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# TEAM BUILDING

*Fifth*
EDITION

PROVEN STRATEGIES FOR
**IMPROVING TEAM PERFORMANCE**

W. GIBB DYER, JR., JEFFREY H. DYER,
AND WILLIAM G. DYER

# Team Building

## Proven Strategies for Improving Team Performance

## Fifth Edition

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William G. Dyer

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# About the Online Assessments

In order for teams to improve their performance through team building, it is critical for them to have accurate information on how they are performing—in particular, their areas of weakness. The Dyer Team Assessment draws on the concepts in this book to evaluate a team's performance in terms of context (Does the team have the appropriate organizational and environmental support for success?), composition (Do people on the team have the right set of skills and capabilities?), competencies (Does the team display process competencies in eleven areas that predict effective team functioning?), and change capabilities (Does the team know how to make changes regularly as necessary to improve performance?).

The Dyer Team Assessment culminates in a report that gives teams insight into their specific areas of strength and weakness. Thus, it is an extremely useful tool for them to use as they build their change capabilities.

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*To our parents, Bonnie and Bill, and to our wives,*
*Theresa and Ronalee, who have taught us the importance*
*of our most important team: the family*

# Team Building

The Jossey-Bass Business & Management Series

# INTRODUCTION

This book is for everyone concerned about effective team performance. Four previous editions of *Team Building* have been well received by managers, team leaders, and team consultants. In fact, over 100,000 copies have been sold in several languages over the almost three decades since our father, William G. "Bill" Dyer, wrote the first edition, making it one of the most widely read books on the subject. Bill was the consummate social scientist, trained in sociology at the University of Wisconsin after World War II. He had grown up in a family of seven children (one was his half-brother Jack Gibb, another prominent social scientist) in a rather poor section of Portland, Oregon. Bill's father ran a small grocery store attached to their home, and it was there that Bill learned the importance of hard work and teamwork as he worked in the family store. From these experiences, he also recognized that education was the key to his future.

After finishing his doctorate at the University of Wisconsin, Bill and his wife, Bonnie, moved on to Iowa State University and shortly after that to Brigham Young University. His early research studies in the 1950s were on family dynamics and role conflict within families. In the late 1950s, he was introduced by his brother Jack Gibb into the world of T-groups (the T stood for "training"), which at the time were largely sponsored by National Training Laboratories. The assumption underlying the T-group was that individuals—and particularly organizational leaders—were impaired by the authoritarian assumptions they

held about those they worked with and needed to change their assumptions about people and ways of doing work.

Organizations were largely seen as being oppressive—creating "organization men"—and stifling creativity and innovation. Stanley Milgram's studies during this period pointed out that anyone could become a victim of authoritarianism, and Douglas McGregor in *The Human Side of Enterprise* noted that most managers in organizations operated using theory X assumptions (people are basically untrustworthy and lazy) but should have been basing their actions on theory Y assumptions (people essentially are good and want responsibility).[1] Other writers such as Chris Argyris and Abraham Maslow argued that organizations as human systems needed to allow people to achieve their potential and become self-actualized. It was in this context that the group dynamics and humanistic psychology movement began to flourish in the 1960s.

T-groups were composed of strangers led by a T-group trainer, whose job was to allow group members to explore what it meant to be part of a group that would provide them with feedback about their own behavior, require them to respond in an "open and honest" manner, and encourage group members to accept responsibility for their behavior, as well as be willing to engage in relationships based on equality rather than hierarchy or status. It was in this environment that Bill, as a T-group trainer, initially learned about the dynamics of groups and the individuals who were part of them.

For several years, Bill consulted with many organizations that wanted to use the T-group to improve the performance of their employees and their teams. Those within the movement believed that the T-group could be the vehicle to change the values of organization leaders and, that by so doing, these new values would filter down throughout the organization. Organizations in this way could be transformed into more humane and creative systems. Bill also was influenced at this time not only by Jack Gibb but others, such as Dick Beckhard and Ed Schein, who later

became the founders of a new field of practice, organization development. Moreover, famous psychologist Abe Maslow had a significant influence on Bill, since Maslow attended a T-group sponsored by National Training Laboratories in Bethel, Maine, and Bill was chosen to be Maslow's T-group trainer.

As children growing up in the Dyer home, we often heard our father tell stories about Maslow and his wit and wisdom. These stories invariably had to do with the importance of being honest and being a "congruent" person—sharing openly what we think and feel—and acting in a way consistent with our values. One story that our father shared was about Maslow and his wife when they invited a friend, Harry, to stay with them. The first morning at breakfast, Abe's wife, Bertha, burned the toast and profusely offered an apology to Harry. To which, Harry replied, "Don't worry. I kind of like burned toast." So every morning after that, Bertha remembered to burn the toast for Harry. Finally, one morning Harry had had enough and blurted out at the breakfast table, "What's with the burned toast? Why are you giving me burned toast every morning?" To this, the Maslows replied, "But we thought you liked burned toast—that's what you told us." Harry then came clean: "I don't like burned toast. I only said that to be nice." After that incident, when either Abe or Bertha felt they weren't being completely honest with one another, one of them would often say, "Remember Harry's toast." In Bill's office hung a sign that read "The cruelest lies are often told in silence." Bill often talked about the importance of being a congruent person and wanted his children to apply the ideas of personal congruence that Maslow taught him.

Growing up in the home of a social scientist like Bill also created some interesting opportunities for learning. For example, on one occasion, he had a long conversation with a friend about the different dynamics in their two families. The two of them decided that it would be a useful exercise for each of their families to gain some deeper insights into how families functioned (e.g., rules about chores, homework, bedtime, and so on). To gain

this insight, they decided to swap a child for a week and then have each child report back on what it was like to be a member of the "new" family. Then the two families would get together to discuss the differences between the families. Apparently Bill and Bonnie felt that Mike, the second oldest, was expendable, so Mike spent the week with the McLean family, and we received Herb McLean in return. It proved to be an insightful and memorable experience for us, and we remember it even forty or so years later.

Bill had a unique ability to share his philosophies regarding management in a way that others—even his children—could understand. On one occasion, his son Jeff commented that Bill wasn't catching very many fish on a family fishing trip. The four Dyer boys were outcatching him—and Bill was supposed to be the expert fisherman. Bill proceeded to describe his role as "manager" of a group of Dyer children (four boys and a girl) on a fishing trip. He explained that in order for the trip to be a success, all of the members of the Dyer fishing group needed to experience success in catching fish. That meant that Bill needed to spend much of his fishing time showing each of his children how to tie on hooks and cast and basically coaching us in the art of fishing. As a result, his personal production decreased, but the team production increased. Collectively we caught more fish because the manager, Bill, was less concerned with his individual achievement than with team achievement. This analogy offered a poignant lesson on the art of management and what it takes to be an effective team manager.

Many of the ideas in this book come from Bill's belief that groups can be used to help people learn, can bring out the best in people, and can create much of what is good in the world. Through his T-group experience, he also learned the importance of team skills such as problem solving, communication, and conflict management and how to develop those competencies in a team. His thoughts on these topics are central to what is presented in this edition of *Team Building*.

The early 1960s were an exciting time for those involved with T-groups. Many felt that the T-group would be the vehicle that would help change the nature of authoritarian organizations and help unleash the human potential that had been suppressed. However, a study conducted by Campbell and Dunnette in 1968 was to change most of that thinking.[2] Campbell and Dunnette reviewed the major studies that had looked at the impact of T-group training on individuals and on organizations. Not surprisingly, they found that the T-group did in fact help individuals become more comfortable with themselves and their ability to manage interpersonal relationships. However, the study also showed that T-group training had virtually no impact (and sometimes a negative effect) on organizational or team performance. The T-group experience often helped people become more open and honest, but this sometimes led to dysfunctional confrontations in the team and didn't necessarily translate into solving the team's specific performance problems.

Given these findings, Bill had to make a decision regarding his work as a T-group trainer. It was at this point that he decided to create a new paradigm for working with groups—the team-building paradigm. He wrote about this change from T-groups to team building as follows:

> As practitioners developed more experience in applying the T-group methods to work units, the T-group mode shifted to take into account the differences of the new setting. It became clear that the need was not just to let people get feed-back, but to help the work unit develop into a more effective, collaborative, problem-solving unit with work to get out and goals to achieve. Slowly the methodology shifted from the unstructured T-group to a more focused, defined process of training a group of interdependent people in collaborative work and problem-solving procedures.[3]

Bill's experience in working with T-groups proved helpful as he worked as a consultant to many teams facing problems, and

in 1977, he published the first book on team building that captured the essence of his consulting experience and his model for helping teams become more effective. The book was an instant success because the theories, methods, and exercises he described in the book worked. They proved invaluable to managers, team leaders, and consultants. Over the years, in subsequent editions, Bill added new material to keep up with the changing times and the evolution of the field.

Bill passed away in 1997. In many ways, we have continued in the tradition of our father. Gibb went to MIT to obtain his PhD degree in management and worked closely with Ed Schein and Dick Beckhard. Jeff worked as a strategy consultant for several years at Bain & Company before completing his PhD work at UCLA, where he collaborated with Bill Ouchi, who popularized theory Z management. He then spent a number of years as a professor at the Wharton School. We both have had our own experiences in consulting with various teams that have found themselves in trouble. And Bill's models of team building have helped us immensely as we have worked with those teams. In fact, on many occasions we turned to this book for help and advice in working with clients or have given it to others to help them with their teams.

A few years ago, a graduate student came to us for help. He was going to Mozambique on an internship to work for a nonprofit agency that was apparently in disarray due to a lack of clear goals and strategy and poor teamwork. After we oriented the student to team building and armed him with the team-building book, he went off to his assignment. During his stay in Mozambique, he communicated with us by e-mail about his progress. He reported that the team-building activities that he used from the book had made a significant difference in the organization's performance. Moreover, because the agency liked his work so much, he was hired permanently as director of operations in southern Africa. Like this student, we, too, have found Bill's ideas to have had a significant impact on our clients.

We decided to revise the Fourth Edition as a result of some recent changes in the world and in organizations. We have added a chapter on cross-cultural teams to highlight the challenges many organizations face today as they bring together people in teams that have different cultures and backgrounds. Jeff's work on innovation in organizations, which is found in his recent book with Hal Gregersen and Clayton Christensen, *The Innovator's DNA*, encouraged us to write a chapter on leading innovative teams in today's competitive environment.[4] Moreover, we've updated this edition with some new case examples and have strengthened the Four Cs framework that we developed for the Fourth Edition.

We believe that this Fifth Edition of *Team Building* will provide the next generation of team leaders, team members, and team consultants with the knowledge and skills they need to create effective teams in the future. We believe Bill is pleased that the work he started over a half-century ago is continuing today.

Part One

# THE FOUR Cs OF TEAM DEVELOPMENT

# 1

# THE SEARCH FOR THE HIGH-PERFORMING TEAM

"Fired?" John Smith, president of DigiCorp, couldn't believe it (all names have been disguised): he had just come from a meeting with Peter Davis, chairman of the board, who had asked for John's resignation.

A few days earlier, several members of John's executive management team had met privately with Davis to air their grievances about John and demand that he be fired. The executives reported that he was unable to create an "effective team atmosphere" for them to work in. Team meetings were unproductive, they said, and led to confusion rather than clarity for team members, in part because consensus about decisions was rarely reached. John imposed top-down decisions when many members of the executive team felt capable of sharing the decision-making responsibility. The team was afflicted with interpersonal conflict, not only between a small subgroup of team members but also between John and a couple of key team members. He had taken no action to address or resolve those conflicts. Moreover, they called John "untrustworthy" because he often said one thing and did another, and thus he had slowly lost the support of his team. Team morale, motivation, and productivity had been dropping for several weeks. In the end, the team had had enough: either John would have to leave or they would.

A panicked John phoned us, since he knew we were team consultants, and explained his situation. "What should I do?" he inquired. "Can I save my job? What did I do wrong? What should

I do now?" After we asked John several questions, it became clear to us that at the heart of John's problem was his lack of knowledge regarding how to create and lead a high-performing team. Moreover, he lacked the fundamentals in diagnosing team problems as well as developing team-building skills that could have been used to solve the team's problems before they spiraled out of control.

John Smith's case illustrates some of the more serious problems that we have seen in teams that we have worked with over the years, but his situation is, unfortunately, not all that unusual. Many, maybe most, teams function far below their potential. The reasons for poor team performance are many: the team may not have clear goals or performance metrics; the team may be composed of the wrong people with the wrong set of skills for the task at hand; the team's dynamics may not foster creativity and good decision making; or the team may not know how to solve its own problems and improve performance. Our experience is that poor team performance is largely due to a team's inability to systematically engage in team-building activities—team processes for evaluating team performance and engaging in problem-solving activities that lead to improved team performance.

Poor team performance is a major concern because most of the work performed today is done in a team environment—research teams, product development teams, production teams, sales and marketing teams, cross-functional problem-solving teams, and top management teams. One reason that work is done more by teams now is that products and services have become increasingly complex, requiring a wide range of skills and technologies. No single person is capable of developing, manufacturing, and selling increasingly complex products, which means that teams of individuals with complementary knowledge must coordinate effectively in order to be successful. This requires teamwork. A second reason is that in a global economy, individuals must collaborate across cultural, organizational, and geographical

boundaries to accomplish their goals. Hence, the need for cross-cultural, virtual, and alliance teams (teams collaborating across organizational boundaries) has increased in recent years. Thus, to be a high-performing company in today's competitive landscape essentially requires high-performing work teams. The two unavoidably go hand in hand.

High-performing teams are those with members whose skills, attitudes, and competencies enable them to achieve team goals. These team members set goals, make decisions, communicate, manage conflict, and solve problems in a supportive, trusting atmosphere in order to accomplish their objectives. Moreover, they are aware of their own strengths and weaknesses and have the ability to make changes when they need to improve their performance.

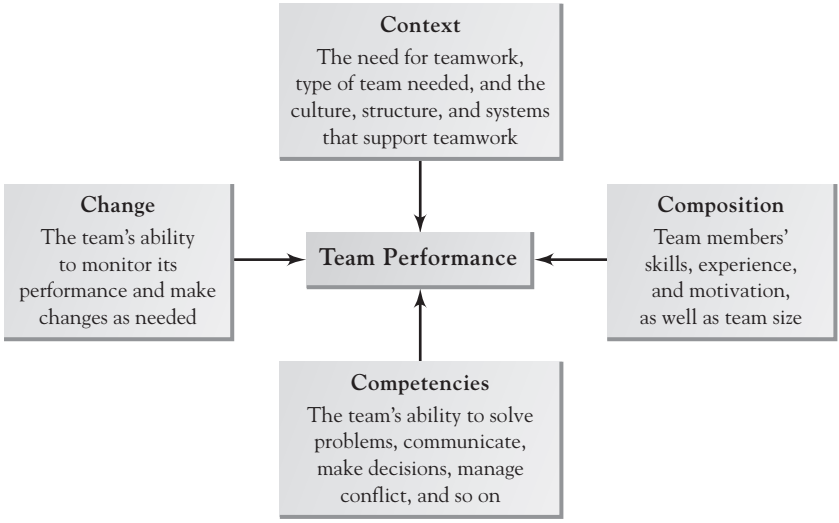
The purpose of this book is to give managers, team leaders, team members, and team consultants specific guidance on how to improve team performance. Although the team-building activities we propose may be particularly well suited for poorly performing or dysfunctional teams, they also can transform average or even good teams into great teams.

## Determinants of High-Performing Teams: The Four Cs

Over the past several decades, as we have consulted with teams and conducted research on team performance, we have come to the conclusion that four factors—the Four Cs—must be understood and managed for teams to achieve superior performance (figure 1.1):

1. The context for the team
2. The composition of the team
3. The competencies of the team
4. The change management skills of the team

**Figure 1.1 The Four Cs of Team Performance**




We describe each of these factors briefly here and discuss them in more depth in the following chapters in Part One.

## Context for the Team

Team context refers to the organizational environment in which the team must work. Understanding context and how it influences team performance requires an understanding of the answers to two questions:

1. Is effective teamwork critical to accomplishing organizational goals? If so, are there measurable team performance goals around which we can organize a team?
2. Do my organization's senior managers, reward systems, information systems, human resource practices, structure, and culture support teamwork?

Experience has shown that the teamwork required to achieve high performance is much more important when the team must complete a complex task characterized by a high degree of interdependence. In addition, we have found that some organizations deploy formal organization structures or reward systems that become barriers to effective teamwork. For example, reward systems that provide strong individual incentives often create strong disincentives to engage in cooperative behavior within a team. Unfortunately, many organizations, while paying lip-service to the importance of teamwork, do little to encourage and support those who work on teams. Thus, they do not foster a culture in which teams can succeed.

High-performing teams manage context effectively by (1) establishing measurable team performance goals that are clear and compelling, (2) ensuring that team members understand that effective teamwork is critical to meeting those goals, (3) establishing reward systems that reward team performance (more than individual performance), (4) eliminating roadblocks to teamwork that formal organization structures might create, (5) establishing an organizational culture that supports teamwork-oriented processes and behaviors (e.g., everyone in the organization understands that success is predicated on effective collaboration; consequently, informal norms and processes support team-oriented behavior), (6) creating information systems to provide the team with needed information to make decisions, and (7) establishing human resource systems to provide training, team member selection, methods, and so on to support teamwork.

## Composition of the Team

The composition of the team concerns the skills and attitudes of team members. You have to have the "right people on the bus" to make things happen as a team and achieve top performance.[1] To effectively manage the composition of the team, team leaders

must understand that team leadership and processes differ depending on the answers to the following questions:

- Do individual team members have the technical skills required to complete the task?
- Do they have the interpersonal and communication skills required to coordinate their work with others?
- Are individual team members committed to the team and motivated to complete the task?
- Is the team the right size to complete the task successfully?

Teams saddled with members who are not motivated to accomplish the task or lack the skills to achieve team goals are doomed to failure from the outset. Of course, team composition also refers to assembling a group of individuals with complementary skills. High-performing teams use the diverse skills and abilities of each team member in a synergistic way to achieve high performance. The members of high-performing teams clearly understand their roles and assignments and carry them out with commitment.

Team size also plays a significant role in team effectiveness. A team that is too large may be unwieldy and cause team members to lose interest due to a lack of individual involvement. Having too few team members may place unnecessary burdens on individual team members, and the team may not have the resources needed to accomplish its goals.

High-performing teams effectively manage team composition by (1) establishing processes to select individuals for the team who are both skilled and motivated, (2) establishing processes that develop the technical and interpersonal skills of team members as well as their commitment to achieving team goals, (3) cutting loose individuals who lack skills or motivation, (4) managing the team according to the skills and motivation of team members, and (5) ensuring that the team is

the right size, that is, neither too large nor too small to accomplish the task.

## Competencies of the Team

We have found that successful teams have certain competencies that exist independent of any single member of the team but are embedded in the team's formal and informal processes—its way of functioning. High-performing teams have developed processes that allow the team to:

- Clearly articulate their goals and the metrics for achieving those goals
- Clearly articulate the means required to achieve the goals, ensuring that individuals understand their assignments and how their work contributes to team goals
- Make effective decisions
- Effectively communicate, including giving and receiving feedback
- Build trust and commitment to the team and its goals
- Resolve disputes or disagreements
- Encourage risk taking and innovation

Thus, while the context and composition of the team set the stage, these competencies propel it to high performance. If the team hopes to be extraordinary, it must develop competencies for goal setting, decision making, communicating, trust building, and dispute resolution. In chapter 4, we discuss these and other key competencies in greater detail.

## Change Management Skills of the Team

High-performing teams must change and adapt to new conditions to be effective over time. Factors related to team context,

composition, and competencies may need to change for the team to succeed in reaching a new goal. A team that is able to monitor its performance and understand its strengths and weaknesses can generate insights needed to develop a plan of action to continuously improve. Toyota, a company that we've researched extensively, uses the *kaizen*, or continuous-improvement, philosophy to help its teams identify the bottlenecks they are facing and then develop strategies to eliminate the bottlenecks.[2] Toyota's managers are never fully satisfied with their team's performance because once they've fixed one problem, they know that continuous improvement requires that they find and fix the next one. We have found that teams in most companies, unlike Toyota, are oblivious to their weaknesses. And even when they do recognize them, they do not have the ability to manage change effectively to overcome those weaknesses. It is possible to view change management skills as just another team competency, but this meta-competency—what we call team-building skills—is so important that it deserves special attention.

High-performing teams have developed the ability to change by (1) establishing team-building processes that result in the regular evaluation of team context, team composition, and team competencies with the explicit objective of initiating needed changes in order to better achieve the desired team goals and (2) establishing a philosophy among team members that regular change is necessary in order to meet the demands of a constantly changing world.

## What Happened to John Smith?

You might be wondering what happened to John Smith, the CEO in trouble at DigiCorp. After John called us, we were engaged to conduct several team-building sessions with his team. The board of directors agreed to suspend John's firing until the team's problems, and John's role in those problems, could be

more fully explored. Initially we conducted interviews and gathered data from team members and members of the board of directors to diagnose the team's problems. John's team then met with us in a team-building session designed to clear the air and develop a plan of action to improve team performance.

The problems were serious: trust had been lost, and the team had significant philosophical differences with John regarding how team decisions should be made and what the priorities of the company should be. However, the company was facing its busiest time of the year, and to avoid a total collapse, the team members needed to figure out a way to work together effectively to serve the company's clients—at least for the next three months, until the busy season passed.

In the team-building sessions, team members agreed to set aside their differences and work cooperatively so they could function effectively in the short run. Moreover, the board of directors agreed to give John the opportunity to turn things around. After the initial data-gathering and team-building sessions, our role as consultants was to meet periodically with the team to monitor its performance. The results: the team did work together successfully during the busy season and served the company's clients well. But at the end of the busy season, most of the team members decided to leave the organization: the damage had been done and couldn't be fully repaired. They lacked confidence in John's ability to develop important team competencies such as how to establish consensual decision-making processes, resolve interpersonal conflicts, and make changes in team composition and team processes when necessary. The resignation of most of John's team gave him the opportunity to create a new, more effective team. He apparently learned from his previous team failure by hiring the right people with the right skills and motivation. Moreover, he created the appropriate context to strengthen his team and developed greater competencies in the team. Today John remains the CEO of a highly successful organization.

**In Summary**

To avoid the problems that John encountered with his team, team leaders must create the appropriate context to support teamwork. Team members should also have the requisite knowledge, skills, and motivation to do their individual jobs, while working in a team environment. Team competencies in areas such as decision making, meeting management, and conflict management need to be developed by the team. And effective teams should be able to monitor their performance and take corrective action when needed. By paying attention to the Four Cs, teams can truly become high performing.