GETTING TEAMS TO WORK

Using Team Analytics to Maximize Performance and Business Results

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THE TROUBLE WITH TEAMS

The idea of harnessing the power of teamwork to increase productivity and achieve competitive advantage has long dominated disciplines such as professional sports, manufacturing and the military. For the last 60+ years it’s been a mainstay in education—from elementary through high school, where every team, group, class and club rallies around the cries of team unity to perform successfully, accomplish goals and win.

Today, the vast majority of businesses have a team-based configuration, with companies large and small staking their future competitiveness on teams and teamwork. However, though employees are organized into teams, managers and team leaders are still trying to figure out how to lead those groups effectively, understand team dynamics, measure and influence team performance, and derive the fundamental value in a team-based structure.

In this eBook we examine why teams have become the central production unit within organizations, why so many organizations struggle with creating and managing effective teams, and how the same science-based solutions that have successfully been used to understand individual behaviors can now be applied at the group level to optimize collective performance and improve business results.
The nature of business has changed dramatically over the last few decades, prompting companies to embrace a fundamental shift toward a team-based world of work. As early as 2001, 81% of Fortune 500 companies were building at least partially team-based organizations, and 77% of Fortune 500 companies were using temporary project teams to perform core work.2

According to management expert Peter Drucker, tomorrow’s organizations will be flatter, information-based and organized around teams.3 Four key developments are driving teamwork in organizations:

1. Complex Distribution Networks. The process of moving a product or service from start to finish demands complex logistical strategies that must seamlessly integrate various aspects of the supply chain, including procurement, inventory, and cash-flow management.

2. Accelerated Pace of Business. In an Internet-based economy, companies are operating on a 24/7/365 basis. Customers expect immediate engagement via multiple communication channels, and they are apt to find a competitor if their needs aren’t being met.

3. Knowledge Sharing Critical to Success. To handle the rapid change that is impacting all facets of an organization, employees need to pool their knowledge to generate a complete picture of a situation and take quick action.

4. Millennials Entering the Labor Force. Millennials, those born roughly between 1982-2000, are joining the workforce and are set to become the primary demographic as their Baby Boomer parents retire. According to several studies,4 this generation has tended to learn in groups rather than by individual study, developing strong collaborative drives best suited to team-based environments. Meanwhile, companies are actively recruiting graduates who can work in this type of collaborative environment: people who can work well with others, share responsibility, and get the job done efficiently.5

To keep up with these transformations, organizations across industries are shifting their hierarchical frameworks in favor of cross-functional, collaborative teams. The thinking goes that small teams are better suited to adapt to sudden changes in the marketplace and create innovative solutions in a more streamlined fashion than top-down structures that require approval from multiple levels of management.5
Whole Foods’ Tribal Grouping

Whole Foods is a prime example of Logan, King, and Fischer-Wright’s Tribal Leadership in practice. The world’s leader in natural and organic foods practices a culture based on decentralized teamwork where employees are organized into “tribal groupings to maximize familiarity and trust.”

Whole Teams for Whole Foods

In their book, Conscious Capitalism, Whole Foods co-CEOs John Mackey and Raj Sisodia explain their approach to tribal groupings: “A well-designed team structure taps into otherwise dormant sources of synergy, so that the whole becomes greater than the sum of the parts. The team culture of sharing and collaboration is not only fundamentally fulfilling to basic human nature, it is also critical for creating excellence within the workplace.”

Team-Based Care

In the healthcare industry, a growing shortage of primary-care physicians and shifting payment models have prompted an increasing number of private healthcare practices to adopt a team-based approach, where a group of health professionals divide up medical responsibilities and coordinate care.

The Cost-effectiveness of a Multicondition Collaborative Care Intervention

A 2012 study conducted by the University of Washington and the research arm of Group Health looked at the health and financial impact of team-based healthcare versus the traditional single physician approach. The study, which included 214 adults with depression and either diabetes or heart disease (or both), found that after two years, the patients overseen by a team of medical providers (nurses working under primary-care doctor supervision) experienced significantly less depression and had improved levels of blood sugar, cholesterol and blood pressure, compared with patients who didn’t receive nurse coaching and monitoring. It also found that “...for patients, whose care cost $11,000 annually on average, team-based care was associated with nearly $300 in yearly savings.”

Whole Foods’ commitment to building high-performing teams continues to deliver competitive advantage. The company generated $12.9 billion in sales in 2013, expanded to more than 370 locations in North America and the UK while retaining most of its 80,000 "team members.” In an industry that can see 100% turnover, Whole Foods experiences less than 10% voluntary turnover.

Teams of the Future?

Zappos, the Amazon-owned online shoe and clothes retailer, has taken the team approach a step further, by not only implementing an entirely team-based structure, but also creating a “holacracy.” In late 2013, the online retailer, that grew to over $1 billion in annual sales in its first 10 years of operation, announced it was dispensing with managers and job titles altogether in favor of a holacracy that distributes “leadership and power evenly across an organization.”

Evolving from “Me” to “We”

Across industries, employees also appear to appreciate the increasing emphasis on teams and teamwork. In their book, Tribal Leadership: Leveraging Natural Groups to Build a Thriving Organization, authors Dave Logan, John King, and Halee Fischer-Wright describe how a group with a common purpose operates:

“Information moves freely throughout the group. People’s relationships are built on shared values. They tend to ask, ‘What’s the next right thing to do?’ and to build ad hoc partnerships to accomplish what’s important at the moment. Their language focuses on ‘we,’ not ‘me.’”

The concept of collaborative teamwork has been taken to new levels at some companies, creating entirely new ways of administering services in healthcare, retail and other industries.
Despite the trend toward team-based work cultures and the positive impact on companies' bottom lines, teams are not functioning as efficiently or effectively as they could be. Creating and managing teams is still:

- Viewed as an art, not a science
- Focused on the individual level, not group
- Conducted haphazardly
- Hindered by weak team leadership

Ignoring or misreading team dynamics negatively impacts businesses in measurable ways. A lack of visibility into how a team functions can impact employee retention, job satisfaction and productivity which will ultimately drain revenues and increase costs.

50% of teams fail to achieve their goals

The U.S. Department of Labor has estimated the average cost of a poor hiring decision can equal 30% of that hire’s first year’s probable earnings. In addition, employers spend an average of $7,000 to replace a salaried employee, $10,000 to replace a mid-level employee, and $40,000 to replace a senior executive. The Center for American Progress conducted a series of case studies showing the median cost of turnover was 21% of an employee’s annual salary.
Dysfunctional Scenarios

Though team dysfunction can be traced to several factors, organizations that struggle most often have managers ‘stuck’ in the following scenarios:

“Ineffectual” Leadership Scenario
The team leader does not know (or care) to decipher team dynamics and does not associate team synergy with successful outcomes.

Example: A team leader in charge of a high-achieving sales team attracts the top salesperson from the company’s primary competitor. However, the team leader soon discovers that the top performer’s personality clashes with those of other team members. As a result, the new rep struggles to perform at her previous high level, and she eventually leaves the organization. Worse yet, the conflicts generated from her caustic work interactions undermine the morale of other sales team members, several of whom defect to competitors, leaving a once great team in relative shambles.

“Subjective” Leadership Scenario
The team leader puts faith in ‘gut’ reactions or subjective methods to make decisions and manage group dynamics.

Example: A manager recruits individuals with working styles similar to her own to join her team. The problem with her approach, as Logan, King, and Fischer-Wright note, is that people who share “the same background, temperament, personality, IQ, and learning style become easy targets for competitors because the leaders all share the same blind spots, no matter how smart or accomplished they are.” Moreover, without analyzing the behaviors and motivational needs of her current team, she may misinterpret the true source of conflicts and communication breakdowns among the team.

“Limited Use” Leadership Scenario
The team leader has access to behavioral information for individual team members but fails to leverage the results effectively, if at all.

Example: A team leader uses behavioral information to assess potential candidates to add to his team. He successfully targets new team members who are socially adept and driven by individual achievement. However, he fails to compare and contrast these data points against those of his current team. Too late, he discovers that new members of the team are highly competitive and that this unmanaged difference in behavioral styles is creating significant team conflict.
The key to building productive and harmonious groups is the application and interpretation of the same behavioral assessments that many leading companies already use for individuals. This same behavioral data can be leveraged to analyze individuals within the context of a team.

It is possible to apply the data in aggregate to determine the personality of the team as a holistic unit and to better understand team performance in light of the organization as a whole. Academic research suggests that trait similarity, dissimilarity or a mix of complementary traits within a group can enhance performance outcomes depending on the situation.

Team members are thought to be compatible when they share multiple (congruent) traits or when they possess different but mutually supporting (complementary) traits. With behavioral data in hand, a team leader can pinpoint these similarities and differences in an objective way to better manage the group.

94% of best-in-class organizations utilize behavioral assessments to understand employees...but usually only at the pre-hire stage.

-Aberdeen Group
A Functional Scenario

One example of how behavioral data can build a team—a highly functional, productive, lucrative, and most would say legendary team—is the Chicago Bulls. NBA coach Phil Jackson first took over the Chicago Bulls as head coach in 1989. At that time, the players he inherited were a collection of individuals who couldn’t win a championship, despite having Michael Jordan—the best player in the league at the time.

Phil Jackson leveraged personality and motivational data to optimize his teams. He designed novel player assessments and used the resulting metrics to better understand his players’ motivations both individually and in relation to the team as a whole.

The Dynamics of a Championship Team

“Shifting Scottie [Pippen] to point guard put the ball in his hands as much as in Michael [Jordan]’s, and it allowed M.J. to move to the wing and play a number of different roles in the offense, including leading the attack on transition. The shift also opened up possibilities for other players because Scottie was more egalitarian than Michael in the way he distributed the ball. All of a sudden a new, more collaborative group dynamic was evolving.”

—Jackson describing some of the changes that helped the Bulls win their first title in 1991

Under Jackson’s leadership, the newly energized team went on to win an unparalleled 11 titles in just over 20 seasons, which not only cemented Jackson’s place in basketball coaching history, but also netted the franchise, its owners and players some of the highest earnings at the time. While Jackson did have Hall of Fame-caliber players at his disposal, his success was largely based on the behavioral information he gathered from his players and his ability to align his coaching methods, each player’s goals, and the goals of the team as a whole.

Similarly, organizations that view team building and subsequent nurturing as science, not chance, more often have effective, collaborative teams. Moreover, they find themselves equipped with a workable strategy to deal with the various conflicts and challenges that inevitably arise when a group of individuals works together.
The value of data from a scientifically validated assessment such as the Predictive Index® (PI®) is magnified when viewed in aggregate, revealing trends and differences in personalities within the group that may impact productivity. The Group Analytics™ diagnostic tool from The Predictive Index is one of the few available instruments that enables managers to capture group behavioral data on a larger scale and thus effectively navigate common management challenges. With PI’s Group Analytics diagnostic tool, a team leader can:

**INDIVIDUAL AND TEAM**
- Gain additional insight into the individual’s work style and its impact on others to maximize personal and professional

**TEAM AND TEAM**
- Derive insight into the work styles of one team and learn ways to optimize working relationships in another team.

**JOB/ROLE AND GROUP**
- Look at jobs and roles on a team and match individuals to those job/roles.

**TEAM AND ORGANIZATION**
- Enable the mapping of individuals and teams to company goals and strategies and minimize team member adjustments to changing
Group Analytics

PI’s Group Analytics diagnostic tool has the added benefit of graphing the makeup of a team as a whole in the same way it does for individuals, providing a visual representation of the team data. By comparing individual behavioral profiles and revealing the behavioral culture of the team, managers can clearly see behavioral trends to help define high performance, facilitate workflow, reduce conflict and improve group synergy.

Turning Groups into Teams

Whether it’s in the boardroom or on the basketball court, great leaders understand how using a combination of individual and group analytics, along with qualified consulting and coaching, make for winning teams. When team chemistry and harmony cease to be a guessing game, organizations enjoy several obvious benefits over their less enlightened competitors including:

- Better communication among employees/team members
- Optimized employee engagement
- Alignment of individual goals with team and organizational goals
- Development of future leaders

Tennessee Lady Vols Case Study

Basketball Hall of Fame coach Pat Summitt, who logged over 1,000 wins and eight NCAA championships as coach of the Tennessee Lady Vols, used PI Worldwide’s Predictive Index (PI) system™ during her successful career to analyze the motivations and drives of her players and to determine the best role for a given player. Even after Summitt’s retirement in 2012, her successor continued to use PI to analyze recruits and tailor her coaching style to maximize her players’ abilities.

You can’t expect to have a successful organization if you have the wrong people in the wrong jobs, no matter how many hours they may work. What you need to do is put people in positions that suit their natural abilities and inclinations. It’s your chief responsibility as a leader, or a manager, or CEO to know who you can delegate to and when. Most important, you’d better have the round peg in the round hole. When I do hand the ball to a player in the stretch, I need to know she’s capable of handling it – and handling it on a sustained basis, not just a onetime basis.

– Pat Summitt

The ability to evaluate teams and the individuals that comprise them with scientifically validated personality assessments turns team building from guesswork into a discipline and ultimately serves to improve the health and success of the business as a whole.
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The energy and enthusiasm of your employees is your most precious commodity. Wasting this energy on miscommunication and misunderstanding makes it nearly impossible to recharge. Over time, individuals and organizations lose power, lose capacity, and can even stop working. It’s all too common. It’s also completely avoidable. Here at The Predictive Index, we’ve made it our life’s work to charge the world’s workforce.