direction regarding minute operational

details that the team should have been able to handle itself. The manager became so bogged down by quotidian issues that the project careened hopelessly off even the most pessimistic schedule—and the team never learned to work together effectively.

Multicultural teams often generate frustrating management dilemmas. Cultural differences can create substantial obstacles to effective teamwork—but these may be subtle and difficult to recognize until significant damage has already been done. As in the case above, which the manager involved told us about, managers may create more problems than they resolve by intervening. The challenge in managing multicultural teams effectively is to recognize underlying cultural causes of conflict, and to intervene in ways that both get the team back on track and empower its members to deal with future challenges themselves.

We interviewed managers and members of multicultural teams from all over the world. These interviews, combined with our deep

research on dispute resolution and teamwork, led us to conclude that the wrong kind of managerial intervention may sideline valuable members who should be participating or, worse, create resistance, resulting in poor team performance. We're not talking here about respecting differing national standards for doing business, such as accounting practices. We're referring to day-to-day working problems among team members that can keep multicultural teams from realizing the very gains they were set up to harvest, such as knowledge of different product markets, culturally sensitive customer service, and 24-hour work rotations.

The good news is that cultural challenges are manageable if managers and team members choose the right strategy and avoid imposing single-culture-based approaches on multicultural situations.

The Challenges

People tend to assume that challenges on multicultural teams arise from differing styles of communication. But this is only one of the four categories that, according to our research, can create barriers to a team's ultimate success. These categories are direct versus indirect communication; trouble with accents and fluency; differing attitudes toward hierarchy and authority; and conflicting norms for decision making.

Direct versus indirect communication. Communication in Western cultures is typically direct and explicit. The meaning is on the surface, and a listener doesn't have to know much about the context or the speaker to interpret it. This is not true in many other cultures, where meaning is embedded in the way the message is presented. For example, Western negotiators get crucial information about the other party's preferences and priorities by asking direct questions, such as "Do you prefer option A or option B?" In cultures that use indirect communication, negotiators may have to infer preferences and priorities from changes—or the lack of them—in the other party's settlement proposal. In cross-cultural negotiations, the non-Westerner can understand the direct communications of the Westerner, but the Westerner has difficulty understanding the indirect communications of the non-Westerner.

An American manager who was leading a project to build an interface for a U.S. and

Japanese customer-data system explained the problems her team was having this way: "In Japan, they want to talk and discuss. Then we take a break and they talk within the organization. They want to make sure that there's harmony in the rest of the organization. One of the hardest lessons for me was when I thought they were saying yes but they just meant 'I'm listening to you.'"

The differences between direct and indirect communication can cause serious damage to relationships when team projects run into problems. When the American manager quoted above discovered that several flaws in the system would significantly disrupt company operations, she pointed this out in an e-mail to her American boss and the Japanese team members. Her boss appreciated the direct warnings; her Japanese colleagues were embarrassed, because she had violated their norms for uncovering and discussing problems. Their reaction was to provide her with less access to the people and information she needed to monitor progress. They would probably have responded better if she had pointed out the problems indirectly—for example, by asking them what would happen if a certain part of the system was not functioning properly, even though she knew full well that it was malfunctioning and also what the implications were.

As our research indicates is so often true, communication challenges create barriers to effective teamwork by reducing information sharing, creating interpersonal conflict, or both. In Japan, a typical response to direct confrontation is to isolate the norm violator. This American manager was isolated not just socially but also physically. She told us, "They literally put my office in a storage room, where I had desks stacked from floor to ceiling and I was the only person there. So they totally isolated me, which was a pretty loud signal to me that I was not a part of the inside circle and that they would communicate with me only as needed."

Her direct approach had been intended to solve a problem, and in one sense, it did, because her project was launched problem-free. But her norm violations exacerbated the challenges of working with her Japanese colleagues and limited her ability to uncover any other problems that might have derailed the project later on.

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Trouble with accents and fluency. Although the language of international business is English, misunderstandings or deep frustration may occur because of nonnative speakers' accents, lack of fluency, or problems with translation or usage. These may also influence perceptions of status or competence.

For example, a Latin American member of a multicultural consulting team lamented, "Many times I felt that because of the language difference, I didn't have the words to say some things that I was thinking. I noticed that when I went to these interviews with the U.S. guy, he would tend to lead the interviews, which was understandable but also disappointing, because we are at the same level. I had very good questions, but he would take the lead."

When we interviewed an American member of a U.S.-Japanese team that was assessing the potential expansion of a U.S. retail chain into Japan, she described one American teammate this way: "He was not interested in the Japanese consultants' feedback and felt that because they weren't as fluent as he was, they weren't intelligent enough and, therefore, could add no value." The team member described was responsible for assessing one aspect of the feasibility of expansion into Japan. Without input from the Japanese experts, he risked overestimating opportunities and underestimating challenges.

Nonfluent team members may well be the most expert on the team, but their difficulty communicating knowledge makes it hard for the team to recognize and utilize their expertise. If teammates become frustrated or impatient with a lack of fluency, interpersonal conflicts can arise. Nonnative speakers may become less motivated to contribute, or anxious about their performance evaluations and future career prospects. The organization as a whole pays a greater price: Its investment in a multicultural team fails to pay off.

Some teams, we learned, use language differences to resolve (rather than create) tensions. A team of U.S. and Latin American buyers was negotiating with a team from a Korean supplier. The negotiations took place in Korea, but the discussions were conducted in English. Frequently the Koreans would caucus at the table by speaking Korean. The buyers, frustrated, would respond by appearing to caucus in Spanish—though they

discussed only inconsequential current events and sports, in case any of the Koreans spoke Spanish. Members of the team who didn't speak Spanish pretended to participate, to the great amusement of their teammates. This approach proved effective: It conveyed to the Koreans in an appropriately indirect way that their caucuses in Korean were frustrating and annoying to the other side. As a result, both teams cut back on sidebar conversations.

Differing attitudes toward hierarchy and authority. A challenge inherent in multicultural teamwork is that by design, teams have a rather flat structure. But team members from some cultures, in which people are treated differently according to their status in an organization, are uncomfortable on flat teams. If they defer to higher-status team members, their behavior will be seen as appropriate when most of the team comes from a hierarchical culture; but they may damage their stature and credibility—and even face humiliation—if most of the team comes from an egalitarian culture.

One manager of Mexican heritage, who was working on a credit and underwriting team for a bank, told us, "In Mexican culture, you're always supposed to be humble. So whether you understand something or not, you're supposed to put it in the form of a question. You have to keep it open-ended, out of respect. I think that actually worked against me, because the Americans thought I really didn't know what I was talking about. So it made me feel like they thought I was wavering on my answer."

When, as a result of differing cultural norms, team members believe they've been treated disrespectfully, the whole project can blow up. In another Korean-U.S. negotiation, the American members of a due diligence team were having difficulty getting information from their Korean counterparts, so they complained directly to higher-level Korean management, nearly wrecking the deal. The higher-level managers were offended because hierarchy is strictly adhered to in Korean organizations and culture. It should have been their own lower-level people, not the U.S. team members, who came to them with a problem. And the Korean team members were mortified that their bosses had been involved before they themselves could brief them. The crisis was resolved only when high-

Team members who are uncomfortable on flat teams may, by deferring to higher-status teammates, damage their stature and credibility—and even face humiliation—if most of the team is from an egalitarian culture.

level U.S. managers made a trip to Korea, conveying appropriate respect for their Korean counterparts.

Conflicting norms for decision making. Cultures differ enormously when it comes to decision making—particularly, how quickly decisions should be made and how much analysis is required beforehand. Not surprisingly, U.S. managers like to make decisions very quickly and with relatively little analysis by comparison with managers from other countries.

A Brazilian manager at an American company who was negotiating to buy Korean products destined for Latin America told us, “On the first day, we agreed on three points, and on the second day, the U.S.-Spanish side wanted to start with point four. But the Korean side wanted to go back and rediscuss points one through three. My boss almost had an attack.”

What U.S. team members learn from an experience like this is that the American way simply cannot be imposed on other cultures. Managers from other cultures may, for example, decline to share information until they understand the full scope of a project. But they have learned that they can’t simply ignore the desire of their American counterparts to make decisions quickly. What to do? The best solution seems to be to make minor concessions on process—to learn to adjust to and even respect another approach to decision making. For example, American managers have learned to keep their impatient bosses away from team meetings and give them frequent if brief updates. A comparable lesson for managers from other cultures is to be explicit about what they need—saying, for example, “We have to see the big picture before we talk details.”

Four Strategies

The most successful teams and managers we interviewed used four strategies for dealing with these challenges: adaptation (acknowledging cultural gaps openly and working around them), structural intervention (changing the shape of the team), managerial intervention (setting norms early or bringing in a higher-level manager), and exit (removing a team member when other options have failed). There is no one right way to deal with a particular kind of multicultural problem; identifying the type of challenge is only the

first step. The more crucial step is assessing the circumstances—or “enabling situational conditions”—under which the team is working. For example, does the project allow any flexibility for change, or do deadlines make that impossible? Are there additional resources available that might be tapped? Is the team permanent or temporary? Does the team’s manager have the autonomy to make a decision about changing the team in some way? Once the situational conditions have been analyzed, the team’s leader can identify an appropriate response (see the exhibit “Identifying the Right Strategy”).

Adaptation. Some teams find ways to work with or around the challenges they face, adapting practices or attitudes without making changes to the group’s membership or assignments. Adaptation works when team members are willing to acknowledge and name their cultural differences and to assume responsibility for figuring out how to live with them. It’s often the best possible approach to a problem, because it typically involves less managerial time than other strategies; and because team members participate in solving the problem themselves, they learn from the process. When team members have this mind-set, they can be creative about protecting their own substantive differences while acceding to the processes of others.

An American software engineer located in Ireland who was working with an Israeli account management team from his own company told us how shocked he was by the Israelis’ in-your-face style: “There were definitely different ways of approaching issues and discussing them. There is something pretty common to the Israeli culture: They like to argue. I tend to try to collaborate more, and it got very stressful for me until I figured out how to kind of merge the cultures.”

The software engineer adapted. He imposed some structure on the Israelis that helped him maintain his own style of being thoroughly prepared; that accommodation enabled him to accept the Israeli style. He also noticed that team members weren’t just confronting him; they confronted one another but were able to work together effectively nevertheless. He realized that the confrontation was not personal but cultural.

In another example, an American member of a postmerger consulting team was frus-

trated by the hierarchy of the French company his team was working with. He felt that a meeting with certain French managers who were not directly involved in the merger “wouldn’t deliver any value to me or for purposes of the project,” but said that he had come to understand that “it was very important to really involve all the people there” if the integration was ultimately to work.

A U.S. and UK multicultural team tried to use their differing approaches to decision making to reach a higher-quality decision. This approach, called fusion, is getting serious

attention from political scientists and from government officials dealing with multicultural populations that want to protect their cultures rather than integrate or assimilate. If the team had relied exclusively on the Americans’ “forge ahead” approach, it might not have recognized the pitfalls that lay ahead and might later have had to back up and start over. Meanwhile, the UK members would have been gritting their teeth and saying “We told you things were moving too fast.” If the team had used the “Let’s think about this” UK approach, it might have wasted a lot of time

Identifying the Right Strategy

The most successful teams and managers we interviewed use four strategies for dealing with problems: adaptation (acknowledging cultural gaps openly and working around them), structural intervention (changing the shape of the team), managerial intervention (setting norms early or bringing in a higher-level manager), and exit (removing a team member when other options have failed). Adaptation is the ideal strategy because the team works effectively to solve its own problem with minimal input from management—and, most important, learns from the experience. The guide below can help you identify the right strategy once you have identified both the problem and the “enabling situational conditions” that apply to the team.

REPRESENTATIVE PROBLEMS	ENABLING SITUATIONAL CONDITIONS	STRATEGY	COMPLICATING FACTORS
• Conflict arises from decision-making differences • Misunderstanding or stonewalling arises from communication differences	• Team members can attribute a challenge to culture rather than personality • Higher-level managers are not available or the team would be embarrassed to involve them	Adaptation	• Team members must be exceptionally aware • Negotiating a common understanding takes time
• The team is affected by emotional tensions relating to fluency issues or prejudice • Team members are inhibited by perceived status differences among teammates	• The team can be subdivided to mix cultures or expertise • Tasks can be subdivided	Structural Intervention	• If team members aren’t carefully distributed, subgroups can strengthen preexisting differences • Subgroup solutions have to fit back together
• Violations of hierarchy have resulted in loss of face • An absence of ground rules is causing conflict	• The problem has produced a high level of emotion • The team has reached a stalemate • A higher-level manager is able and willing to intervene	Managerial Intervention	• The team becomes overly dependent on the manager • Team members may be sidelined or resistant
• A team member cannot adjust to the challenge at hand and has become unable to contribute to the project	• The team is permanent rather than temporary • Emotions are beyond the point of intervention • Too much face has been lost	Exit	• Talent and training costs are lost

trying to identify every pitfall, including the most unlikely, while the U.S. members chomped at the bit and muttered about analysis paralysis. The strength of this team was that some of its members were willing to forge ahead and some were willing to work through pitfalls. To accommodate them all, the team did both—moving not quite as fast as the U.S. members would have on their own and not quite as thoroughly as the UK members would have.

Structural intervention. A structural intervention is a deliberate reorganization or reassignment designed to reduce interpersonal friction or to remove a source of conflict for one or more groups. This approach can be extremely effective when obvious subgroups demarcate the team (for example, headquarters versus national subsidiaries) or if team members are proud, defensive, threatened, or clinging to negative stereotypes of one another.

A member of an investment research team scattered across continental Europe, the UK, and the U.S. described for us how his manager resolved conflicts stemming from status differences and language tensions among the team's three "tribes." The manager started by having the team meet face-to-face twice a year, not to discuss mundane day-to-day problems (of which there were many) but to identify a set of values that the team would use to direct and evaluate its progress. At the first meeting, he realized that when he started to speak, everyone else "shut down," waiting to hear what he had to say. So he hired a consultant to run future meetings. The consultant didn't represent a hierarchical threat and was therefore able to get lots of participation from team members.

Another structural intervention might be to create smaller working groups of mixed cultures or mixed corporate identities in order to get at information that is not forthcoming from the team as a whole. The manager of the team that was evaluating retail opportunities in Japan used this approach. When she realized that the female Japanese consultants would not participate if the group got large, or if their male superior was present, she broke the team up into smaller groups to try to solve problems. She used this technique repeatedly and made a point of changing the subgroups' membership each time so that

team members got to know and respect everyone else on the team.

The subgrouping technique involves risks, however. It buffers people who are not working well together or not participating in the larger group for one reason or another. Sooner or later the team will have to assemble the pieces that the subgroups have come up with, so this approach relies on another structural intervention: Someone must become a mediator in order to see that the various pieces fit together.

Managerial intervention. When a manager behaves like an arbitrator or a judge, making a final decision without team involvement, neither the manager nor the team gains much insight into why the team has stalled. But it is possible for team members to use managerial intervention effectively to sort out problems.

When an American refinery-safety expert with significant experience throughout East Asia got stymied during a project in China, she called in her company's higher-level managers in Beijing to talk to the higher-level managers to whom the Chinese refinery's managers reported. Unlike the Western team members who breached etiquette by approaching the superiors of their Korean counterparts, the safety expert made sure to respect hierarchies in both organizations.

"Trying to resolve the issues," she told us, "the local management at the Chinese refinery would end up having conferences with our Beijing office and also with the upper management within the refinery. Eventually they understood that we weren't trying to insult them or their culture or to tell them they were bad in any way. We were trying to help. They eventually understood that there were significant fire and safety issues. But we actually had to go up some levels of management to get those resolved."

Managerial intervention to set norms early in a team's life can really help the team start out with effective processes. In one instance reported to us, a multicultural software development team's lingua franca was English, but some members, though they spoke grammatically correct English, had a very pronounced accent. In setting the ground rules for the team, the manager addressed the challenge directly, telling the members that they had been chosen for their task expertise, not their

fluency in English, and that the team was going to have to work around language problems. As the project moved to the customer-services training stage, the manager advised the team members to acknowledge their accents up front. She said they should tell customers, “I realize I have an accent. If you don’t understand what I’m saying, just stop me and ask questions.”

Exit. Possibly because many of the teams we studied were project based, we found that leaving the team was an infrequent strategy for managing challenges. In short-term situations, unhappy team members often just waited out the project. When teams were permanent, producing products or services, the exit of one or more members was a strategy of last resort, but it was used—either voluntarily or after a formal request from management. Exit was likely when emotions were running high and too much face had been lost on both sides to salvage the situation.

An American member of a multicultural consulting team described the conflict between two senior consultants, one a Greek woman and the other a Polish man, over how to approach problems: “The woman from Greece would say, ‘Here’s the way I think we should do it.’ It would be something that she was in control of. The guy from Poland would say, ‘I think we should actually do it this way instead.’ The woman would kind of turn red in the face, upset, and say, ‘I just don’t think that’s the right way of doing it.’ It would definitely switch from just professional differences to personal differences.

“The woman from Greece ended up leaving the firm. That was a direct result of probably all the different issues going on between these people. It really just wasn’t a good fit. I’ve found that oftentimes when you’re in consulting, you have to adapt to the culture, obviously, but you have to adapt just as much to the style of whoever is leading the project.”

...

Though multicultural teams face challenges that are not directly attributable to cultural differences, such differences underlay whatever problem needed to be addressed in many of the teams we studied. Furthermore, while serious in their own right when they have a negative effect on team functioning, cultural challenges may also unmask fundamental managerial problems. Managers who inter-

vene early and set norms; teams and managers who structure social interaction and work to engage everyone on the team; and teams that can see problems as stemming from culture, not personality, approach challenges with good humor and creativity. Managers who have to intervene when the team has reached a stalemate may be able to get the team moving again, but they seldom empower it to help itself the next time a stalemate occurs.

When frustrated team members take some time to think through challenges and possible solutions themselves, it can make a huge difference. Take, for example, this story about a financial-services call center. The members of the call-center team were all fluent Spanish-speakers, but some were North Americans and some were Latin Americans. Team performance, measured by calls answered per hour, was lagging. One Latin American was taking twice as long with her calls as the rest of the team. She was handling callers’ questions appropriately, but she was also engaging in chitchat. When her teammates confronted her for being a free rider (they resented having to make up for her low call rate), she immediately acknowledged the problem, admitting that she did not know how to end the call politely—chitchat being normal in her culture. They rallied to help her: Using their technology, they would break into any of her calls that went overtime, excusing themselves to the customer, offering to take over the call, and saying that this employee was urgently needed to help out on a different call. The team’s solution worked in the short run, and the employee got better at ending her calls in the long run.

In another case, the Indian manager of a multicultural team coordinating a company-wide IT project found himself frustrated when he and a teammate from Singapore met with two Japanese members of the coordinating team to try to get the Japan section to deliver its part of the project. The Japanese members seemed to be saying yes, but in the Indian manager’s view, their follow-through was insufficient. He considered and rejected the idea of going up the hierarchy to the Japanese team members’ boss, and decided instead to try to build consensus with the whole Japanese IT team, not just the two members on the coordinating team. He and his Singapore teammate put together an eBusiness

One team manager addressed the language challenge directly, telling the members that they had been chosen for their task expertise, not their fluency in English, and that the team would have to work around problems.

road show, took it to Japan, invited the whole IT team to view it at a lunch meeting, and walked through success stories about other parts of the organization that had aligned with the company's larger business priorities. It was rather subtle, he told us, but it worked. The Japanese IT team wanted to be spotlighted in future eBusiness road shows. In the end, the whole team worked well together—and no higher-level manager had to get involved.

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MANAGING YOURSELF

Navigating the Cultural Minefield

**Learn how to work more effectively with people
from other countries. *by Erin Meyer***



MANAGING YOURSELF

Navigating the Cultural Minefield

Learn how to work more effectively with people from other countries. *by Erin Meyer*

When Aaron arrived in Moscow to take charge of the manufacturing plant his Israeli-owned company had just purchased, he expected to settle in quickly. Although he'd grown up in Tel Aviv, his parents were Russian-born, so he knew the culture and spoke the language well. He'd been highly successful managing Israeli teams and had led a large organization in Canada. Yet six months into his new job, he was still struggling to supervise his team in Moscow. What, specifically, was he doing wrong?

Answering such questions isn't easy, as I've learned from 16 years studying the effects of cultural differences on business success. Although there's been a great deal of research and writing on the subject, much of it fails to present a sufficiently nuanced picture that can be of real use to managers working

internationally or with foreign colleagues. As a result, it's all too common to rely on clichés, stereotyping people from different cultures on just one or two dimensions—the Japanese are hierarchical, for example, or the French communicate in subtle ways. This can lead to oversimplified and erroneous assumptions—the Japanese always make top-down decisions, or the French are indirect when giving negative feedback. It then comes as a surprise when your French colleague bluntly criticizes your shortcomings, or when your Japanese clients want buy-in from the cook and the cleaner before reaching a decision.

Time and again, I find that even experienced and cosmopolitan managers have faulty expectations about how people from other cultures operate. The truth is that culture is too complex to be measured meaningfully along just one or two dimensions.

To help managers like Aaron negotiate this complexity, I have built on the work of many in my field to develop a tool called the Culture Map. It is made up of eight scales representing the management behaviors where cultural gaps are most common. By comparing the position of one nationality relative to another on each scale, the user can decode how culture influences day-to-day collaboration. In the following pages, I present the tool, show how it can help you, and discuss the challenges in applying it.

The Culture Map

The eight scales on the map are based on decades of academic research into culture from multiple perspectives. To this foundation I have added my own work, which has been validated by extensive interviews with thousands of executives who have confirmed or corrected my findings. The scales and their metrics are:

Communicating. When we say that someone is a good communicator, what do we actually mean? The responses differ wildly from society to society. I compare cultures along the Communicating scale

by measuring the degree to which they are high- or low-context, a metric developed by the American anthropologist Edward Hall. In low-context cultures, good communication is precise, simple, explicit, and clear. Messages are understood at face value. Repetition is appreciated for purposes of clarification, as is putting messages in writing. In high-context cultures, communication is sophisticated, nuanced, and layered. Messages are often implied but not plainly stated. Less is put in writing, more is left open to interpretation, and understanding may depend on reading between the lines.

Evaluating. All cultures believe that criticism should be given constructively, but the definition of “constructive” varies greatly. This scale measures a preference for frank versus diplomatic negative feedback. Evaluating is often confused with

Communicating, but many countries have different positions on the two scales. The French, for example, are high-context (implicit) communicators relative to Americans, yet they are more direct in their criticism. Spaniards and Mexicans are at the same context level, but the Spanish are much more frank when providing negative feedback. This scale is my own work.

Persuading. The ways in which you persuade others and the kinds of arguments you find convincing are deeply rooted in your culture's philosophical, religious, and educational assumptions and attitudes. The traditional way to compare countries along this scale is to assess how they balance holistic and specific thought patterns. Typically, a Western executive will break down an argument into a sequence of distinct components (specific thinking), while Asian managers tend to show how the components all fit together (holistic thinking). Beyond that, people from southern European and Germanic cultures tend to find deductive arguments (what I refer to as principles-first arguments) most persuasive, whereas American and British managers are more likely to be influenced by inductive logic (what I call applications-first logic). The research into specific and holistic cognitive patterns was conducted by Richard Nisbett, an American professor of social psychology, and the deductive/inductive element is my own work.

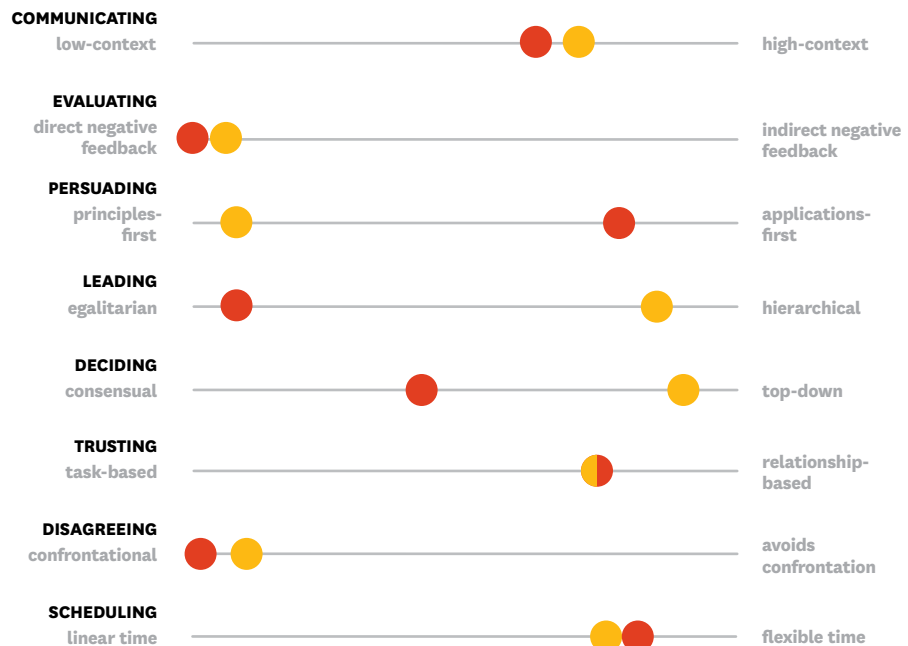
Leading. This scale measures the degree of respect and deference shown to authority figures, placing countries on a spectrum from egalitarian to hierarchical. The Leading scale is based partly on the concept of power distance, first researched by the Dutch social psychologist Geert Hofstede, who conducted 100,000 management surveys at IBM in the 1970s. It also draws on the work of Wharton School professor Robert House and his colleagues in their GLOBE (global leadership and organizational behavior effectiveness) study of 62 societies.

Deciding. This scale, based on my own work, measures the degree to which

Stereotyping people from different cultures on just one or two dimensions can lead to erroneous assumptions. Even experienced, cosmopolitan managers often have faulty expectations.

Comparing Management Cultures: Israel vs. Russia

This Culture Map plots the Israeli and Russian business cultures on eight behavior scales. The profiles are drawn from surveys and interviews of managers from the two countries. While there are many points of similarity, Russians and Israelis diverge with respect to the ways in which they persuade, lead, and decide.



a culture is consensus-minded. We often assume that the most egalitarian cultures will also be the most democratic, while the most hierarchical ones will allow the boss to make unilateral decisions. This isn't always the case. Germans are more hierarchical than Americans, but more likely than their U.S. colleagues to build group agreement before making decisions. The Japanese are both strongly hierarchical and strongly consensus-minded.

Trusting. Cognitive trust (from the head) can be contrasted with affective trust (from the heart). In task-based cultures, trust is built cognitively through work. If we collaborate well, prove ourselves reliable, and respect one another's contributions, we come to feel mutual trust. In a relationship-based society, trust is a result of weaving a strong affective connection. If we spend time laughing and relaxing together, get to know one another on a personal level, and feel a mutual liking, then we establish trust. Many people have researched this topic; Roy

Chua and Michael Morris, for example, wrote a landmark paper on the different approaches to trust in the United States and China. I have drawn on this work in developing my metric.

Disagreeing. Everyone believes that a little open disagreement is healthy, right? The recent American business literature certainly confirms this viewpoint. But different cultures actually have very different ideas about how productive confrontation is for a team or an organization. This scale measures tolerance for open disagreement and inclination to see it as either helpful or harmful to collegial relationships. This is my own work.

Scheduling. All businesses follow agendas and timetables, but in some cultures people strictly adhere to the schedule, whereas in others, they treat it as a suggestion. This scale assesses how much value is placed on operating in a structured, linear fashion versus being flexible and reactive. It is based on the "monochronic" and "polychronic" distinction formalized by Edward Hall.

The Culture Map shows positions along these eight scales for a large number of countries, based on surveys and interviews. These profiles reflect, of course, the value systems of a society at large, not those of all the individuals in it, so if you plot yourself on the map, you might find that some of your preferences differ from those of your culture.

Let's go back to my friend Aaron (who, like other managers profiled later, is not identified by his real name). Aaron used the map to uncover the roots of his difficulties managing his Moscow team. As you can see from the exhibit "Comparing Management Cultures," there are plenty of cultural similarities between Israelis and Russians. For example, both value flexible rather than linear scheduling, both accept and appreciate open disagreement, and both approach issues of trust through a relationship lens. But there are also big gaps. For instance, Russians strongly value hierarchy, whereas Israelis are more egalitarian. This suggests that some of Aaron's management practices, developed through

his experiences in Israel and Canada, may have been misunderstood by—and demotivating to—his Russian team.

As Aaron considered the large gap on the Leading scale, he began to think about how he'd been encouraged as a child to disagree openly with authority figures in his family and community—a stark contrast to the Russian tradition of expecting young people to show deep respect and deference to their elders. “In Israel, the boss is just one of the guys,” he reflected. “But in Russia, when I try to push decision making down and insist that someone on my team is better positioned to make a decision than I am, it often suggests weak leadership.” One of the specific practices getting him into trouble was his tendency to e-mail employees at lower levels of the company without passing through the hierarchical chain or cc'ing their direct bosses; he now understood why the practice made his middle managers so angry.

Sometimes it's fairly easy to bridge the cultural gaps revealed by the mapping process. Aaron found that simply stopping the direct e-mails and going through official channels had a big impact. But some differences are more difficult to overcome, and as you manage across them, it's important to respect the four rules I discuss next. They apply to all the scales, but I'll continue to focus on Leading.

RULE 1

Don't Underestimate the Challenge

Management styles stem from habits developed over a lifetime, which makes them hard to change. Here's a good example: In 2010 Heineken, the Dutch brewing company, purchased a big operation in Monterrey, Mexico, and a large number of Mexican employees are now based at its Amsterdam headquarters. One of these is Carlos, the director of marketing for the Dos Equis brand, who admits that he struggled during his first year in the position:

“It is incredible to manage Dutch people, and nothing like my experience leading Mexican teams. I'll schedule a meeting

to roll out a new process, and during it, my team starts challenging the process, taking us in various unexpected directions, ignoring my process altogether, and paying no attention to the fact that they work for me. Sometimes I just watch them astounded. Where is the respect?

“I know this treating everyone as pure equals is the Dutch way, so I keep quiet and try to be patient. But often I just feel like getting down on my knees and pleading, ‘Dear colleagues, in case you have forgotten: I-am-the-boss.’”

It's not always easy to bridge cultural gaps. Management styles stem from habits developed over a lifetime, which makes them hard to change.

It didn't take long for Carlos to realize that the leadership skills he had built over the previous decade in Mexico, where more deference to authority is the norm, were not going to transfer easily to the Netherlands. Succeeding would depend on taking an entirely different approach and making ongoing adjustments over the long term. “I realized I was going to need to unlearn many of the techniques that had made me so successful in Mexico and develop others from the ground up,” he said.

RULE 2

Apply Multiple Perspectives

If you are leading a global team with, say, Brazilian, Korean, and Indian members, it isn't enough to recognize how your culture perceives each of the others. You need to understand how the Koreans perceive the Indians, how the Indians perceive the Brazilians, and so on, and manage across the map. As you learn to look through multiple lenses, you may see that on some scales the Brazilians, for example, view the Indians in a very different way than the Koreans do.

Let's return to the case of Heineken. A manager from China who had recently moved to Monterrey assessed the Mexi-

cans this way: “They really think everyone is equal. No matter your age, rank, or title, everyone gets a voice here. They want us to call them by their first name and disagree with them in public. For a Chinese person, this is not at all comfortable.” His take on Mexican culture, of course, was nothing like Carlos's and actually sounded like Carlos's view of Dutch culture.

The point is that where a culture falls on a scale doesn't in itself mean anything. What matters is the position of one country relative to another. On the Leading

scale, Mexico falls somewhere between the Netherlands (one of the most egalitarian countries in the world) and China (strongly hierarchical), and the distances separating them led to these completely contradictory perceptions.

RULE 3

Find the Positive in Other Approaches

When looking at how other cultures work, people tend to see the negative. Steve, an Australian running the business unit of a textile company in China, admits that when he first arrived in the country, he was deeply critical of local leadership practices. The prevailing view, he found, was that “the boss is always right, and even when the boss is very wrong, he is still right.” Having been raised to regard a fixed social hierarchy as an inhumane system, subverting individual freedom, he was uncomfortable in his new environment.

Yet Steve gradually came to understand and respect the Chinese system of reciprocal obligation. “In the Confucian concept of hierarchy,” he says, “it's important to think not just about the lower-level person's responsibility to follow, but also about the responsibility of the higher

person to protect and care for those under him. And there is great beauty in giving a clear instruction and watching your competent and enthusiastic team willingly attack the project without pushing back.”

Carlos at Heineken underwent a similar transformation. He developed an appreciation for his Dutch colleagues’ more egalitarian work style when he started to focus on the creative ideas generated and the problems averted because his employees felt so comfortable openly challenging his views.

Sometimes cultural diversity can cause inefficiency and confusion. But if the team leader clearly understands how people from varied backgrounds behave, he or she can turn differences into the team’s greatest assets. As Steve explains, “Now that I run a Chinese-Australian operation, I think carefully about how to take advantage of the various styles on the team. Sometimes I really need a couple of experts on my staff to tear my ideas apart to ensure that we get the best solution. Sometimes we are under time pressure and I need streamlined reactivity. My overriding goal is to have a complex enough understanding of the various strengths on the team so I can choose the best subteam for each task.”

RULE 4

Adjust, and Readjust, Your Position

More and more teams are made up of diverse and globally dispersed members. So as a leader, you’ll frequently have to tweak or adapt your own style to better mesh with your working partners. It’s not enough to shift to a new position on a single scale; you’ll need to widen your comfort zone so that you can move more fluidly back and forth along all eight.

During his first year in Russia, Aaron invested significant time in watching how the most successful local leaders motivated their staff members. He learned step-by-step to be more of a director and less of a facilitator. “It worked,” he said, “but when I returned to Israel, I was

then accused of centralizing too much. Without realizing it, I had brought what I had developed in Russia back home.” Gradually Aaron got better at adapting his behavior to the individuals and context at hand.

As Aaron, Carlos, and Steve all learned, to navigate cultural differences, you might need to go back to square one. Consider which leadership styles are most effective in disparate localities and with people of diverse nationalities. Check your knee-jerk tendencies—and learn to laugh at them. Then practice leading in a wide variety of ways to better motivate and mobilize groups who follow in different ways from the folks back home.

WHETHER WE work in Düsseldorf or Dubai, Brasília or Beijing, New York or New Delhi,

we are all part of a global network. This is true in the office or at a meeting, and it is true virtually, when we connect via e-mail, videoconference, Skype, or phone. Today success depends on the ability to navigate the wild variations in the ways people from different societies think, lead, and get things done. By sidestepping common stereotypes and learning to decode the behavior of other cultures along all the scales, we can avoid giving (and taking!) offense and better capitalize on the strengths of increased diversity. ♥

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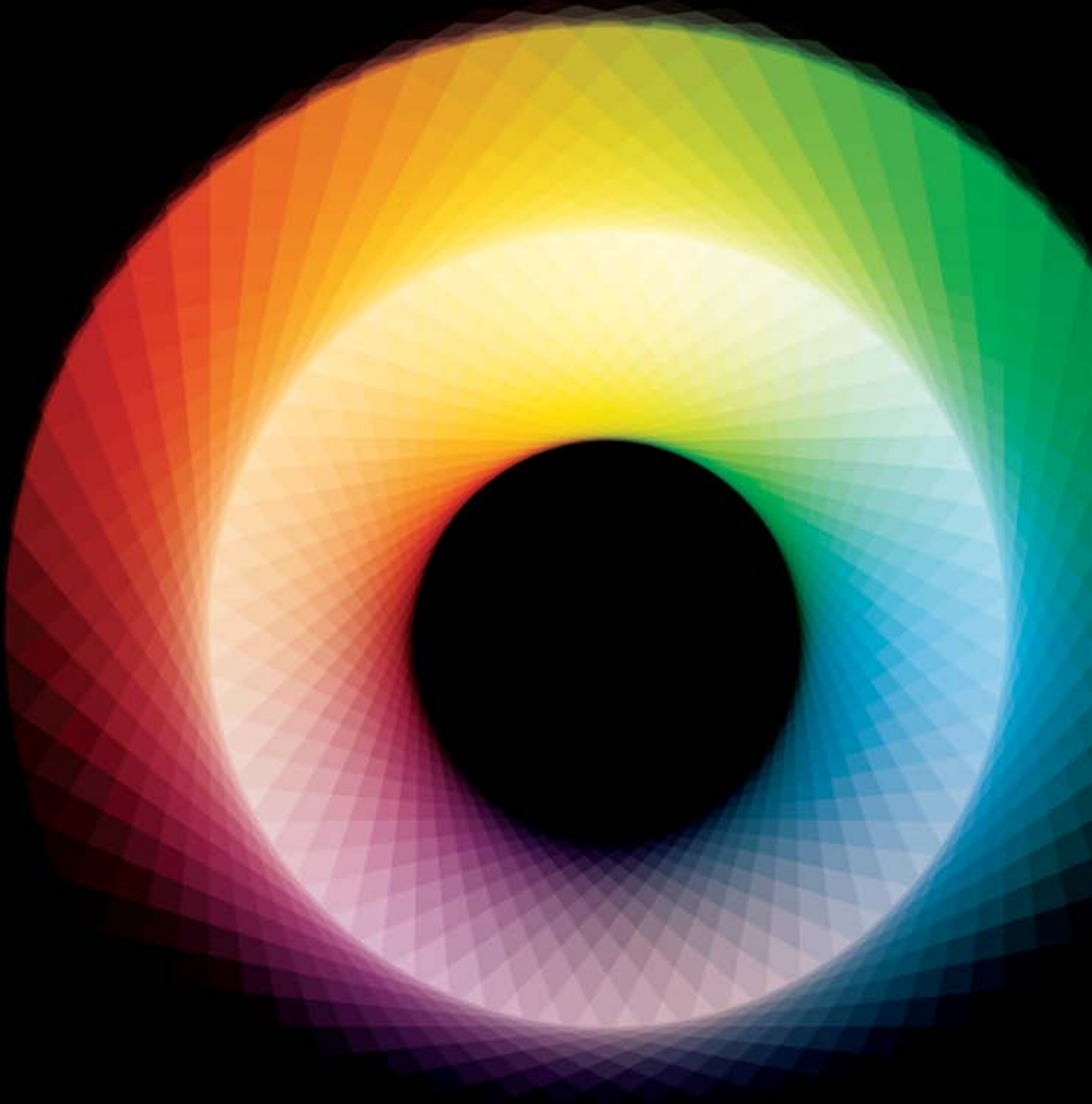
SPOTLIGHT ON THE SECRETS OF GREAT TEAMS

The New Science of Building Great Teams

The chemistry of high-performing groups is no longer a mystery. *by Alex “Sandy” Pentland*

Spotlight

ARTWORK Andy Gilmore, *Chromatic*, 2010
Digital drawing





Alex “Sandy” Pentland is a professor at MIT, the director of MIT’s Human Dynamics Laboratory and the MIT Media Lab Entrepreneurship Program, and the chairman of Sociometric Solutions.

The New Science of Building Great Teams

The chemistry of high-performing groups is no longer a mystery.

by Alex “Sandy” Pentland

IF YOU WERE looking for teams to rig for success, a call center would be a good place to start. The skills required for call center work are easy to identify and hire for. The tasks involved are clear-cut and easy to monitor. Just about every aspect of team performance is easy to measure: number of issues resolved, customer satisfaction, average handling time (AHT, the golden standard of call center efficiency). And the list goes on.

Why, then, did the manager at a major bank's call center have such trouble figuring out why some of his teams got excellent results, while other, seemingly similar, teams struggled? Indeed, none of the metrics that poured in hinted at the reason for the performance gaps. This mystery reinforced his assumption that team building was an art, not a science.

The truth is quite the opposite. At MIT's Human Dynamics Laboratory, we have identified the elusive group dynamics that characterize high-performing teams—those blessed with the energy, creativity, and shared commitment to far surpass other teams. These dynamics are observable, quantifiable, and measurable. And, perhaps most important, teams can be taught how to strengthen them.

Looking for the “It Factor”

When we set out to document the behavior of teams that “click,” we noticed we could sense a buzz in a team even if we didn't understand what the mem-

bers were talking about. That suggested that the key to high performance lay not in the content of a team's discussions but in the manner in which it was communicating. Yet little of the research on team building had focused on communication. Suspecting it might be crucial, we decided to examine it more deeply.

For our studies, we looked across a diverse set of industries to find workplaces that had similar teams with varying performance. Ultimately, our research included innovation teams, post-operations in hospitals, customer-facing teams in banks, backroom operations teams, and call center teams, among others.

We equipped all the members of those teams with electronic badges that collected data on their individual communication behavior—tone of voice, body language, whom they talked to and how much, and more. With remarkable consistency, the data confirmed that communication indeed plays a critical role in building successful teams. In fact, we've found patterns of communication to be the most important predictor of a team's success. Not only that, but they are as significant as all the other factors—individual intelligence, personality, skill, and the substance of discussions—combined.

Patterns of communication, for example, explained why performance varied so widely among the seemingly identical teams in that bank's call center. Several teams there wore our badges for six weeks. When my fellow researchers (my colleagues at Sociometric Solutions—Taemie Kim, Daniel Olguin, and Ben Waber) and I analyzed the data collected, we found that the best predictors of productivity were a team's energy and engagement outside formal meetings. Together those two factors explained one-third of the variations in dollar productivity among groups.

Drawing on that insight, we advised the center's manager to revise the employees' coffee break schedule so that everyone on a team took a break at the same time. That would allow people more time to socialize with their teammates, away from their workstations. Though the suggestion flew in the face of standard efficiency practices, the manager was baffled and desperate, so he tried it. And it worked: AHT fell by more than 20% among lower-performing teams and decreased by 8% overall at the call center. Now the manager is changing the break schedule at all 10 of the bank's call centers (which employ a total of 25,000 people) and is forecasting \$15 million a year in productivity increases. He has also seen employee

Why Do Patterns of Communication Matter So Much?

It seems almost absurd that how we communicate could be so much more important to success than what we communicate.

Yet if we look at our evolutionary history, we can see that language is a relatively recent development and was most likely layered upon older signals that communicated dominance, interest, and emotions among humans. Today these ancient patterns of communication still shape how we make decisions and coordinate work among ourselves.

Consider how early man may have approached problem solving. One can imagine humans sitting around a campfire (as a team) making suggestions, relating observations, and indicating interest or approval with head nods, gestures, or vocal signals. If some people failed to contribute or to signal their level of interest or approval, then the group members had less information and weaker judgment, and so were more likely to go hungry.

Idea in Brief

What managers sense as an ineffable buzz or esprit de corps in a good team is actually observable, measurable, and learnable.

In data collected by wearable electronic sensors that capture people's tone of voice and body language, we can see the highly consistent patterns of

communication that are associated with productive teams, regardless of what kind of work they do. The data do not take into account the substance of communication, only the patterns, but they show that those patterns are what matter most—more than skill, intelligence, and all other factors that go into building a team combined.

WHAT DATA THE SOCIOMETRIC BADGES COLLECT

WHEN PEOPLE ARE TALKING AND THEIR TONE OF VOICE, BUT NOT WORDS

BODY POSITION
RELATIVE TO OTHERS—WHETHER PEOPLE FACE EACH OTHER AND HOW THEY STAND IN A GROUP

BODY LANGUAGE,
INCLUDING ARM AND HAND MOVEMENTS AND NODS, BUT NOT FACIAL EXPRESSIONS

satisfaction at call centers rise, sometimes by more than 10%.

Any company, no matter how large, has the potential to achieve this same kind of transformation. Firms now can obtain the tools and data they need to accurately dissect and engineer high performance. Building great teams has become a science. Here's how it works.

Overcoming the Limits of Observation

When we sense esprit de corps, that perception doesn't come out of the blue; it's the result of our innate ability to process the hundreds of complex communication cues that we constantly send and receive.

But until recently we had never been able to objectively record such cues as data that we could then mine to understand why teams click. Mere observation simply couldn't capture every nuance of human behavior across an entire team. What we had, then, was only a strong sense of the things—good leadership and followership, palpable shared commitment, a terrific brainstorming session—that made a team greater than the sum of its parts.

Recent advances in wireless and sensor technology, though, have helped us overcome those limitations, allowing us to measure that ineffable “It factor.” The badges developed at my lab at MIT are in their seventh version. They generate more than 100 data points a minute and work unobtrusively enough that we're confident we're capturing natural behavior. (We've documented a period of adjustment to the badges: Early on, people appear to be aware of them and act unnaturally, but the effect dissipates, usually within an hour.) We've deployed them in 21 organizations over the past seven years, measuring the communication patterns of about 2,500 people, sometimes for six weeks at a time.

With the data we've collected, we've mapped the communication behaviors of large numbers of peo-

ple as they go about their lives, at an unprecedented level of detail. The badges produce “sociometrics,” or measures of how people interact—such as what tone of voice they use; whether they face one another; how much they gesture; how much they talk, listen, and interrupt; and even their levels of extroversion and empathy. By comparing data gathered from all the individuals on a team with performance data, we can identify the communication patterns that make for successful teamwork.

Those patterns vary little, regardless of the type of team and its goal—be it a call center team striving for efficiency, an innovation team at a pharmaceutical company looking for new product ideas, or a senior management team hoping to improve its leadership. Productive teams have certain data signatures, and they're so consistent that we can predict a team's success simply by looking at the data—without ever meeting its members.

Just by looking at the sociometric data, we've been able to foretell which teams will win a business plan contest.

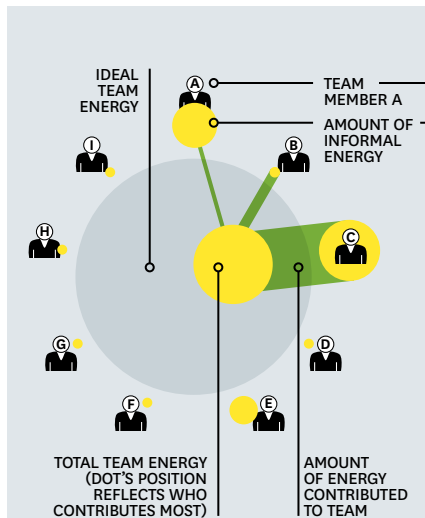
We've been able to foretell, for example, which teams will win a business plan contest, solely on the basis of data collected from team members wearing badges at a cocktail reception. (See “Defend Your Research: We Can Measure the Power of Charisma,” HBR January–February 2010.) We've predicted the financial results that teams making investments would achieve, just on the basis of data collected during their negotiations. We can see in the data when team members will report that they've had a “productive” or “creative” day.

Mapping Teamwork

CONCERNED ABOUT UNEVEN PERFORMANCE across its branches, a bank in Prague outfitted customer-facing teams with electronic sensors for six weeks. The first two maps below display data collected from one team of nine people over the course of different days, and the third illustrates data collected on interactions between management and all the teams.

By looking at the data, we unearthed a divide between teams at the “Soviet era” branches of the bank and teams at more modern facilities. Interestingly, at the Soviet-era branches, where poor

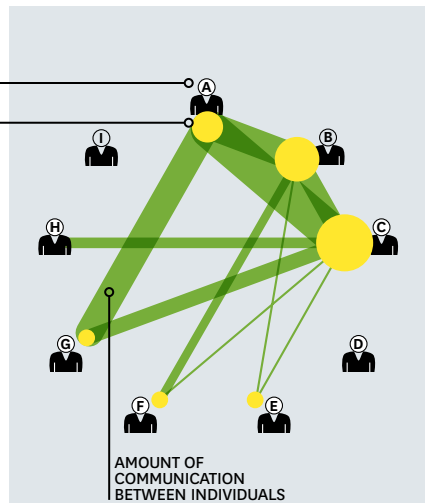
team communication was the rule, communication outside teams was much higher, suggesting that those teams were desperately reaching out for answers to their problems. Teams at the modern facilities showed high energy and less need to explore outside. After seeing initial data, the bank’s management published these dashboard displays for all the teams to see and also reorganized the teams so that they contained a mix of members from old and new branches. According to the bank, those measures helped improve the working culture within all the teams.



Energy

HOW TEAM MEMBERS CONTRIBUTE TO A TEAM AS A WHOLE

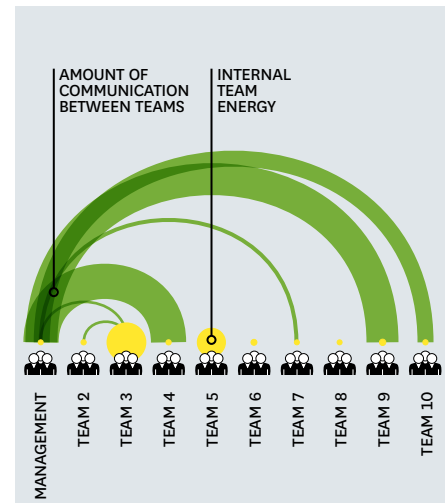
Clearly, these data come from a team at a branch with poor customer service. We can see that A, C, and E give off more informal energy than the rest of the team does. A, B, and C contribute a lot to the team, while the others contribute nothing. The pattern illustrated here is often associated with hierarchical teams in which a boss (C) issues commands while his lieutenants (A and B) reinforce his directions. The three are a “team within a team,” and it’s likely that the others feel they have no input. Often leaders are shocked and embarrassed to see how much they dominate a team and immediately try to change the pattern. Sharing such a map with the team can make it easier for less energetic individuals to talk about their sense of the team’s dysfunction, because data are objective and elevate the discussion beyond attacks or complaints.



Engagement

HOW TEAM MEMBERS COMMUNICATE WITH ONE ANOTHER

This diagram shows that the same team’s engagement skews heavily to the same three people (A, B, and C). G is making an effort to reach the decision makers, but the team within the team is where the engagement is. Those three people may be higher up the ladder or simply more extroverted, but that doesn’t matter. This pattern is associated with lower performance because the team is not getting ideas or information from many of its members. Leaders can use this map both to assess “invisible” team members (How can they get them more involved? Are they the right people for the project?) and to play the role of a “charismatic connector” by bringing together members who ought to be talking to one another and then helping those members share their thinking with the entire group.



Exploration

HOW TEAMS COMMUNICATE WITH ONE ANOTHER

This map shows that management is doing a lot of exploring. Although its internal team energy is relatively low, that is OK. Energy and engagement cannot be high when exploration is, because when you’re exploring you have less time to engage with your own team. In a high-functioning organization, however, there would be more exploration among all the teams, and you’d see an arc between, say, Teams 3 and 4, or Teams 5 and 9. A time lapse view of all the teams’ exploration would show whether teams were oscillating between communication within their own group (shown by the yellow dots) and exploration with other teams (shown by the green arcs). If they’re not, it could mean silo busting is needed to encourage proper exploration.

COURTESY OF SOCIOMETRIC SOLUTIONS

The data also reveal, at a higher level, that successful teams share several defining characteristics:

1. Everyone on the team talks and listens in roughly equal measure, keeping contributions short and sweet.
2. Members face one another, and their conversations and gestures are energetic.
3. Members connect directly with one another—not just with the team leader.
4. Members carry on back-channel or side conversations within the team.
5. Members periodically break, go exploring outside the team, and bring information back.

The data also establish another surprising fact: Individual reasoning and talent contribute far less to team success than one might expect. The best way to build a great team is not to select individuals for their smarts or accomplishments but to learn how they communicate and to shape and guide the team so that it follows successful communication patterns.

The Key Elements of Communication

In our research we identified three aspects of communication that affect team performance. The first is *energy*, which we measure by the number and the nature of exchanges among team members. A single exchange is defined as a comment and some acknowledgment—for example, a “yes” or a nod of the head. Normal conversations are often made up of many of these exchanges, and in a team setting more than one exchange may be going on at a time.

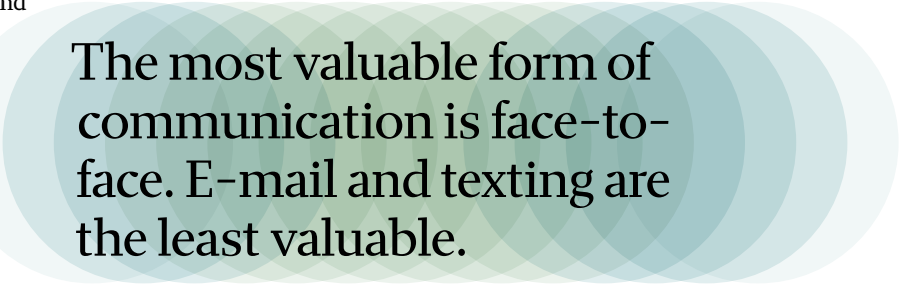
The most valuable form of communication is face-to-face. The next most valuable is by phone or videoconference, but with a caveat: Those technologies become less effective as more people participate in the call or conference. The least valuable forms of communication are e-mail and texting. (We collect data on those kinds of communication without using the badges. Still, the number of face-to-face exchanges alone provides a good rough measure of energy.) The number of exchanges engaged in, weighted for their value by type of communication, gives each team member an energy score, which is averaged with other members’ results to create a team score.

Energy levels within a team are not static. For instance, in my research group at MIT, we sometimes have meetings at which I update people on upcoming

events, rule changes, and other administrative details. These meetings are invariably low energy. But when someone announces a new discovery in the same group, excitement and energy skyrocket as all the members start talking to one another at once.

The second important dimension of communication is *engagement*, which reflects the distribution of energy among team members. In a simple three-person team, engagement is a function of the average amount of energy between A and B, A and C, and B and C. If all members of a team have relatively equal and reasonably high energy with all other members, engagement is extremely strong. Teams that have clusters of members who engage in high-energy communication while other members do not participate don’t perform as well. When we observed teams making investment decisions, for instance, the partially engaged teams made worse (less profitable) decisions than the fully engaged teams. This effect was particularly common in far-flung teams that talked mostly by telephone.

The third critical dimension, *exploration*, involves communication that members engage in outside their team. Exploration essentially is the energy between a team and the other teams it interacts with.



The most valuable form of communication is face-to-face. E-mail and texting are the least valuable.

Higher-performing teams seek more outside connections, we’ve found. We’ve also seen that scoring well on exploration is most important for creative teams, such as those responsible for innovation, which need fresh perspectives.

To measure exploration, we have to deploy badges more widely in an organization. We’ve done so in many settings, including the MIT Media Lab and a multinational company’s marketing department, which comprised several teams dedicated to different functions.

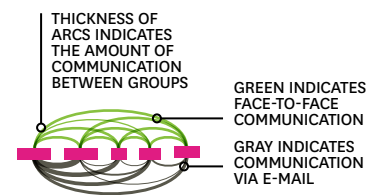
Our data also show that exploration and engagement, while both good, don’t easily coexist, because they require that the energy of team members be put to two different uses. Energy is a finite resource. The more that people devote to their own team (engage-

Mapping Communication over Time

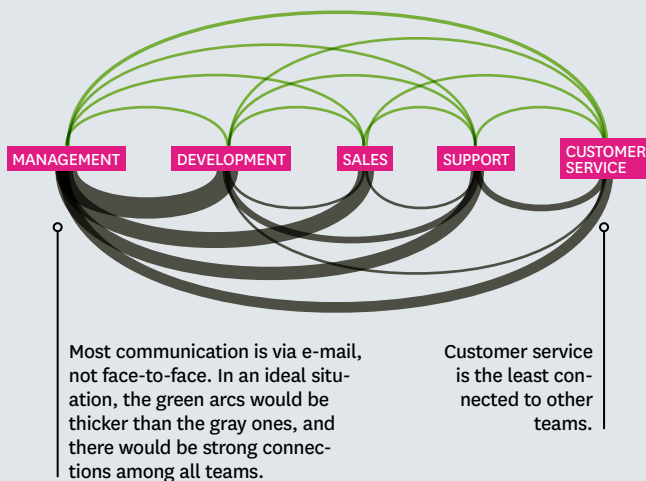
THE MAPS BELOW DEPICT the communication patterns in a German bank's marketing department in the days leading up to and immediately following a major new product launch. The department had teams of four members each in customer service,

sales, support, development, and management. Besides collecting data on in-person interactions with sociometric badges, we gathered e-mail data to assess the balance between high-value face-to-face communication and lower-value digital messages.

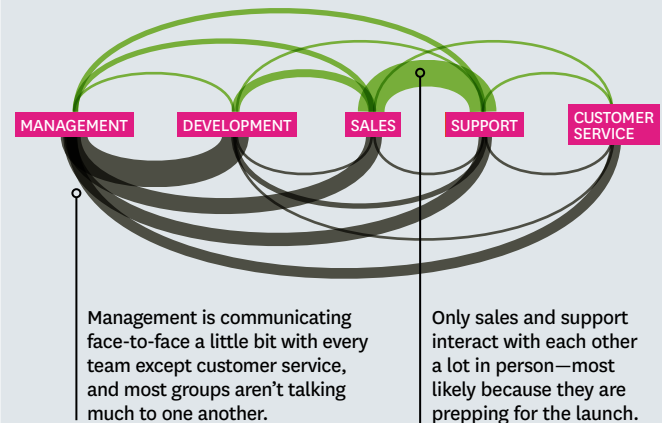
HOW TO READ THESE MAPS



DAY 2 MANAGEMENT IS CLEARLY DOING MOST OF THE COMMUNICATING.



DAY 6 MANAGEMENT BY E-MAIL CONTINUES.



ment), the less they have to use outside their team (exploration), and vice versa.

But they must do both. Successful teams, especially successful creative teams, oscillate between exploration for discovery and engagement for integration of the ideas gathered from outside sources. At the MIT Media Lab, this pattern accounted for almost half of the differences in creative output of research groups. And in one industrial research lab we studied, it distinguished teams with high creativity from those with low creativity with almost 90% accuracy.

Beyond Conventional Wisdom

A skeptic would argue that the points about energy, engagement, and exploration are blindingly obvious. But the data from our research improve on conventional wisdom. They add an unprecedented level of precision to our observations, quantify the key dynamics, and make them measurable to an extraordinary degree.

For example, we now know that 35% of the variation in a team's performance can be accounted for simply by the number of face-to-face exchanges among team members. We know as well that the

"right" number of exchanges in a team is as many as dozens per working hour, but that going beyond that ideal number decreases performance. We can also state with certainty that in a typical high-performance team, members are listening or speaking to the whole group only about half the time, and when addressing the whole group, each team member speaks for only his or her fair share of time, using brief, to-the-point statements. The other half of the time members are engaging in one-on-one conversations, which are usually quite short. It may seem illogical that all those side exchanges contribute to better performance, rather than distract a team, but the data prove otherwise.

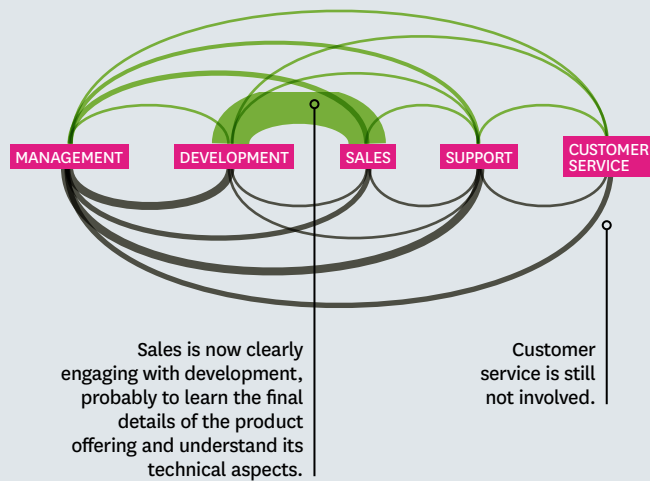
The data we've collected on the importance of socializing not only build on conventional wisdom but sometimes upend it. Social time turns out to be deeply critical to team performance, often accounting for more than 50% of positive changes in communication patterns, even in a setting as efficiency-focused as a call center.

Without the data there's simply no way to understand which dynamics drive successful teams. The managers of one young software company, for instance, thought they could promote better commu-

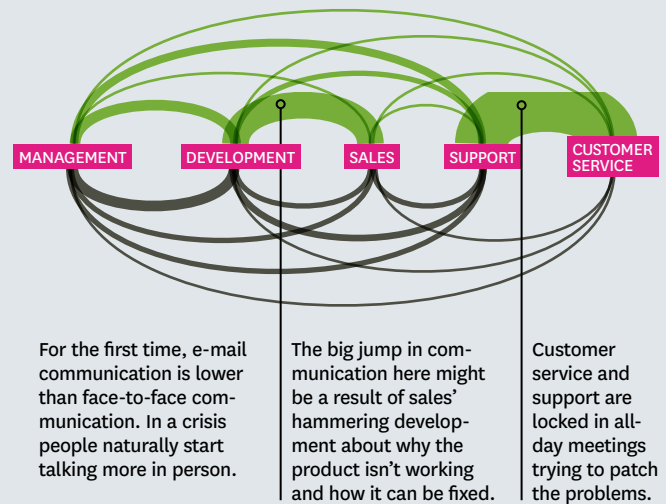
We did not provide iterative feedback in this project, but if we had, by the end of week one, we would have pointed out three negative trends the group could have corrected: the invisibility of customer service, overreliance on e-mail, and highly

uneven communication among groups. If these issues had been addressed, the problems with the product might have surfaced much earlier, and the responses to them would probably have improved.

DAY 15 AS THE LAUNCH APPROACHES, COMMUNICATION IS STARTLINGLY LOW.



DAY 23 TWO DAYS AFTER LAUNCH, TEAMS ARE FINALLY COMMUNICATING IN PERSON, AS THEY TRIAGE A DISASTROUS CAMPAIGN.



nication among employees by hosting “beer meets” and other events. But the badge data showed that these events had little or no effect. In contrast, the data revealed that making the tables in the company’s lunchroom longer, so that strangers sat together, had a huge impact.

A similarly refined view of exploration has emerged in the data. Using fresh perspectives to improve performance is hardly a surprising idea; it’s practically management canon. But our research shows that most companies don’t do it the right way. Many organizations we’ve studied seek outside counsel repeatedly from the same sources and only at certain times (when building a business case, say, or doing a postmortem on a project). The best-performing and most creative teams in our study, however, sought fresh perspectives constantly, from all other groups in (and some outside) the organization.

How to Apply the Data

For management tasks that have long defied objective analysis, like team building, data can now provide a foundation on which to build better individual and team performance. This happens in three steps.

Step 1: Visualization. In raw form the data don’t mean much to the teams being measured. An energy score of 0.5 may be good for an individual, for example, but descriptions of team dynamics that rely on statistical output are not particularly user-friendly. However, using the formulas we developed to calculate energy, engagement, and exploration, we can create maps of how a team is doing on those dimensions, visualizations that clearly convey the data and are instantly accessible to anyone. The maps starkly highlight weaknesses that teams may not have recognized. They identify low-energy, unengaged team members who, even in the visualization, look as if they’re being ignored. (For examples, see the exhibit “Mapping Teamwork.”)

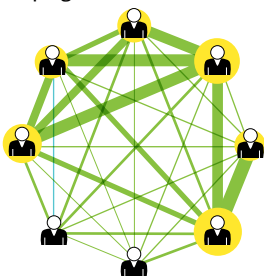
When we spot such people, we dig down into their individual badge data. Are they trying to contribute and being ignored or cut off? Do they cut others off and not listen, thereby discouraging colleagues from seeking their opinions? Do they communicate only with one other team member? Do they face other people in meetings or tend to hide from the group physically? Do they speak loudly enough? Perhaps the leader of a team is too dominant; it may be that she is doing most of the talking

MAPPING COMMUNICATION IMPROVEMENT

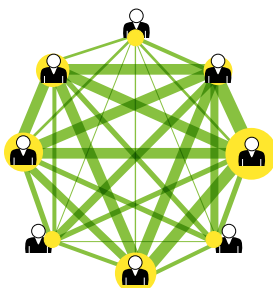
Our data show that far-flung and mixed-language teams often struggle to gel. Distance plays a role: Electronic communication doesn't create the same energy and engagement that face-to-face communication does. Cultural norms play a role too. Visual feedback on communication patterns can help.

For one week we gathered data on a team composed of Japanese and Americans that were brainstorming a new design together in Japan. Each day the team was shown maps of its communication patterns and given simple guidance about what makes good communication (active but equal participation).

DAY 1 The two Japanese team members (bottom and lower left) are not engaged, and a team within a team seems to have formed around the member at the top right.



DAY 7 The team has improved remarkably. Not only are the Japanese members contributing more to energy and engagement (with the one at the bottom becoming a high-energy, highly engaged team member) but some of the Day 1 “dominators” (on the lower right, for example) have distributed their energy better.



at meetings and needs to work on encouraging others to participate. Energy and engagement maps will make such problems clear. And once we know what they are, we can begin to fix them.

Exploration maps reveal patterns of communication across organizations. They can expose, for instance, whether a department's management is failing to engage with all its teams. Time-lapse views of engagement and exploration will show whether teams are effectively oscillating between those two activities. It's also possible to layer more detail into the visualizations. We can create maps that break out different types of communication among team members, to discover, for example, if teams are falling into counterproductive patterns such as shooting off e-mail when they need more face time. (For an example, see the exhibit “Mapping Communication over Time.”)

Step 2: Training. With maps of the data in hand, we can help teams improve performance through iterative visual feedback.

Work we did with a multicultural design team composed of both Japanese and American members offers a good example. (Visual data are especially effective at helping far-flung and multilingual groups, which face special communication challenges.) The team's maps (see the exhibit “Mapping Communication Improvement”) showed that its communication was far too uneven. They highlighted that the Japanese members were initially reluctant to speak up, leaving the team both low energy and unengaged.

Every day for a week, we provided team members a visualization of that day's work, with some light interpretation of what we saw. (Keep in mind that we didn't know the substance of their work, just how they were interacting.) We also told them that the ideal visualization would show members contributing equally and more overall contributions. By day seven, the maps showed, the team's energy and engagement had improved vastly, especially for the two Japanese members, one of whom had become a driving force.

The notion that visual feedback helps people improve quickly shouldn't be surprising to anyone who has ever had a golf swing analyzed on video or watched himself deliver a speech. Now we have the visual tools to likewise improve teamwork through objective analysis.

Step 3: Fine-tuning performance. We have seen that by using visualizations as a training tool, teams can quickly improve their patterns of com-

munication. But does that translate to improved performance? Yes. The third and final step in using the badge data is to map energy and engagement against performance metrics. In the case of the Japanese-American team, for example, we mapped the improved communication patterns against the team's self-reported daily productivity. The closer the patterns came to those of our high-performance ideal, the higher productivity rose.

We've duplicated this result several times over, running similar feedback loops with teams aiming to be more creative and with executive teams looking for more cohesiveness. In every case the self-reporting on effectiveness mapped to the improved patterns of communication.

Through such maps, we often make important discoveries. One of the best examples comes from the bank's call center. For each team there, we mapped energy and engagement against average handling time (AHT), which we indicated with color. (See the exhibit “Mapping Communication Against Performance.”) That map clearly showed that the most efficient work was done by high-energy, high-engagement teams. But surprisingly, it also showed that low-energy, low-engagement teams could outperform teams that were unbalanced—teams that had high energy and low engagement, or low energy and high engagement. The maps revealed that the manager needed to keep energy and engagement in balance as he worked to strengthen them.

If a hard metric like AHT isn't available, we can map patterns against subjective measures. We have asked teams to rate their days on a scale of “creativity” or “frustration,” for example, and then seen which patterns are associated with highly creative or frustrating days. Teams often describe this feedback as “a revelation.”

Successful tactics. The obvious question at this point is, Once I recognize I need to improve energy and engagement, how do I go about doing it? What are the best techniques for moving those measurements?

Simple approaches such as reorganizing office space and seating are effective. So is setting a personal example—when a manager himself actively encourages even participation and conducts more face-to-face communication. Policy changes can improve teams, too. Eschewing Robert's Rules of Order, for example, is a great way to promote change. In some cases, switching out team members and bringing in new blood may be the best way to improve the

Mapping Communication Against Performance

energy and engagement of the team, though we've found that this is often unnecessary. Most people, given feedback, can learn to interrupt less, say, or to face other people, or to listen more actively. Leaders should use the data to force change within their teams.

The ideal team player. We can also measure individuals against an ideal. In both productivity-focused and creativity-focused teams, we have discovered the data signature of what we consider the best type of team member. Some might call these individuals "natural leaders." We call them "charismatic connectors." Badge data show that these people circulate actively, engaging people in short, high-energy conversations. They are democratic with their time—communicating with everyone equally and making sure all team members get a chance to contribute. They're not necessarily extroverts, although they feel comfortable approaching other people. They listen as much as or more than they talk and are usually very engaged with whom ever they're listening to. We call it "energized but focused listening."

The best team players also connect their teammates with one another and spread ideas around. And they are appropriately exploratory, seeking ideas from outside the group but not at the expense of group engagement. In a study of executives attending an intensive one-week executive education class at MIT, we found that the more of these charismatic connectors a team had, the more successful it was.

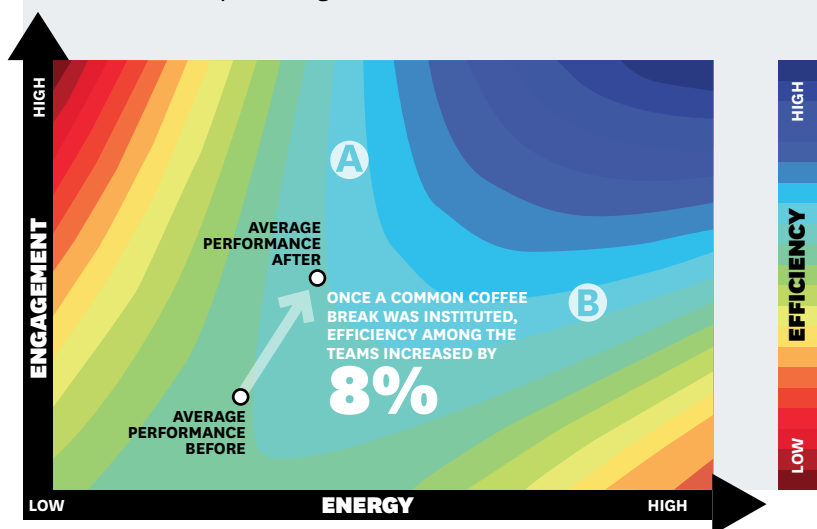
TEAM BUILDING is indeed a science, but it's young and evolving. Now that we've established patterns of communication as the single most important thing to measure when gauging the effectiveness of a group, we can begin to refine the data and processes to create more-sophisticated measurements, dig deeper into the analysis, and develop new tools that sharpen our view of team member types and team types.

The sensors that enable this science are evolving as well. As they enter their seventh generation, they're becoming as small and unobtrusive as traditional ID badges, while the amount and types of data they can collect are increasing. We've begun to experiment with apps that present teams and their leaders with real-time feedback on group communications. And the applications for the sensors are expanding beyond the team to include an ever-broader set of situations.

VISUALIZATIONS CAN BE USED to compare energy and engagement with established performance metrics. The map below plots the energy and engagement levels of several teams at a bank call center against the center's metric of efficiency, average handling time (AHT).

The expected team efficiency is based on a statistical analysis of actual team AHT scores over six weeks. Blue indicates high efficiency; red low efficiency. High-energy, high-engagement teams are the most efficient, the map shows. But it also indicates that low-energy, low-engagement teams outperform teams that are out of balance, with high energy and low engagement, or low energy and high engagement. This means the call center manager can pull more than one lever to improve performance. **Points A and B** are equally efficient, for example, but reflect different combinations of energy and engagement.

The manager wanted to raise energy and engagement in lockstep. We suggested instituting a common coffee break for each team at the call center. This increased the number of interactions, especially informal ones, and raised the teams' energy levels. And because all team members took a break at once, interactions were evenly distributed, increasing engagement. When we mapped energy and engagement against AHT afterward, the results were clear: Efficiency in the center increased by 8%, on average, and by as much as 20% for the worst-performing teams.



We imagine a company's entire staff wearing badges over an extended period of time, creating "big data" in which we'd find the patterns for everything from team building to leadership to negotiations to performance reviews. We imagine changing the nature of the space we work in, and maybe even the tools we use to communicate, on the basis of the data. We believe we can vastly improve long-distance work and cross-cultural teams, which are so crucial in a global economy, by learning their patterns and adjusting them. We are beginning to create what I call the "God's-eye view" of the organization. But spiritual as that may sound, this view is rooted in evidence and data. It is an amazing view, and it will change how organizations work. ♥

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SPOTLIGHT ON THE SECRETS OF GREAT TEAMS

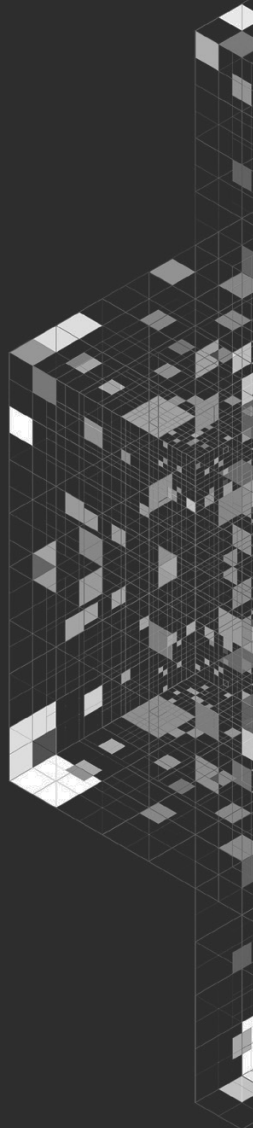
Teamwork On the Fly

How to master the new art of teaming
by Amy C. Edmondson

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new art of teaming*
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Teamwork On the Fly

IF YOU WATCHED the Beijing 2008 Olympic Games, you probably marveled at the Water Cube: that magnificent 340,000-square-foot box framed in steel and covered with semitransparent, eco-efficient blue bubbles. Formally named the Beijing National Aquatics Center, the Water Cube hosted swimming and diving events, could hold 17,000 spectators, won prestigious engineering and design awards, and cost an estimated 10.2 billion yuan. The structure was the joint effort of global design and engineering company Arup, PTW Architects, the China State Construction Engineering Corporation (CSCEC), China Construction Design International, and dozens of contractors and consultants. The goal was clear: Build an iconic structure to reflect Chinese culture, integrate with the site, and minimize energy





consumption—on time and within budget. But how to do all that was less clear.

Ultimately, Tristram Carfrae, an Arup structural engineer based in Sydney, corralled dozens of people from 20 disciplines and four countries to win the competition and deliver the building. This required more than traditional project management. Success depended on bridging dramatically different national, organizational, and occupational cultures to collaborate in fluid groupings that emerged and dissolved in response to needs that were identified as the work progressed.

The Water Cube was an unusual endeavor, but the strategy employed to complete it—a strategy I call *teaming*—epitomizes the new era of business. Teaming is teamwork on the fly: a pickup basketball game rather than plays run by a team that has trained as a unit for years. It's a way to gather experts in temporary groups to solve problems they're encountering for the first and perhaps only time. Think of clinicians in an emergency room, who convene quickly to solve a specific patient problem and then move on to address other cases with different colleagues, compared with a surgical team that performs the same procedure under highly controlled conditions day after day. When companies need to accomplish something that hasn't been done before, and might not be done again, traditional team structures aren't practical. It's just not possible to identify the right skills and knowledge in advance and to trust that circumstances will not change. Under those conditions, a leader's emphasis has to shift from composing and managing teams to inspiring and enabling teaming.

Stable teams of people who have learned over time to work well together can be powerful tools. But given the speed of change, the intensity of market competition, and the unpredictability of customers' needs today, there often isn't enough time to build that kind of team. Instead, organizations increasingly must bring together not only their own

far-flung employees from various disciplines and divisions but also external specialists and stakeholders, only to disband them when they've achieved their goal or when a new opportunity arises. More and more people in nearly every industry and type of company are now working on multiple teams that vary in duration, have a constantly shifting membership, and pursue moving targets. Product design, patient care, strategy development, pharmaceutical research, and rescue operations are just a few of the domains in which teaming is essential.

This evolution of teamwork presents serious challenges. In fact, it can lead to chaos. But employees and organizations that learn how to team well—by embracing several project management and team leadership principles—can reap important benefits. Teaming helps individuals acquire knowledge, skills, and networks. And it lets companies accelerate the delivery of current products and services while responding quickly to new opportunities. Teaming is a way to get work done while figuring out how to do it better; it's executing and learning at the same time.

To build the Water Cube for the Beijing Olympics, dozens of people from 20 disciplines and four countries collaborated in fluid groupings.



PHOTOGRAPHY: GETTY IMAGES

Idea in Brief

In today's fast-moving, ultracompetitive global business environment, you can't rely on stable teams to get the work done. Instead, you need "teaming."

Teaming is flexible teamwork. It's a way to gather experts from far-flung divisions and disciplines into temporary groups to tackle unexpected problems and identify emerging opportunities. It's happening now in nearly every industry and type of company.

To "team" well, employees and organizations must embrace principles of **project management**—such as scoping out the project, structuring the group, and sorting tasks by level of interdependence—and of **team leadership**, such as emphasizing purpose, building psychological safety, and embracing failure and conflict.

Those who master teaming will reap benefits. Teaming allows individuals to acquire knowledge, skills, and networks, and it lets companies accelerate the delivery of current offerings while responding quickly to new challenges. Teaming is a way to get work done while figuring out how to do it better.

From Teams to Teaming

The stable project teams we grew up with still work beautifully in many contexts. By pulling together the right people with the right combination of skills and training and giving them time to build trust, companies can accomplish big things. For instance, traditional teams at Simmons Bedding Company in the early 2000s achieved a major turnaround by driving waste out of operations, energizing sales, and building better relationships with dealers. In those teams, membership was clearly defined, each group knew which part of the operation it was responsible for, and no one had to do fundamentally new types of work. These stable teams left a trail of positive indicators, including savings of \$21 million in operational costs without layoffs in the first year alone; increased sales and customer satisfaction; and dramatically improved employee morale. But Simmons had what many companies today lack: reasonably stable customer preferences, purely domestic operations, and no significant boundaries that had to be crossed to get the job done.

Situations that call for teaming are, by contrast, complex and uncertain, full of unexpected events that require rapid changes in course. No two projects are alike, so people must get up to speed quickly on brand-new topics, again and again. Because solutions can come from anywhere, team members do, too. As a result, teaming requires people to cross boundaries, which can be risky. Experts from different functions—operating with their own jargon, norms, and knowledge—often clash. People who aren't from the same division or organization can have competing values and priorities. When junior and senior staff members from different divisions are paired, reporting structures and hierarchies often silence dissent. On global teams, time zone differences and electronic correspondence can give rise to miscommunication and logistical snafus. And because the work relationships are temporary, invest-

ing the time to grow accustomed to new colleagues' work styles, strengths, and weaknesses isn't possible.

Disagreements were plentiful in designing the Water Cube, given the need for intense collaboration across boundaries. Early on, two architecture firms—one Chinese and one Australian—each developed a design concept. One was a wave-shaped structure, and the other was an eroded rectangular form. A participant recalled tension between what felt like two camps. Another added, "It was like two design processes were going on at the same time. One team was working secretly on its idea, and the other architects were doing their own thing."

Consider also a geographically distributed product development team I studied in a high-tech materials company. Working to develop a custom polymer for a Japanese manufacturer's new-product launch, the group nearly broke down over conflicting cultural norms about customer relationships. One team member, a U.S.-based marketing expert, wanted data on the manufacturer's market strategy to assess the longer-term opportunity for the polymer; she was deeply frustrated by a Japanese team member's failure to fulfill her request. In turn, the Japanese team member, an engineer, thought the U.S. marketer was pushy and unsupportive. She knew that the customer had not yet established a strategy for the product and that demanding more information at this stage in the nascent relationship would cause the customer to "lose face."

At the same company, another team of seven experts spread across five facilities on three continents was trying to develop a different polymer on an aggressive timetable. In spite of its combined knowledge, the group reached a dead end in an effort to source a specialized compound. One member eventually found a colleague from outside the formal team who could produce it. In technologically and scientifically complex projects like this one, teaming occurs not just across the boundaries

it was designed to span but also across boundaries between projects, when colleagues with expertise and goodwill help out.

As these brief examples illustrate, teaming involves both technical and interpersonal challenges. It therefore falls to leaders to draw on best practices of project management (to plan and execute in a complex and changing environment) and team leadership (to foster collaboration in shifting groups that will be inherently prone to conflict). This is the hardware and the software of teaming. Let's tackle the hardware first.

The Hardware

To facilitate effective teaming, leaders need to manage the technical issues of *scoping* out the challenge, lightly *structuring* the boundaries, and *sorting* tasks for execution. A classic error is assuming that everything a team does has to be collaborative. Instead, input and interaction should be used as needed so

that not all tasks become team encounters, which are time-consuming. Another error is subjecting highly uncertain initiatives to traditional project management tools that cope with complexity by dividing work into predictable phases such as initiation, planning, execution, completion, and monitoring. The hardware of teaming modifies those tools to enable execution during, rather than after, learning and planning.

Scoping. The first step in any teaming scenario is to draw a line in the (shifting) sand by scoping out the challenge, determining what expertise is needed, tapping collaborators, and outlining roles and responsibilities. Leaders of the Water Cube project, for example, started by identifying a handful of Pacific Rim firms that were capable of state-of-the-art engineering and design and willing to work together. In other organizations, this scouting activity might involve lateral and vertical searches through the hierarchy to identify people with relevant expertise.

The Rewards of Teaming

The most challenging attributes of teaming can also yield big organizational and individual benefits.

Multiple functions must work together	People are geographically dispersed	Relationships are temporary	No two projects are alike	The work can be uncertain and chaotic
CHALLENGES				
Conflict can arise among people with differing values, norms, jargon, and expertise.	Time zone differences and electronic communication present logistical hurdles.	People may not have time to build trust and mutual understanding.	Individuals must get up to speed on brand-new topics quickly, again and again.	Fluid situations require constant communication and coordination.
BENEFITS				
ORGANIZATIONAL Innovation from combining skills and perspectives Ability to solve cross-disciplinary problems INDIVIDUAL Boundary-spanning skills Understanding of other disciplines Broader perspective on the business	ORGANIZATIONAL Greater alignment across divisions Better diffusion of the company's culture INDIVIDUAL Familiarity with people in different locations Deeper understanding of different cultures and of the organization's operations	ORGANIZATIONAL More shared experience among colleagues Greater camaraderie across the company INDIVIDUAL Interpersonal skills Extensive network of collaborators	ORGANIZATIONAL Ability to meet changing customer needs INDIVIDUAL Flexibility and agility Ability to import ideas from one context to another	ORGANIZATIONAL Ability to manage unexpected events INDIVIDUAL Project management skills Experimentation skills

When a team is already assembled, scoping includes figuring out what additional resources are needed, as occurred in the second polymer team, or which team members can be freed up over time to join other groups. Successful scoping articulates the best possible current definition of the work and acknowledges that the definition will evolve along with the project.

Structuring. The second step is to offer some structure—figurative scaffolding—to help the team function effectively. In building, a scaffold is a light, temporary structure that supports the process of construction. For improvisational, interdependent work carried out by a shifting mix of participants, some structuring can help the group by establishing boundaries and targets. Scaffolding in a teaming situation could include a list of team members that contains pertinent biographical and professional information; a shared radio frequency, chat room, or intranet; visits to teammates' facilities; or temporary shared office space. The use of "shirts" and "skins" to designate sides in a pickup basketball game is a kind of scaffold, as is a quick briefing at the launch of a rescue mission that assigns, say, groups of four people, each with a different role, to head in three different directions. The objective of structuring is to make it easier for teaming partners to coordinate and communicate—face-to-face or virtually.

Melissa Valentine, a doctoral candidate at Harvard University, and I recently looked at the use of figurative scaffolds in emergency rooms, where fast-paced teaming has life-or-death consequences. In this setting, physicians, nurses, and technicians with constantly varying schedules depend on one another to make good patient care decisions and execute them flawlessly in real time. More often than not, people scheduled on the same shift do not have long-standing work relationships and may not even know one another's names. Valentine and I found several hospitals that were experimenting with a system to make ad hoc collaboration easier by dividing ERs into subsections ("pods") incorporating a preset mix of roles (such as an attending physician, three nurses, a resident, and an intern) into which clinicians slide when they come to work. As a result, the teaming arrangement for each shift is established early on, which reduces coordination time, boosts accountability, improves operational efficiency, and shortens patient waits.

Temporary colocation is a common type of scaffold for high-priority, short-term projects in corpo-

rate settings. Motorola used this for one of the most successful product launches in history: the RAZR mobile phone. Battling fierce global competition in 2003, the company set out to create the thinnest phone ever in record time. Roger Jellicoe, an electrical engineer, led the project, in which 20 engineers and other experts from various groups and locations temporarily worked side by side in an otherwise unremarkable facility an hour from Chicago. The resulting product, introduced in 2004, was a stunning market success: More than 110 million RAZRs were sold in the first four years.

Sorting. The third step is the conscious prioritizing of tasks according to the degree of interdependence among individuals. As the organizational theorist James Thompson noted a half century ago, organizations exist to combine people's efforts. Combining, or interdependence, can take three forms: pooled, sequential, or reciprocal. *Pooled* interdependence was the very essence of the industrial era—breaking work down into small tasks that could be done and monitored individually, without input from others. To the extent that such work exists in current projects, there's flexibility in when and where it gets done. But most tasks now require some degree of interaction among individuals or subgroups.

Sequential interdependence characterizes tasks that need input (information, material, or both) from someone else. The assembly line is the classic example: Unless the guy upstream does his part, I cannot do mine. Teaming situations are full of these tasks; they must be scheduled carefully to avoid delays. Effective teaming streamlines handoffs between sequential tasks to avoid wasted time and miscommunication. Too often, people focus on their own part of the work and assume that if others do likewise, that will be sufficient for good performance.

The management of tasks involving *reciprocal* interdependence—work that calls for back-and-forth communication and mutual adjustment—is most critical to successful teaming. Because it's often difficult for people in cross-functional, fluid groups to reach consensus, these tasks tend to become bottlenecks. They should therefore be prioritized. It's crucial that leaders specify points when individuals or subgroups must gather—literally or virtually—to coordinate upcoming decisions and resources or to analyze and solve problems.

One factor that distinguished the design and construction of the Water Cube from most large-scale

Conflict among collaborators can feel like a failure, but differences in perspective are a core reason for teamwork in the first place, and resolving them effectively creates opportunities.

building projects—in which different tasks are performed sequentially by different disciplines—was that all the experts came together at the beginning to brainstorm and consider the implications of various design ideas. This decision about process deliberately converted traditionally sequential activities into reciprocal ones. The result was greater complexity and more need for coordination but also better design, less waste, quicker completion, and lower cost. One outcome was the radical decision to use ethylene tetrafluoroethylene (ETFE), a material that had been developed for space exploration but never used in a major building. Its unique properties solved several acoustic, structural, and lighting problems, and although the choice initially appeared risky, Arup engineers used the latest computer modeling software to confirm the safety of ETFE for their purposes and to communicate their thinking to the Chinese authorities.

Of course not all tasks in the Water Cube project required reciprocal interdependence. Expert subgroups had many independent tasks, such as fire safety analyses and certain technical drawings. But for interdependent work, groups had to coordinate across what the company called “interfaces.” Carfrae and his colleagues divided the entire project into “volumes” (separable parts) on the basis of areas of interdependence and assigned subteams to carry them out. When issues required coordination across volumes, interface coordination meetings were held—for just the relevant parties—to manage the structural, organizational, or procedural boundaries. In this way, the project eliminated mistakes that might otherwise occur at such boundaries—saving materials, costs, and headaches.

The Software

The hardware of teaming rarely works smoothly unless the software is thoughtfully managed as well. (See the sidebar “The Behaviors of Successful Teaming.”) One challenge of any kind of teamwork is that

people working together are more vulnerable to the effects of others’ decisions and actions than people working independently. Stable teams overcome this by giving members time to get to know and trust one another, which makes it easier to speak up, listen closely, and interact fluidly. But constantly shifting relationships heighten the challenge. The software of teaming asks people to get comfortable with a new way of working rather than with a new set of colleagues. This new way of working requires them to act as if they trust one another—even though they don’t. Of course they don’t; they don’t yet know one another. Leaders have at their disposal four software tools: emphasizing purpose, building psychological safety, embracing failure, and putting conflict to work.

Emphasizing purpose. Articulating what’s at stake is a basic leadership tool for motivation in almost any setting, but it’s particularly important in contexts that require teaming. Purpose is fundamentally about shared values; it answers the question why we (this company, this project) exist, which can galvanize even the most diverse, amorphous team. Emphasizing purpose is necessary even when the purpose is obvious, such as in the historic 70-day rescue operation of 33 Chilean miners in 2010. Andre Sougarret, the senior engineer at the Codelco mining company who led the complex rescue, constantly reminded the dozens of engineers and geologists teaming with him about the human lives they were trying to save. This helped experts from disparate disciplines, companies, and countries quickly resolve disagreements and support one another instead of competing to come up with the idea that would save the day. Jellicoe and the Motorola RAZR team emphasized producing a groundbreaking product that would be beautiful as well as practical, while the polymer developers had a mandate to satisfy their customers’ needs as quickly and effectively as they could.

THE BEHAVIORS OF SUCCESSFUL TEAMING

Building psychological safety. In fast-paced, cross-disciplinary, cross-border teaming situations, it's not necessarily easy for people to rapidly share relevant information about their ideas and expertise. Some people worry about what others will think of them. Some fear that they will be less valuable if they give away what they know. Others are reluctant to show off. Even receiving knowledge can be difficult if it feels like an admission of weakness.

Because these vital interpersonal exchanges don't always happen spontaneously, leaders must facilitate them by creating a climate of psychological safety in which it's expected that people will speak up and disagree. A basic way to create such a climate is to model the behaviors on which teaming depends: asking thoughtful questions, acknowledging ignorance about a topic or area of expertise, and conveying awareness of one's own fallibility. Leaders who act this way make it safer for everyone else to do so. To establish a psychologically safe environment for the rescue operation in Chile, Sougarret shielded everyone involved from the media, asked questions and listened carefully to people regardless of rank, and demonstrated deep interest in new ideas about how to save the miners. In the Water Cube project, Carfrae created what team members referred to as a "safe design environment" by reinforcing the need to experiment with wild ideas.

Embracing failure. Teaming necessarily leads to failures, even on the way to extraordinary successes. These failures provide essential information that guides the next steps, creating an imperative to learn from them.

In teaming situations, leaders must ensure that all participants get over their natural desire to avoid the embarrassment and loss of confidence associated with making mistakes. The RAZR team confronted failure when, despite long working hours, it missed its ambitious deadline and the associated holiday sales. Fully supported by senior management, the team launched a few months later, and the phone's sales still surpassed expectations. The first polymer team described above undertook a series of experiments that went nowhere and ultimately brought in some specialists, confident that those colleagues would not think less of them. Teaming is needed for just those kinds of situations—when the people responsible for implementing solutions are not necessarily the ones who can come up with them.

Putting conflict to work. When teaming occurs across diverse cultures, priorities, or values,

Speaking Up

Communicating honestly and directly with others by asking questions, acknowledging errors, raising issues, and explaining ideas

Experimenting

Taking an iterative approach to action that recognizes the novelty and uncertainty inherent in interactions between individuals and in the possibilities and plans they develop

Reflecting

Observing, questioning, and discussing processes and outcomes on a consistent basis—daily, weekly, monthly—that reflects the rhythm of the work

Listening Intently

Working hard to understand the knowledge, expertise, ideas, and opinions of others

Integrating

Synthesizing different facts and points of view to create new possibilities

progress-thwarting conflicts are common—even when leaders have done all the right things. To move forward, all parties must be pushed to consider the degree to which their positions reflect not just facts but also personal values and biases, to explain how they have arrived at their views, and to express interest in one another's analytic journeys. In this way, people can put conflict to good use.

As Chris Argyris wrote in the HBR article "Teaching Smart People How to Learn" (May 1991), learning from conflict requires us to balance our natural tendency toward advocacy (explaining, communicating, teaching) with a less spontaneous behavior: inquiry (expressions of curiosity followed by genuine listening). A useful discipline for leaders is to force moments of reflection, asking themselves and then others, "Is this the only way to see the situation? What might I be missing?" Such exploration—even in the face of deadlines—is critical to successful teaming. In fact, in my research and consulting I've found that "taking the time" to do this actually takes less time than allowing conflicts to follow their natural course.

Conflict can feel like a failure. It can be frustrating not to see eye-to-eye with collaborators, but differences of perspective are a core reason for teamwork in the first place, and resolving them effectively gives rise to new opportunities. Instead of parting ways when they disagreed about the design for the Olympic aquatics center, the Chinese and Australian designers came up with a brand-new concept that excited both sides. Would either of their original design concepts have won the competition? We can't answer that, but the new, shared solution—the Water Cube—was spectacular. Project leaders facilitated this successful outcome by assigning those rare specialists who had deep familiarity with both Chinese and Western culture to spend time in each other's firms helping to bridge differences in language, norms, practices, and expectations.

Challenges Bring Benefits

Having studied the evolution of teamwork for 20 years, I believe that teaming is not just something individuals and companies have to do now but something they should want to do now, because it's an important driver of personal and organizational development.

When managed effectively, teaming can generate not only amazing short-term results, as illustrated by the RAZR and the Water Cube, but also long-term dividends. (See the exhibit "The Rewards

Organizations that team well are nimble and innovative. They execute while they're learning on multiple fronts.

of Teaming.”) Organizations that learn to team well become nimbler and more innovative. They are able to solve complex, cross-disciplinary problems, align divisions and employees by developing stronger and more-unified corporate cultures, deliver a wide variety of products and services, and manage unexpected events. Teaming helps companies execute even as they learn on multiple fronts, which in turn leads to improved execution.

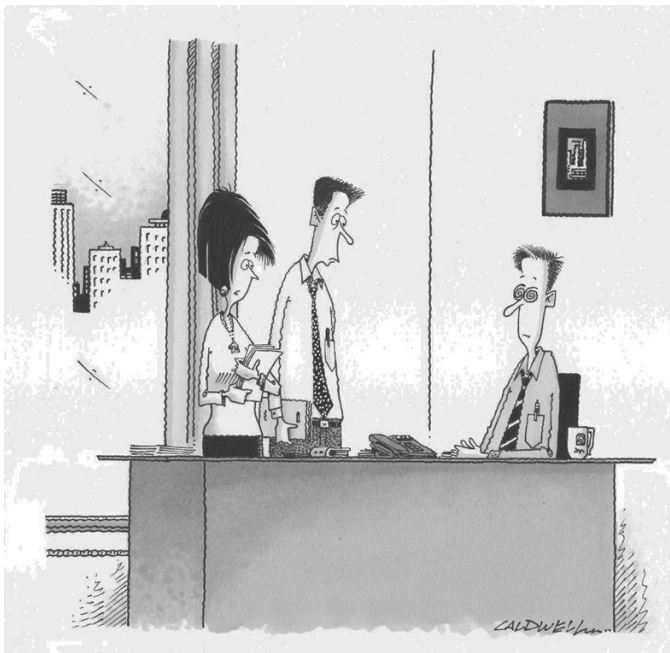
Individuals also benefit from serial teaming, developing broader knowledge, better interpersonal skills, a bigger network of potential collaborators, and a better understanding of their company and the different cultures at work in it. In a study of product development teams, my colleagues and I found that people who had worked on teams with greater task novelty and product complexity, more-diverse colleagues, and more boundary spanning learned more than people on teams that faced fewer of those challenges.

The multinational food company Group Danone believes so strongly in the power of teaming that the company has institutionalized it in the form of Networking Attitude, a program initiated by the executives Franck Mougin and Benedikt Benenati. It encourages ad hoc projects involving employees spread across hundreds of business units that previously operated independently, with little or no cross-pollination. Using a mix of face-to-face “knowledge marketplaces” and electronically mediated discussions, managers with an interest in a particular issue, brand, or problem can find partners with whom to share practices and launch new initiatives. An internal report featured stories of 33 practices transferred across sites, from which the company expects new teams and projects to bubble up. One initiative involved a dessert Danone Brazil helped Danone France launch in under three months in response to a competitor’s move; it became a €20 million business. The company now has more than 60 new “networks”—porous communities of teaming colleagues—around the globe. Networking Attitude was designed to produce business successes, and it did. But, just as important, it shifted a culture of localized, hierarchical decision making to one of horizontal collaboration.

TEAMING IS MORE CHAOTIC than traditional teamwork, but it is here to stay. Projects increasingly require information and process sophistication from many fields. And managers are dependent on all kinds of specialists to make decisions and get work done. To excel in a complex and uncertain business environment, people need to work together in new and unpredictable ways. That’s why successful teaming starts with an embrace of the unknown and a commitment to learning that drives employees to absorb, and sometimes create, new knowledge while executing. ♥

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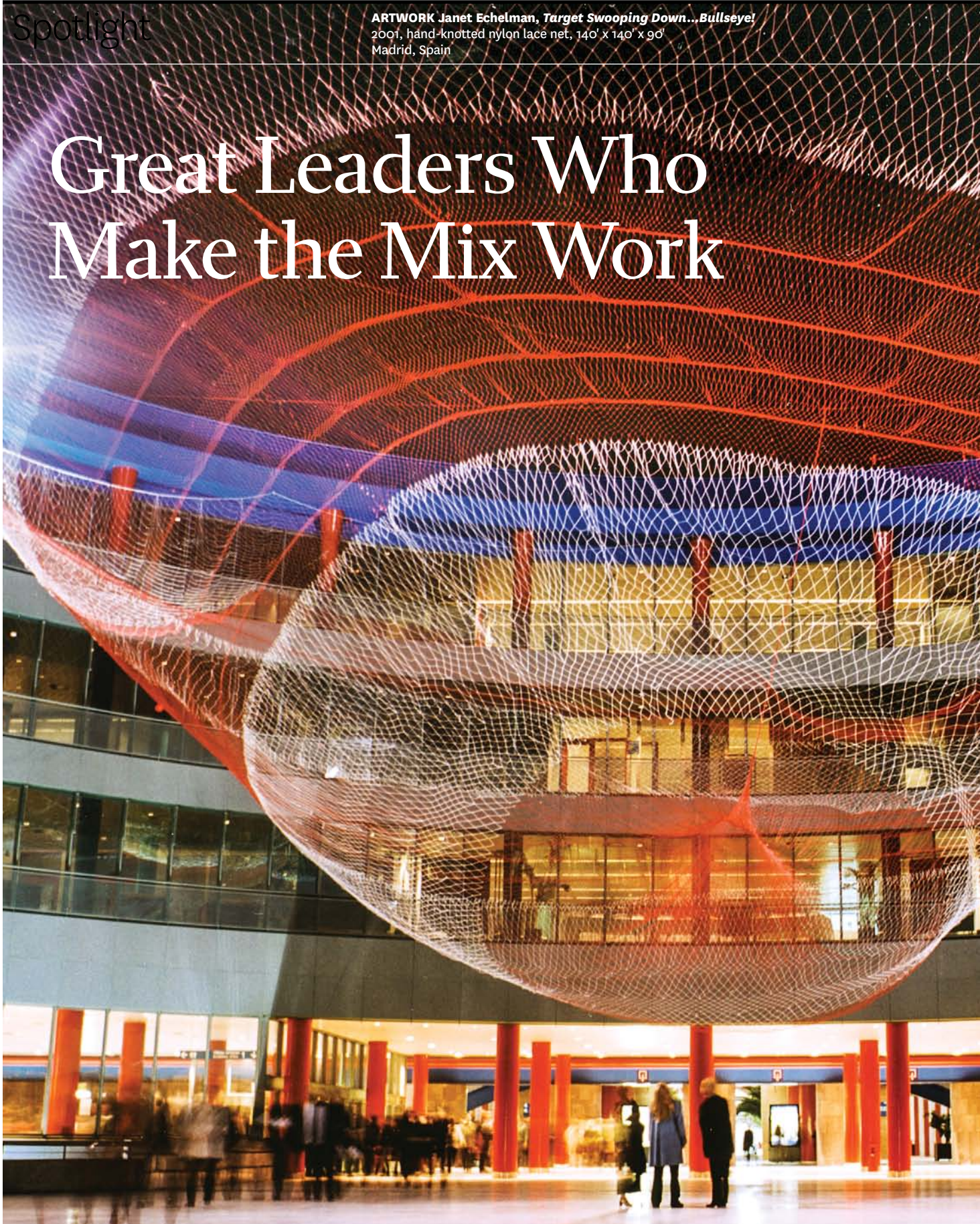


“Let’s come back later. It looks like he’s still buffering.”

Spotlight

ARTWORK Janet Echelman, *Target Swooping Down...Bullseye!*
2001, hand-knotted nylon lace net, 140' x 140' x 90'
Madrid, Spain

Great Leaders Who Make the Mix Work





Boris Groysberg is a professor of business administration in the organizational behavior unit at Harvard Business School and the coauthor, with Michael Slind, of *Talk, Inc.* (Harvard Business Review Press, 2012).

Katherine Connolly works in the organizational behavior unit at HBS.

Twenty-four CEOs on creating diverse and inclusive organizations

by Boris Groysberg and Katherine Connolly

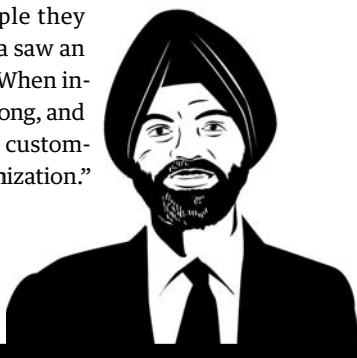
BUSINESS LEADERS SEND a powerful message when they demonstrate a commitment to diversity and inclusion that goes beyond rhetoric. But how does diversity make its way to the top of a CEO's agenda? To find out, we interviewed 24 CEOs from around the globe who ran companies and corporate divisions that had earned reputations for embracing people from all kinds of backgrounds. These executives represented a wide range of industries and regions, as well as different stages on the journey to creating an inclusive culture. Our goal was to understand not only why they had made diversity a strategic priority but also how they executed on their goals and what that meant to the organization and its practices.

PHOTOGRAPHY: COURTESY OF ENRIQUE DIAZ

The CEOs we spoke with did not see diversity as a once-and-done initiative, nor did they hand off the responsibility for it to others. Rather, each of the 24, in his or her own way, approached inclusivity as a personal mission. When we asked these executives why advancing diversity in their organizations was so important to them, the aggregate answer was twofold: They believed it was a business imperative because their companies needed it to stay competitive, and they believed it was a moral imperative because of their personal experiences and values. As Mikael Ohlsson of the Swedish home-products company IKEA put it, “My leadership on diversity is vision-driven from a business point of view and value-driven at the foundation.”

These CEOs spoke forcefully about diversity as an advantage. Paul Block of the U.S. sweetener manufacturer Merisant pointed out, “People with different lifestyles and different backgrounds challenge each other more. Diversity creates dissent, and you need that. Without it, you’re not going to get any deep inquiry or breakthroughs.” Or, as Jonathan Broomberg of the South African insurer Discovery Health put it, diversity is “a source of creativity and innovation.”

A diverse workforce also prevents an organization from becoming too insular and out of touch with its increasingly heterogeneous customer base. Many of the CEOs asserted that it is crucial for a company’s employees to reflect the people they serve. Brian Moynihan of Bank of America saw an important link to customer satisfaction: “When internal diversity and inclusion scores are strong, and employees feel valued, they will serve our customers better, and we’ll be better off as an organization.”



AJAY BANGA CEO OF MASTERCARD

“My passion for diversity comes from the fact that I myself am diverse. There have been a hundred times when I have felt different from other people in the room or in the business. I have a turban and a full beard, and I run a global company—that’s not common.”

The Role of Personal Experience

A CEO’s commitment often arises from his or her own understanding of what it means to be an outsider. Take Andrea Jung of the personal-care-products firm Avon. (Note that Jung, like a number of other CEOs we talked with, has stepped down since our interview with her.) Describing her career, she said: “I was often the only woman or Asian sitting around a table of senior executives. I experienced plenty of meetings outside my organization with large groups of executives where people assumed that I couldn’t be the boss, even though I was.” MasterCard’s CEO, Ajay Banga—a Sikh from India who was hassled in the United States after 9/11—shared something similar: “My passion for diversity comes from the fact that I myself am diverse. There have been a hundred times when I have felt different from other people in the room or in the business. I have a turban and a full beard, and I run a global company—that’s not common.”

Carlos Ghosn of Nissan Motor Company told us how bias had affected his own family. “My mother was one of eight children,” he said. “She used to be a very brilliant student, and when the time came to go to college, she wanted to become a doctor. Unfortunately, her mother had to explain to her that there was not enough money in the family, and that the money for college was going to the boys and the girls would instead have to marry. When I was a kid and my mother was telling me this story—without any bitterness, by the way, just matter-of-fact—I was outraged because it was my mother. After hearing that story, I said I would never do anything to hurt someone based on segregation.”

To Ghosn, gender bias is a personal affront. “When I see that women do not have the same opportunities as men, it touches me in a personal way,” he said. “I think it’s some kind of refusal related to my sisters or to my daughters.”

Even white male CEOs had stories to share. Kentucky native Jim Rogers of the electric-utility holding company Duke Energy felt like an outsider at the start of his career. “When I went to Washington to be a lawyer, I felt like I had to work harder, be better, and prove myself because I had a southern accent and came from a rural state,” he said. The self-awareness, insight, and empathy that Rogers and other chief executives acquired from personal experience have clearly shaped their attitudes toward diversity and inclusion and informed their priorities as leaders.

Idea in Brief

THE CHALLENGE

CEOs readily admit that diversity is a moral and business imperative. But how do they create truly inclusive cultures?

THE RESEARCH

The authors interviewed 24 CEOs who ran organizations that are recognized for diversity. Each of them approached diversity as a personal mission, not an initiative that could be delegated. As a group they were highly attuned to the obstacles and biases that impede women's progress and were committed to breaking them down.

WHAT TO DO

Noting that diversity concerns the mix of people you have, and inclusivity focuses on making that mix work, the CEOs pointed to eight practices that lead to improvements on both fronts.

Persistent Institutional Barriers

The CEOs were generally disappointed with the lack of progress on diversity in the C-suite. While several women have risen through the ranks to become leaders of multibillion-dollar corporations, the statistics are grim overall. Only 4% of companies on the 2013 *Fortune* 500 list are led by female CEOs. As Banga acknowledged, "That's more than what it used to be 20 years ago, but it's nowhere near where it should be." The disparity also persists in other senior leadership positions and on boards. Ken Frazier of Merck offered a harsher assessment: "I think that the progress of women in the last two decades has been so limited, so slow, so inadequate, that it would defy even the most skeptical people from 20 years ago."

We asked the CEOs what they perceived to be the greatest obstacles to women's advancement in their own companies and industries. Although there's no one truth about what holds women back, the leaders we spoke with offered candid views based on years of observation.

If there's a single barrier that affects all women, it's exclusion from networks and conversations that open doors to further development and promotion, according to seven of the CEOs. Woods Staton of Arcos Dorados, the largest operator of McDonald's restaurants in Latin America, defined the offending mechanism as "social cliquishness," a pattern of interaction in which men seek out the company of other men and ignore women. "The men come out of a meeting, hang out with each other, and then go out at night for drinks," Staton explained. "It's subtle discrimination, and it's difficult to work around." Barry Salzberg of the professional services firm Deloitte described this pattern as a tangible, negative consequence of "the old boys' network."

Frazier went so far as to say, "I'm an African-American, and I've worked in the business world



ANDREA JUNG FORMER CEO OF AVON

I was often the only woman or Asian sitting around a table of senior executives. I experienced plenty of meetings outside my organization with large groups of executives, where people assumed that I couldn't be the boss, even though I was.

all my life, and I believe very strongly that whatever barriers race presents in the workforce, they pale in comparison to the barriers that women face when creating the close mentoring relationships that are necessary to be promoted." We find that this kind of discrimination is often unintended, unconscious, and embedded in a company's culture.

The CEOs also reported that the contributions of women are often underappreciated. As an example, Jim Turley of Ernst & Young described an incident when he himself was called out: "I like to facilitate our board discussions by getting right into the more contentious points, and we were having a discussion around a particular topic. Three women on the board made individual comments that were similar in direction, which I didn't respond to. Not long after they spoke, a fourth person, who happened to be a man, made a comment in line with what the women had been saying, and I picked up



CARLOS GHOSN CEO OF NISSAN MOTOR COMPANY

on his comment. I said, 'I think Jeff's got it right,' not even aware of what I had just done. To their great credit, the women didn't embarrass me publicly. They pulled me to the side, and they said, 'Jim, we know you didn't mean for this to be the way it was received, but this is what happened.' They played it back to me, and they said that that's what happens to women throughout their careers. It was a learning moment for me."

Clearly, even leaders passionate about building inclusive cultures can inadvertently allow unconscious biases to shape their behavior.

Five of the CEOs asserted that unexamined assumptions also constrained women's chances to progress. As Frazier explained, "If a job requires a woman to travel a lot, sometimes people decide preemptively that she's got a young child at home—this won't be something she's interested in." Double standards can also trip up women in line for promotions, as when characteristics prized in male leaders are viewed as negative qualities in women. "When men come into the environment and they're tough, they're perceived as strong business leaders," said Block. "When women come in and they're tough, it's not always as valued."

Geographic immobility due to family constraints was another problem, mentioned by three of the CEOs. "People often require geographic mobility to get the appropriate amount of exposure to the various aspects of the business that they need to understand," Randall Stephenson of AT&T noted. "As managers mature, we observe that some female managers get to a place where they want to begin families or their spouse also works, which makes them less inclined to move and physically relocate their families." Jung concurred: "In my experience, where part of career development and part of talent management was getting a 'global passport' stamped, one of the barriers for women could have been mobility. I saw that beyond the opportunity for the individual, we also had to try to create all of the opportunities necessary to make sure the whole family could in fact move."

Another three CEOs cited insufficient support for women who were rejoining the workforce after taking time off to raise children. Any organization that hopes to encourage women to succeed needs to address that, noted Rogers. "If a woman is pregnant and leaves, you have to have the flexibility to allow her to do that but not lose her place or her momentum," he said.

 My mother was one of eight children. She used to be a very brilliant student, and when the time came to go to college, she wanted to become a doctor. Unfortunately, her mother had to explain to her that there was not enough money in the family, and that the money for college was going to the boys and the girls would instead have to marry. After hearing that story, I said I would never do anything to hurt someone based on segregation.



Unsurprisingly, five CEOs brought up barriers related to childbearing and child rearing, and six mentioned a lack of flexible work hours. They observed that the push-and-pull between work and family, though increasingly an issue for men too, remains predominantly a barrier for women. George Chavel of Sodexo North America drove home that point, asking, "Why should women have to be super-human, have these reputations of 'They can do it all,' and make these major sacrifices, and men don't have those kinds of expectations placed on them?"

Do Women Lead Differently?

Eight of the CEOs perceived a distinction between male and female leadership styles. Though social scientists may not agree with their take on things, the CEOs said that women were less political, less likely to define themselves by their careers, more collaborative, better listeners, more relationship-oriented, and more empathetic and reasonable. We also heard that women were more likely to focus on completing the job at hand and to neglect to position themselves for recognition or promotion, while men were more apt to seek attention.

This tendency not to assert themselves could hold women back. George Halvorson of the California-based managed-care consortium Kaiser Permanente explained the problem this way: "There are cultural barriers, in that leaders who are looking for the next generation of leaders, for the people to

promote, are less likely to see and understand the capable women that they have in their shop, probably because the male style tends to focus more on being in the spotlight, and the female style tends to focus more on bringing people together to get things done. The very thing that makes the best female leaders very successful also makes them less visible, and that's an incredibly important distinction. A good leader knows to look for things that have gone really well and then drills down to find the person who really did it, as opposed to just looking for whoever has a lot of accolades and did the dance."

But some differences in leadership style can work to women's advantage, said several CEOs. "When you've got a complex project involving multiple layers, you need a leader who is collaborative, and more often than not I have found that leader to be a woman," said Halvorson.

What Is an Inclusive Culture?

Resoundingly, the CEOs agreed on what an inclusive culture meant for their organizations. They defined it as one in which employees can contribute to the success of the company as their authentic selves, while the organization respects and leverages their talents and gives them a sense of connectedness. "In an inclusive culture employees know that, irrespective of gender, race, creed, sexual orientation, and physical ability, you can fulfill your personal objectives by aligning them with the company's, have a rich career, and be valued as an individual. You are valued for how you contribute to the business," said David Thodey of Telstra, the Australian telecommunications firm. Brad Wilson of Blue Cross and Blue Shield of North Carolina described an inclusive workplace as "one where all who come with the professional skills sufficient to perform the requirements of the job feel welcome, supported, and rewarded, and are inspired to succeed based on their ability." That's similar to the point that John Rowe of Exelon, a U.S. energy producer and distributor, made when he noted that a culture of mutual respect helps his company address the complexities of its business. "A big organization needs only a few generals and a lot of sergeants," he said. "The sergeants deserve respect too."

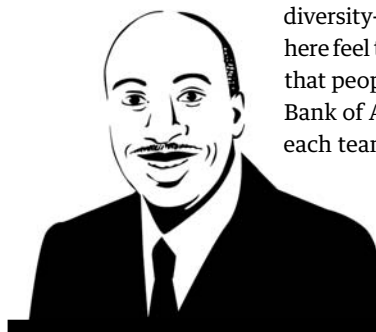
Some CEOs observed that the proof is not only in how individual employees feel about opportunities for growth but also in how teams operate and decisions are made. "In an inclusive culture, we create and support heterogeneous teams," said Chavel.

"They may take longer to make decisions than homogeneous teams, but it's worth the investment because their decisions will be better informed." To these CEOs, inclusiveness is not merely a matter of the composition of the organization or of particular teams (though such metrics can be helpful); it also has to do with how people relate to one another. "Broad diversity is necessary, but if you just walk away after you have it, you may not get the outcomes you want," said Steve Voigt of King Arthur Flour, a company where women account for three of eight board members and three of six senior executives. "You really have to manage it, grow it, and educate around it."

Practices That Make the Difference

Turley drew an important distinction: "Diversity itself is about the mix of people you have, and creating an inclusive culture is about making that mix work." We asked the CEOs which of their organizations' practices had been most effective at harnessing diversity. Here's what they told us:

1. Measure diversity and inclusion. The CEOs agreed that metrics are key because, as we know, what gets measured gets done. Bank of America, for example, puts questions about diversity and inclusiveness into its biannual employee engagement survey and compares the results for any team that gets at least seven responses against those of a normative group of companies. "We've also built a diversity-and-inclusion index that tells us if people here feel they are treated fairly and to help us ensure that people of diverse backgrounds can succeed at Bank of America," said Moynihan. "With this data, each team can have a dialogue to determine what



KEN FRAZIER CEO OF MERCK

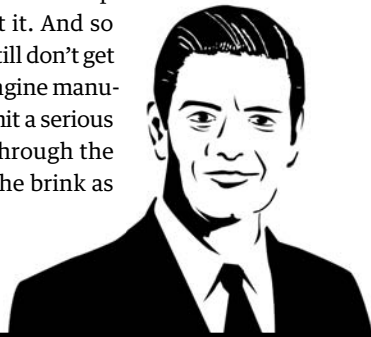
“I believe very strongly that whatever barriers race presents in the workforce, they pale in comparison to the barriers that women face when creating the close mentoring relationships that are necessary to be promoted.”



we're doing well and what we can improve to make Bank of America a better place to work."

2. Hold managers accountable. Merck, Nissan, General Mills, Telstra, and ABB North America are among the many organizations that make diversity and inclusion goals part of their managers' performance objectives. "Each of my direct reports has things that they're going to do personally to help promote diversity, not things that they can assign to their team," explained Moynihan. "I say, 'What are *you* going to do to get involved?' For example, they can mentor somebody individually or sponsor diversity events." AT&T takes a different approach. "We benchmark diversity objectives at the senior levels of management, and we have regular meetings around my table about how we're advancing," said Stephenson. "A portion of our officers' compensation is based on achieving those objectives." Many CEOs also reported that managers who embraced diversity were more likely to be considered for promotion at their companies.

In some organizations a favorable attitude toward diversity even determines whether an employee is viewed as a good fit for the organization. "We really have challenges when the leadership group is not diverse and they don't get it. And so you have to educate them—and if they still don't get it, I let them go," said Tim Solso of the engine manufacturer Cummins. He elaborated: "We hit a serious downturn in the second half of 2000 through the first half of 2003. I mean, we were on the brink as



JIM TURLEY CEO OF ERNST & YOUNG

Three women on the board made individual comments that were similar in direction, which I didn't respond to. Not long after they spoke, a fourth person, who happened to be a man, made a comment in line with what the women had been saying, and I said, 'I think Jeff's got it right,' not even aware of what I had just done. To their great credit, the women didn't embarrass me publicly. They pulled me to the side and played it back to me. It was a learning moment for me.

a company, but I didn't back off on diversity. One of the senior officers basically said to another officer, 'Why doesn't Solso get off this diversity stuff? We need to save the company.' I fired him. It was well known why he was fired. After that, people either got it or didn't talk that way anymore."

3. Support flexible work arrangements. Many of the CEOs reported that their organizations offered benefits that helped employees balance their professional and personal commitments—such as flexible hours, on-site child care, and onboarding support after a leave of absence. Ken Powell of the U.S. food processor General Mills explained his company's efforts this way: "I've had officers at General Mills say to me, 'I realize that I'm one of several people who could be the brand manager for Cheerios, but I'm the only person who can be the mother to my children.' While some of those women make the decision to leave the company—sometimes permanently—we've learned that we can retain many of them by providing greater flexibility during those hectic childbearing years."

At Sodexo North America, Chavel and his leadership team have made work/life balance a personal matter. "Although the job is 24/7, I try to send the message that I'm open and receptive to any kind of flexible arrangement," Chavel said. "For example, I will end a meeting early to get to one of my sons' athletic events or travel somewhere for a family commitment."

4. Recruit and promote from diverse pools of candidates. Workforce diversity begins with the search for talent. At General Mills, Powell's leadership team tracks metrics during and after the hiring process. "From the beginning, we're looking at the composition of the pool of candidates that we interview on campus, because that's an important early indicator," Powell told us. "Then we look at the composition of the group of people we hire in any given year. We track the retention rate for different groups, such as women or African-Americans. Even interns. At what rate are they leaving? At what rate are they getting promoted? What percentage advances to each level in the company? Our metrics help us diagnose and understand what's going on—enabling us to develop action plans to address any issues we see. It's important, and that's why I review those metrics myself on a quarterly basis."

Ghosn has taken a different approach at Nissan in Japan, where women are strikingly underrepresented in management ranks. "We've implemented

How We Chose the CEOs

quotas in hiring, particularly in the populations where there are fewer women—like engineering—and we make sure that in the succession plans of the company we always have a specific number of female candidates,” he explained. “This forces management to identify women in their own ranks or to hire more women. So when it comes time for promotions, we have a diverse group of candidates from which we can choose. I believe quotas are a great way of advancing diversity, particularly when you have a long way to go and you don’t want to wait forever. After a company attains a certain level of diversity, I think quotas lose their effectiveness. But when you’re moving from 1% female managers to 5%, if you don’t enforce a quota, it’s going to take forever to reach that number.”

Owing in part to this strategy, the representation of women in Nissan’s management has increased three times as fast as the average rate in Japan over the past decade.

5. Provide leadership education. Another key practice is providing leadership development opportunities for women at the lower levels of the organization, which tend to be more diverse. Broomberg described Discovery Health’s CEO Program like this: “It’s a brilliant two-year program which involves candidates in intensive internal and external training, significant exposure to senior executives, and travel to the U.S. to do a course at Duke. It includes external candidates and young candidates from previously disadvantaged backgrounds already in the company. It’s a big financial investment for us, but we’ve been able to add quite a lot of muscle to our recruitment capacity and also invest significantly in the more rapid advancement of existing internal candidates.”

And Johnson & Johnson’s Bill Weldon noted that diversity training cannot be hived off from the rest of the operation. It has to be woven into the culture. “About 10 years ago one of the women’s leadership initiative programs was being held across the street, and I asked the people running it if I could go to the program,” he recalled. “They said no. I asked why not, and they said I couldn’t go because I was a man. My response was that that may be the problem—you have to broaden it beyond women. We evolve and learn and grow to make sure we’re capturing not just the people involved but the views of the whole community.”

Needless to say, companies should also offer their high-potential employees opportunities for external

To find leaders who were at the forefront of the diversity movement, we first identified companies with reputations for successfully leveraging diversity. We then assessed their progress at creating inclusive cultures by examining, where available, employment statistics, leadership attitudes, and third-party recognition. (Information pertaining to employment statistics and third-party recognition was collected using public sources. Leadership attitudes were assessed on the basis of public sources, published interviews, and involvement in diversity initiatives.) We also took cultural differences into account. For example, 6% of the Japanese automaker Nissan’s management is female, a ratio that sounds dismal

from a U.S. citizen’s vantage point. But the Japanese national average for female representation in management is 2%; Nissan is actually significantly ahead of the curve.

After identifying these companies, we selected CEOs to participate in interviews as part of an exploratory study. We wanted them to represent different industries and regions, as well as different stages of inclusivity. For example, some of the companies had well-established practices for leveraging diversity, while others were initially developing practices. We also asked CEOs whom among their peers they admired for creating inclusive cultures and used this information as leads to other companies and other CEOs.

education and development. But according to Harvard Business School, only 23% of participants in executive education programs on the Boston campus in 2012 were women. Companies also need to invest in women-only leadership development programs and in educating both men and women about subtle gender biases and how they manifest themselves in firms.

6. Sponsor employee resource groups and mentoring programs. Several of the CEOs’ companies offered less structured professional development opportunities to various subgroups of employees. One approach is employee resource groups, or networks of employees who share an affiliation (such as women, ethnic minorities, or young professionals). Angela Braly of the U.S. managed-care firm WellPoint underlined the importance of leveraging such groups in substantive ways. “I visit each group twice a year and give them real assignments,” she said. “I am very clear about my expectation that they will have a real impact on the business.”

Companies must also invest in these groups, according to Banga. “Here at MasterCard we have many business resource groups, or BRGs,” he said. “We have women’s leadership networks, a YoPro group for young professionals, a group for employees of African descent, a pride community, a Latino community, and an ‘East’ community for Asian employees. Each BRG has a business sponsor, who’s normally a direct report of mine. We do a ton

of things with them, from employee-networking events to multicultural summits to a women's forum for which we get outside speakers as well as panels comprised of me and members of my board."

7. Offer quality role models. It's no surprise that diversity at the top promotes diversity throughout an organization. A varied array of leaders signals an organizational commitment to diversity and also provides emerging leaders with role models they can identify with. Several of the CEOs, including those from Kaiser Permanente, Sodexo North America, King Arthur Flour, Duke Energy, and Cummins, said that putting women in leadership roles was key to attracting, retaining, and developing other female talent. Rogers described how Duke did this: "This historically has been a man's industry. So, early on, we worked to move a woman into a plant manager position. That set an example. You have to be intentional and make sure you populate your organization with leaders who represent diversity. That creates an environment that allows those with diverse backgrounds to say, 'If they can, I can.' That is a very important feeling that needs to be embedded in the people in the company."

As for individualized employee development, many CEOs cited the importance of mentorship and sponsorship opportunities. Ohlsson explained IKEA's unique approach to mentorship this way: "We have a grandfathering/grandmothering principle at

IKEA—that is to say that a hiring boss has to have another manager say yes to a candidate before that person can be hired. Two people then share the responsibility for the development of that individual." Such double sponsorship increases the likelihood that talented employees of any background will feel supported and stay with the company.

But Halvorson warned against tokenism—the practice of putting people into jobs because of their classification, not their ability. "If you put someone in place who fits a certain category but doesn't have the skill set needed to do the job, then you basically set the whole agenda back significantly," he said. "My sense is to hire stars, and the constellation is far more effective if it's a diverse constellation."

8. Make the chief diversity officer position count. As this relatively new role proliferates across industries, CEOs must decide how to maximize its effectiveness. At the time of his interview, Enrique Santacana of ABB North America had just received approval from the firm's North America Executive Committee to create a chief diversity and inclusion officer position, reporting directly to him. "We want to make sure that people understand that it has full support from the top, and it's not just a communications message that goes out there with no follow-up," he explained. "It institutionalizes the process and the intent, and it establishes a formal means by which we will develop programs as well as metrics, so that we can track our progress."

Lead by Example

Once the vision of an inclusive culture has been articulated and best practices have been put in place, what is the CEO's daily contribution to seeing that the vision becomes a reality? Nearly half the CEOs said their most important role was to set the tone for the organization's culture by demonstrating a commitment to inclusion.

Perhaps the most meaningful way to do that is by dedicating time to work personally on diversity and inclusion initiatives. A quarter of the CEOs we interviewed mentioned direct involvement with diversity programs, such as meeting regularly with employee resource groups and diversity councils. Banga, Moynihan, and Thodey even chair diversity and inclusion councils themselves. By pointing the way, CEOs will help their organizations attract and develop the best, most diverse talent, giving them the edge they need to succeed. ♥

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"Although our quarterly earnings dropped by 25%, I feel compelled to point out that our Facebook likes have doubled."

CARTOON: CROWDEN SATZ