



### TITLE

## MANAGING CROSS-FUNCTIONAL TEAMS

### CREDITS

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### MANAGING CROSS-FUNCTIONAL TEAMS

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## LEADERSHIP STRATEGIES & ETHICS

### I. RATIONALE

The power of the microchip, a developing global economy, and a consumer revolution in expectations are driving unprecedented change and forcing acceptance of a new competitive order. To survive, organizations must deliver value. Private and public organizations face the challenge to be faster, cheaper, better, more reliable, more responsive and more convenient. Success today is no indicator of future success, or even survival.

The challenges of this new competitive order demand a full view of processes, new thinking and integrated solutions implemented with greater speed. Success in the new competitive order requires cooperation and partnerships with customers, suppliers, employees, unions, shareholders, and even traditional competitors. Managing complexity becomes a priority because no single function, unit, or department can have authority or control over the final product or service. Traditional organizational structures are unable to respond quickly and understand the interdependencies between processes and the multiple, simultaneous changes required to achieve the desired outcome, change, or improvement. For example, functional decisions may be made without adequate management accounting participation.

Continuously creating value for customers and other stakeholders increasingly requires cross-functional, program, organizational, technological, and even industrial boundaries. It requires making the most effective use of an organization's resources, particularly its people. Teams of varying types are being increasingly used to conduct research, to design better products and services, to bring them to market, to re-engineer processes, to improve operations, to identify and solve problems, and to create wealth. The capability of organizations to contin-

ually and effectively organize, deploy, and integrate cross-functional teams is becoming a best-in-class differentiator.

While most organizations find such teams worthwhile, many are not using them to their greatest potential. Other organizations suffer team overuse, unnecessary meetings, an inability to sustain team initiatives, and problems with accountability and ownership. Experience may cast doubt on the usefulness of cross-functional teams. This waste and lack of realized potential have caused some organizations to greatly reduce their use of cross-functional teams.

### II. SCOPE

This guideline will be of value to organizations of all sizes, types, and industries that are considering, or already have implemented, cross-functional teams. It will help organizations understand:

- the value and benefits of cross-functional teams;
- the prerequisites for high-performing cross-functional teams;
- guidelines and best practices for planning, organizing, building, maintaining, and evaluating cross-functional teams;
- basic group problem-solving tools and the requirements for effective group process and decision making;
- the importance of accommodating and balancing individual, team, and organizational needs;
- why cross-functional teams can fail; and
- the contribution management accountants can make.

This guideline will also assist the cross-functional teams themselves, including helping them achieve a well-defined mandate, with specific, meaningful expectations and time lines.



### III. DEFINING CROSS-FUNCTIONAL TEAMS

A cross-functional team is a small group of individuals that cross formal departmental boundaries and levels of hierarchy. The group is committed to a common purpose or goal of improvement; it acts and works as a unit—communicating frequently, cooperating and providing mutual support, coordinating activities, drawing upon and exploiting the skills and capabilities of the team while considering the needs of individual members.

Cross-functional teams are typically formed on the assumption that a small group is better able to accomplish a purpose or goal than either individuals acting alone or in a large, permanently structured group. Results should be better using cross-functional teams, both in the quality of the outcome and in the commitment to carry out the associated changes and improvements.

There can be a variety of cross-functional teams covering:

- a range of subjects and issues (e.g., customer service, research, product design, product launch, business strategy, internal management practices);
- different periods and frequencies (disbanded after a one-time project or meeting together regularly);
- different levels or degrees of complexity (e.g., networks of linked cross-functional teams, each team working on a distinct aspect of a complex undertaking); or
- varying degrees of delegation or empowerment (e.g., authorized only to analyze problems and make recommendations, or established as a self-managed work team).

Besides recommending action, such teams are increasingly responsible for implementation

(e.g., design of complex new products or services, which include design, engineering, market testing, development or manufacture, systems delivery, and even marketing and sales).

Above all, cross-functional teams are units of performance. This guideline uses the following ideal of a high-performing team:

- *a common, compelling purpose*—All team members are committed to achieving a shared vision, the shape of which they have influenced;
- *shared leadership roles and role flexibility*—Team members share responsibility for team processes, development, and outcomes;
- *individual and mutual accountability*—Individuals are accountable for individual contributions and the team shares mutual accountability for the team's collective performance;
- *a common, agreed work approach*—The team discusses and decides how it will proceed and how each member will contribute to the team's efforts;
- *trust, respect and openness*—Members share mutual respect and caring; communication is open and honest; they explore various ideas and encourage an active problem-solving approach;
- *dedication to performance and implementation*—The team is dedicated to enhancing the organization's performance, for example by improving productivity, quality, value to the customer, and employee satisfaction;
- *measurable performance goals*—The team measures its own performance by assessing collective work products and progress toward its mission; and
- *supportive organizational structures, systems, and practices*—Cross-functional teams cannot meet these measures on their own; nor can they be sustained in organizations that are



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“unfriendly” to the team concept or that have traditional bureaucratic cultures, systems, people management processes, and practices.

Appendix A includes a High-Performing Team Rating Form, based on these characteristics, which may be used throughout the cross-functional team’s life.

### IV. OBJECTIVES OF CROSS-FUNCTIONAL TEAMS

In situations requiring the simultaneous application of multiple skills, experience, and judgment, cross-functional teams generally can get better results than a collection of individuals operating independently within confined job roles and responsibilities. Successful cross-functional teams achieve a balance of skills, accountability, and commitment. Organizations can have several objectives for creating cross-functional teams including:

- *overcoming the limitations of hierarchical structures*—Teams can facilitate dialogue and an understanding of processes that cross hierarchies, departments, and regions. Teams can identify and break down barriers and systemic constraints that hinder organizational effectiveness (i.e., creating value for the customer). Cross-functional teams can also increase the chance of desired change taking place by bringing together representatives from the various organizational interests that have a stake in the area or issue under investigation;
- *improving the quality of decision making*—Teams can provide a more thorough view of a whole organization and process(es);
- *increasing organizational flexibility*—Teams can be quickly assembled, deployed, refocused, and disbanded; and
- *increasing organizational productivity*—Because teams have clear goals, they are more productive than groups that have no

clear performance objectives. Teams are a powerful mechanism for making better use of the organization’s employees.

### V. THE ROLE OF THE MANAGEMENT ACCOUNTANT

Management accountants have a significant role to play in helping cross-functional teams achieve their goals. Management accountants bring to cross-functional teams several key capabilities:

- training and skills in measuring, analyzing, and reporting information focused on user needs;
- an organization-wide or business-process-wide perspective; and
- organizational credibility and an attitude that focuses on issues or problems.

Management accountants contribute to the team process and performance in a number of different roles, such as executive champions, team leaders, facilitators, members, or outside resources. Management accountants:

- provide, collect and assess critical team information;
- help establish goals and set team priorities;
- contribute their technical and functional expertise and knowledge in using problem-solving tools and decision-making techniques; and
- participate in creative team problem solving.

### VI. IMPLEMENTING CROSS-FUNCTIONAL TEAM GUIDELINES

Implementing winning cross-functional teams geared to achieving results is not a matter of chance. It is a repeatable process that can be guided by following certain basic steps, including:

- providing top management championship, including appropriate resources and organizational support;



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- choosing and defining the right project;
- selecting the appropriate team members;
- supporting development of a team charter;
- ensuring an effective team startup; and
- connecting organizational and team goals.

### **Providing Top Management Championship and Support**

People are truly the organization's most valuable resource. Unless top management displays this fundamental belief, teams can expect no more than lip service. Any success will then be solely attributable to the team members' perception of the value of the project, their own dedication, and their self-empowerment to improve their company.

Top management has to understand the commitment required for developing a successful team and a team system capability within the organization. They must be willing to allocate the necessary resources—personnel, money, autonomy and authority, training, process facilitation, legal, computer, and information services, etc. They must also allocate adequate attention to the team process and allow for the time to solve problems and try solutions.

### **Choosing and Defining the Right Project**

It is management's challenge to choose a project and an objective of substance, which directly addresses a critical business issue. Fundamental questions for senior management to address are: what is the strategic importance or driver for an initiative? Is a cross-functional team the best approach? What is the link between team and organizational objectives? To what extent is top management prepared to delegate authority and allocate resources for the team to truly succeed? What is their commitment to carrying out the team's findings and recommendations?

The following list suggests several criteria for selecting projects for cross-functional teams. The more criteria a product, service, or process fits, the more it qualifies as a project with strong potential for significant results. Good candidates are products, services or processes that:

- require more than one department's functions, or organization's participation to create improvements or change;
- are highly influential in the capture, retention, or loss of customers;
- are central to the mission of the enterprise;
- are vital to work done by others;
- are the greatest time consumers (e.g., loan applications, tax forms, financial reports); and
- are sources of error, complexity, cost, or dissatisfaction (e.g., invoices, physical inventory).

Once the focus of the potential undertaking is identified, organizations should test the proposed project against the following critical success factors for cross-functional teams:

- Are the proposed undertaking and its objective challenging, yet possible?
- Is it compelling and is there a sense of urgency?
- Is success clear, specific (discrete), and measurable?
- Does it have broader organizational significance, such as helping to develop a new product, process, or organizational capability?
- Is it based on existing organizational readiness and a willingness to change?
- Is it achievable with available resources and authority?
- Is it sufficiently compelling, important, challenging, and exciting that top management is prepared to accept some mistakes? (This will infuse the team with sufficient commitment to try new things, to go for a breakthrough, to try anything that might work.)





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If the project cannot satisfy these critical success factors, the organization should consider more conventional means of dealing with the issue.

### **Selecting the Appropriate Team Members**

Members of cross-functional teams should be selected to provide diversity, balance, and complementary skills. A team embodying those qualities will be more creative and productive. Selecting the right mix of people involves weighing at least three factors:

- *technical or functional expertise*, i.e., education, training, knowledge, experience, and perspectives;
- *problem-solving and decision-making skills*, i.e., the abilities to identify problems, develop opportunities, evaluate options, and decide how to proceed; and
- *interpersonal skills and compatibility*, i.e., personal styles, temperament, communications, process support and intervention skills, and facilitation.

Generally, the size of cross-functional teams varies according to the scale and complexity of the undertaking. A large project team may include several teams, in either a hierarchical or open-systems structure.<sup>1</sup> Effective teams may be as small as three individuals or as large as twenty. For teams that actually work together, five to eight members is generally considered optimal, all other factors being equal.

Larger numbers of people have trouble interacting constructively as a group, much less agreeing on specific actions that should be taken. Smaller groups (ten or fewer people) are far

more likely than larger groups to successfully work through their individual, functional, and hierarchical differences toward a common plan and hold themselves jointly accountable for the results. When teamwork values break down and pressures to produce increase, larger groups invariably come to rely on formal hierarchy, structure, policies, and procedures. Beyond more challenging social and group dynamics, large groups also face logistical issues, such as finding mutually agreeable meeting times and facilities.

Large teams (over ten) are advised to segment their undertaking and break into several project teams. Progress meetings with the larger group or team can be held for coordination, briefings, major decision points, and other common concerns.

Smaller groups or teams (i.e., four or fewer members) also may have some disadvantages. These include limited input, too narrow a perspective, insufficient creativity, and too few people to carry out assigned tasks in an optimal time.

Ideally, prospective team members should volunteer for team membership. Team commitment is greatest when employees seek out assignments or are recruited to join teams. Autonomy to choose team assignments increases the likelihood of members taking responsibility for working through conflicts, making confrontations productive, and taking the necessary risks to make the team work.

If teams deal with matters affecting front-line or field operations, representation from these areas, whether blue-collar or white-collar, is mandatory. Terms of labor union agreements and personnel policies may present challenges of their own in the selection process; however, experienced front-line personnel bring valuable insights, and their involvement will break down

<sup>1</sup> For example, a single car model may have up to thirty to forty cross-functional teams. A team responsible for a particularly complex item often has specialized lower-level support groups. The thirty or forty teams and their support groups are integrated or coordinated by a total systems team or product management team.



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barriers to change and improvement. In a unionized firm, unionized team members represent both worker and broader union concerns. Beyond worker ideas and insights, unionized membership can develop or cement relationships and foster greater employee commitment.

Individuals from outside the organization—most notably suppliers, collaborative partners, or customers—are also logical potential additions to cross-functional teams, depending upon the nature and scope of the undertaking. Such efforts create valuable opportunities to build, maintain, and extend relationships to the benefit of all concerned.

Successful cross-functional teams generally require several roles. The most common include:

- *executive champion*—This is the executive project team sponsor, customer, and advocate of the project. The executive champion is a bridge between senior management and the team. He or she also helps ensure that the necessary project resources are available and intercedes upon the team's behalf in removing any barriers. The executive champion is not generally a member of the team, but may attend key meetings or parts of meetings.
- *team leader*—This is the overall project manager, responsible for basic team organization, leadership, and coordination. The leader's exact role and style may vary according to the stage of team development, team member preferences, agreed ground rules, organizational culture, and the team's charter. A major responsibility of the leader is creating an environment that encourages participation and an atmosphere of shared leadership. The leader is critical to creating and maintaining an emotional bond among the members that will help them to stay motivated and act as a team.

- *team facilitator*—Team facilitators ensure effective group processes and dynamics by keeping the team moving in a constructive direction. Facilitators typically act as coaches to team leaders—preparing for team meetings and debriefing leaders after meetings. During team meetings, facilitators observe and interject only when the team strays from the problem-solving and decision-making process. Facilitators are most often used to bring problem-solving, communication, interpersonal, and teamwork skills to teams who lack them. A facilitator helps a team to turn its collective attention back to its purpose.
- *team recorder*—The team recorder acts as the team's secretary and is responsible for recording meeting minutes, notes, and team decisions. Meeting minutes are distributed soon after adjournment to remind team members of their assigned tasks. The recorder may also be responsible for the team's project notebook.
- *team member*—Members appropriately participate in team meetings and accept tasks and responsibilities as assigned by the team leader or the team as a group.

The members selected to serve on the team will suggest the importance of a proposed undertaking and the organization's commitment and seriousness. If the team includes corporate doers, contributors, and achievers, and individuals appropriate to the task, the firm is clearly telegraphing to the team and to the rest of the organization its intent to take the team seriously.

Given that time is spent on team assignments out of the mainstream of corporate promotions and advancement, the *duration* of team membership may become an issue. Individuals should be expected to sign on for the life of the project. For projects lasting several years, this expectation goes against the norm, in most North





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American companies, of promotions or transfers every two or three years. The alternative, however, is that the company must face the consequences of reduced team effectiveness because of member turnover.

### **Supporting Development of a Team Charter**

In cross-functional teams, members are expected to bring a perspective, a set of skills, and a body of knowledge and experience that they will use on behalf of the whole organization, not to represent the people of a particular function or department. A clear and agreed upon understanding of the team's mission and the role of each team member are important in breaking down departmental barriers.

Management usually initiates and negotiates a charter with the team to create that understanding. The charter is the team's terms of reference; it represents a contract between the team and executive management. As such, it should be agreeable to both groups. Typically, a team charter includes:

- a description of the project and its primary focus (multiple issues should be avoided as they may lead to conflict and ambiguity);
- why the project was selected;
- why the team members were chosen;
- the outcomes desired by management;
- any constraints, parameters, or related issues that may affect the project, including the decision-making authority vested with the team;
- expectations for team commitment, such as time required for a typical team member;
- the support management will provide;
- permission to explore all aspects of the product and process;
- any limitations top management considers as necessary; and

- management's commitment to seriously examine and implement as many of the recommendations as are feasible.

The most important issue for team charters to address is that of *outcomes*. Teams have a greater chance of succeeding when they are presented with clear, worthwhile, and compelling goals. Each characteristic—clear, worthwhile, and compelling—is important and quite different.

The outcomes desired by management must be *clear*—discrete, measurable, and have deadlines. “Raise morale,” “increase productivity,” or “improve the quality of work life” are wandering generalities. They sound impressive, but they provide a poor standard by which teams can judge their progress. “We will increase throughput on this line by 15% within ninety days” or “we will reduce the necessity for call-backs to customers by 10% by March 1” are meaningful specifics. Those who sponsor teams and those who serve on them can tell whether these goals are accomplished. (This assumes, of course, that the company has a feedback system to provide the necessary data.) However, while it is important that goals be clearly defined they should not be so narrowly focused that no room is left for creative thinking or entrepreneurial spirit.

Desired outcomes must be *worthwhile* to those who must put forth the effort to achieve them. Senior management may praise the goals and current periodicals may enthusiastically promote them, but what really matters is that the team members believe the goals are worthwhile and that their sustained effort is required to reach them.

Desired outcomes may be clear and worthwhile and still fail if team members and executive



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management do not also believe that they are *compelling*. They are compelling when they must be accomplished within a limited timeframe.

Most organizations have many goals. To realize the benefits afforded by teams as an integrative device capable of balancing and reconciling multiple subgoals, organizations need to communicate the priority of strategic goals to teams and give teams the authority and autonomy to resolve conflicts and manage their progress towards these goals over time.

To this end, the first task of the team should be to thoroughly review, discuss, refine, and adopt the charter, including amendments as may be necessary. For large undertakings, this task may take several meetings, preliminary diagnostics, and additional team members and resources. The team should be encouraged to name itself and its project. This process allows the team to distill its essence and promotes team ownership, signalling the transfer of the undertaking from executive management to the team.

The team must be granted authority commensurate with its assigned task. The authority may lie with the team or the team leader specifically. Even if senior management asks the team only to do fact finding and make recommendations, it must clearly delineate the team's decision-making authority. The success of a single team undertaking and, even more so, the long-term organizational potential of the team concept is dependent upon clearly defined authority.

### **Ensuring an Effective Team Start-Up**

If the team charter plants the seeds of success, it is the team's launch that will often decide whether the seeds will take root. The factors particularly important in executing an effective team start-up are: (i) social bonding; (ii) rules of con-

duct; (iii) review of the team charter; (iv) team mission and vision statements; (v) project plan; (vi) project notebook; (vii) training; (viii) good meeting management; and (ix) effective communications.

### **Social bonding**

Organizations often make a serious mistake early in a project's life by devoting insufficient time to building a cohesive team. Teams commonly engage in a task-oriented approach too quickly, before team members have a chance to develop a sufficiently high comfort level that encourages trust and cooperation. It is reasonable to expect that if trust is not developed early in the project, teams will be less willing to engage in informal communication (the key to high cooperation). Team socialization and team building are required early in the project's development to set the stage for future project success.

### **Rules of conduct**

All groups develop rules of conduct. Effective teams make them explicit early in the process. The ground rules required relate to:

- *attendance*—When and how often meetings will be held?
- *meeting protocol*—How will meetings be run? (e.g., be prompt, no interruptions to take messages)
- *team protocol*—How will members interact? (e.g., everyone contributes)
- *team behavior*—What type of behavior is acceptable? (e.g., comment on anything, no silent disbelief)
- *analytical orientation and approach*—How will we carry out our task? (Teams should keep the discussion at the "values" level to start. The first meeting is too soon to decide methodology.)
- *accountabilities*—Who is accountable for what and when? A sense of mutual responsibility is



required. All members must feel responsible for team outcomes. Thus, members will need to be clear on the outcomes for which they are individually and jointly responsible.

- *ethics*—How will the team deal with confidentiality or other ethical concerns?
- *conflict* (constructive confrontation)—How will members deal with differences of view?
- *decision procedures*—How will decisions be made? (e.g., “What does consensus mean?”)

### Review of the team charter

An important first task for the team is to review and discuss the “draft” team charter as initially provided by senior management. All the basic elements will be there, if management has planted the seeds appropriately. Reviewing the charter, getting comfortable with its implications, developing a common understanding of the assigned task, exploring ambiguities and contradictions, and anticipating the time and work commitments implied by the charter are all important.

Right at the start it is important to get it right. The initial meeting will lay the team’s foundation and will set the tone and style for all that will follow. Reviewing the charter offers a constructive way to quickly develop team cohesion and understanding. If management has provided less than a complete charter or none at all, then the team should complete it.

The team should share the revised charter with senior management for its concurrence. Any changes must be signed off by both parties. Acceptance of the charter by the team and senior management represents the agreement and commitment of both parties to undertake and support the project.

### Team mission and vision statements

The review of the team charter leads appropriately to developing a team mission statement—a clear, concise, statement of the team’s reason for existing. The mission statement is the team’s interpretation of its purpose, stated in the team’s own language. It should help the team to continually focus on the issue it has undertaken and the intended outcome. The team’s mission should obviously complement and be compatible with the organization’s mission statement.

The team should also prepare a team vision and a set of project goals. The vision statement and project goals answer the fundamental questions: *What do we want to become? What do we stand for? What do we want to achieve? How will we measure our success?* The team should not formally try to prepare a team vision too early in the process. The team vision belongs to the team, not executive management; it represents genuine “team ownership” of the assigned challenge.

The function of the mission statement and team vision is threefold: (i) they help the group develop as a team; (ii) they provide a basis for further clarification or redefinition of the team’s goal with senior management; and (iii) they are a basis for ongoing direction and control during team activities.

### Project plan

The team should develop its own project plan, which provides a disciplined framework for planning, deploying resources, and controlling the team assignment. Its purpose is to help the team achieve its mission. A project plan answers the fundamental questions: *How will we fulfill our mission? How will we achieve our goals and vision?* Like the mission statement, the plan is a tool to provide ongoing direction, assess progress, and control team activities. The plan



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includes key assumptions, critical events, or inputs that may affect the team's success. The plan also specifies resource requirements, milestones (events or measures of progress), interrelated tasks, and a method for periodically reviewing progress. The plan is the keystone of sound team project management.

### Project notebook

Effective teams usually organize and maintain a project notebook. A notebook helps the team stay organized, aids the team in reporting to executive management, and provides a corporate resource for other teams, work groups, and individuals. Small projects may require only a few pages of documentation. Large projects may require several binders. Notebooks usually include project documentation such as:

- team charter;
- team mission statement;
- project plan;
- schedules;
- instruments to gather data;
- meeting minutes or notes;
- correspondence;
- team outputs; and
- working papers.

### Training

Team members may require and benefit from training in interpersonal skills such as, but not necessarily limited to:

- *listening skills*—Listening is a crucial, but often overlooked, aspect of communicating. Listening skills, such as paraphrasing ideas, reflecting implied meanings and feelings, and being sensitive to nonverbal behavior, can provide clues to hidden messages;
- *assertiveness skills*—Finding a means of self-expression is the other main component of interpersonal competence. Often individuals have ideas or feelings that go unexpressed,

either because of fear of others' reactions or because of group dynamics. Assertiveness implies stating ideas clearly, without unnecessary jargon and without the intent of "winning" a point;

- *conflict management*—Conflict is not always an obstacle to team performance; it may fuel the creativity necessary to complete the task. The value of cross-functional teams is embodied in the differences members contribute to the team's collective effort. These same differences also provide a platform for conflict. Successful teams effectively integrate differences. Conflict resolution is accomplished by a combination of listening and assertiveness skills in a collaborative atmosphere; and
- *advocacy and inquiry*—Effective communication, particularly in groups, requires a balance of advocacy and inquiry. Advocacy involves telling and persuading others. Lack of advocacy is manifested by withholding (not saying much) or withdrawing (stepping back and watching) behavior. Positive inquiry includes asking questions, exploring others' views, and making reasoning explicit. In a less positive form, inquiry involves leading questions and making few direct statements.

### Good meeting management

Meetings can either be the biggest time waster or the most effective tool for improvement. Since the meeting is the major medium for teams, team effectiveness is highly dependent upon effective meetings.

The frequency of meetings will depend upon many considerations—the stage in the project, the deadline, other team member commitments, etc. Teams can easily suffer from meeting too frequently or not enough. Meetings should not be held for the sake of getting together but to *take advantage* of getting together. If meetings



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are too infrequent, the team and project may lose momentum and direction. If too frequent, team morale and productivity may falter.

The following checklist offers suggestions for good meeting management.

- *Before the meeting*

- ✓ Determine meeting objectives.
- ✓ Decide if other than regular team members should be there.
- ✓ Decide where and when meetings should be held.
- ✓ Send out an agenda or meeting objectives ahead of time.
- ✓ Arrange for equipment.
- ✓ Arrive early to set up the room and greet team members.

- *Starting the meeting*

- ✓ Begin on time.
- ✓ Review and confirm meeting objectives.
- ✓ Review action items from the previous meeting.

- *During the meeting*

- ✓ Structure the content and discussion in stages (e.g., proposition, evidence, discussion, conclusions, action).
- ✓ Keep the group focused.
- ✓ Facilitate discussion and participation of all team members.
- ✓ Summarize major conclusions and all decisions.
- ✓ Use a flip chart as the team's collective note and think pad.

- *Ending the meeting*

- ✓ Establish and review the action list with responsibilities and deadlines.
- ✓ Set the date, place, and objectives for the next meeting.
- ✓ End on a positive note and on the agreed time.

- *After the meeting*

- ✓ Prepare and distribute meeting minutes or notes.
- ✓ Follow up on action items.
- ✓ Check with members on progress and issues before next meeting.
- ✓ Plan carefully for the next meeting.

A technique used in some organizations to focus group effort is to sum and post the total hourly personnel costs of the team members before each meeting. This represents most of the direct costs of the team getting together.

### Effective communications

Effective communication is critical to teams, both within the team and with the rest of the organization. Poor communication is a major barrier to teamwork and innovative performance. The team leader and executive management have the preeminent roles, but all team members have a responsibility.

One example of poor communication is the failure to integrate effectively the lateral processes (teams) and vertical processes (functional activities). One does not replace the other. Functional managers must be kept abreast of what is happening. Major breakdowns occur when the feedback loop is not operating. Team members should keep their functional managers apprised of the relevant team progress and particularly of issues affecting the functional department. Publicizing the team's work to the rest of the



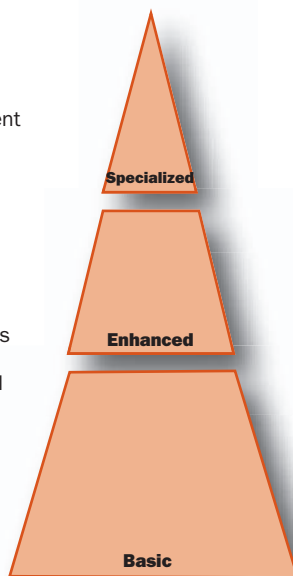
## EXHIBIT 1. TASK-ORIENTED TOOLS AND GROUP PROCESS TECHNIQUES

**Task-Oriented Tools**

Benchmarking  
Affinity Relations  
Time-Based Management  
Quality Function Deployment  
Activity-Based Costing  
Policy Deployment  
Value Analysis

Cost of Quality  
Design of Experiments  
Variables Charting  
Stratification  
Process Capability Analysis  
Sampling  
Statistical Process Control

Flow Chart  
Check Sheet  
Pareto Analysis  
Histograms  
Cause & Effect  
Data Collection  
Run Chart  
Control Chart (UCL/LCL)  
Scatter Chart  
Attributes Chart  
Affinity Diagram

**Group Process Techniques**

Creative Thinking Techniques  
Advanced Group  
Facilitation Technologies  
Individual/Group Assessments  
Automated Groupware  
Risk Analysis Process  
Interaction Process Analysis  
Body Language Analysis

Leadership  
Conflict Resolution  
Priority Setting  
Group Facilitation—General  
Coaching  
Mentoring  
Negotiating

Effective Meetings  
Decision Making  
Brainstorming  
Multivoting  
Nominal Group Technique  
Decision Grid  
Force Field Analysis  
Problem Solving  
Goal Setting  
Team Effectiveness Roles  
Team Life-cycle

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organization (e.g., through newsletters, staff meetings, correspondence) allows others in the organization to contribute information, insights, and ideas to the team. It also provides a periodic “reality check” for the team, promoting consistency with team and organization objectives and minimizing the risk of groupthink.

Ensuring effective communications is an ongoing process that affects all functional areas throughout the project. Executive management should encourage the communication of team successes to the rest of the organization. Such communications serve to recognize team contributions and create a positive and supportive team environment.

**VII. TASK-ORIENTED TOOLS AND GROUP PROCESS TECHNIQUES**

Effective teams need to develop group competencies. Group competencies may be categorized into two clusters: (i) task-oriented tools, such as group data gathering, analysis, and problem solving, and (ii) group process techniques, such as group decision making, team building, and team maintenance. The task-oriented tools focus on the technical aspects of the team assignment. The group process techniques focus on the *human* aspects and help the group work smoothly as a team.

Training in both task-oriented tools and process-oriented techniques helps teams reach their full potential. Organizationally, a common training approach and the development of group competencies create a degree of uniformity within and





between cross-functional teams. The most effective training is done in team sessions while working together on the team project. This “just-in-time” approach trains teams when they are ready to use the specific techniques and tools. It is more relevant than mass training and is geared to achieving measurable results. It guarantees a return on the investment of training dollars. Unless training is immediately put into practice, retention and use are practically nonexistent. As well, the training can evolve as the team and project develop. Exhibit I lists some basic, more advanced, and specialized task-oriented tools and group process techniques.

### Task-Oriented Tools

The following is a preliminary introduction to some basic, task-oriented tools that teams use to increase their performance:

- Checksheets;
- Cause and effect charts;
- Pareto charts;
- Run charts;
- Control charts; and
- Scatter diagrams.

For further problem solving tools and explanations, see Scholtes, 1988.

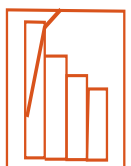
### Data collection forms (checksheets)

A frequent barrier for cross-functional teams is formed by a lack of data. Indeed, the absence of data is a major reason problems go unsolved for so long. The need for data can occur at almost any stage in the team process—selecting and defining a problem, testing a hypothesis about causes, or checking the effectiveness of a proposed solution. Data collection need not be expensive nor elaborate. For example, a simple, well-designed form that can be filled with X's or tally marks (i.e., a checksheet) is often all that is required.

### Cause and effect (or “fishbone”) charts<sup>2</sup>



Cause and effect charts allow teams to map out a list of factors that they think will affect a problem or desired outcome. It is an effective tool for studying processes and situations, for deciding on an approach to data collection, for identifying root causes, and for planning. It can also help a diverse team better see the big picture.



### Pareto charts

Pareto charts identify and display the 80-20 rule; that is, whenever several factors contribute to some overall effect, a few of those items account for the bulk of the effect. Pareto charts are useful throughout a project: early, to identify which problem should be studied; later, to narrow down which causes of the problem to address first. Since Pareto charts draw everyone's attention to the important factors where the payback is likely to be greatest, they can be used to focus team effort and build consensus.



### Run charts (or time plots)

Run charts help teams to examine data for trends or other patterns that occur over time. A time plot shows the data points plotted in time order with a line connecting the points. The frequency of time can be hourly, daily, weekly, monthly, yearly—any period that is relevant to the subject under review.

### Control charts



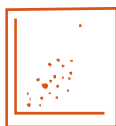
Teams use control charts to monitor a process and display its relative stability to help in identifying special causes, and to assess the

<sup>2</sup> Also referred to as an Ishikawa diagram, after Kaoru Ishikawa, who developed the technique as an effective means of encouraging and focusing employee involvement in improving business processes.



effects of process control and improvement. They are similar to frequency charts, but they also show the range of variation built into the system, the boundaries of which are marked by upper and lower statistical formulas from data collected on the process.<sup>3</sup> Control charts help to distinguish between variation inherent in a process (variation from a “common cause”) and variation arising from sources that come and go unpredictably (“special causes”).

### Scatter diagrams



A scatter diagram visually plots the relationship between two variables, such as two process characteristics. Whereas a dot plot allows a team to look at only one process characteristic at a time, a scatter diagram allows teams to look at the relationship between two characteristics.

### Group Process Techniques

Group effectiveness studies show that group success is highly influenced by two group process factors—the generation of ideas and the quality of decisions. For critical decisions, team consensus is both the most effective and most difficult form of decision making.

Consensus is not necessarily unanimity, nor everyone being totally satisfied, nor a majority vote. Consensus is finding a proposal acceptable enough that all members can support it. That is, no member opposes it. Reaching consensus involves exploring the needs and interests of all parties until a creative and unified team solution emerges from the consideration of all positions.

Reaching consensus requires time, active participation of all members, skills in communication (listening, conflict resolution, and discussion facilitation), open-mindedness, and creative thinking. The chief advantage of reaching consensus is that group commitment to the decision should produce an increased likelihood of action.

An optimal solution considers the needs of all parties involved, of the organization, and the problem and solution itself. Not every decision needs the support of everyone. Every effort should be made to reach consensus on primary issues, such as the team’s mission, primary goals, and major milestones (i.e., progress points, accomplishments, deliverables).

Many disagreements are really about wording rather than substance. Agreeing as a group on the meaning of words can go a long way toward helping achieve consensus. Some structured group process techniques that are used by teams to aid in reaching consensus are:

- Brainstorming;
- Multivoting;
- Nominal group techniques; and
- Decision grids.

Other less structured, more relaxed methods are just as effective. Teams should be encouraged to experiment and find their own styles.<sup>4</sup>

### Brainstorming

Brainstorming is a method to help a team create many ideas quickly. Brainstorming can be used at various stages of team problem-solving to decide possible causes, to generate solutions, or for other purposes. A successful brainstorm lets people be as creative as possible and does

<sup>3</sup> Control limits are not the same as specification limits, nor are they related to budgets, targets, or objectives. Control limits say nothing about how a process is supposed to perform or what managers hope it can achieve. They only indicate what a process is capable of doing.

<sup>4</sup> For further group process techniques and concepts, see Scholtes, 1988.



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not restrict their ideas in any way. This freeform approach can generate excitement in the group, equalize involvement, and often result in original solutions to problems.

The general sequence of events in a brainstorm session is to:

- Review the topic, defining the subject of the brainstorm. Often this is done best as a “why,” “how,” or “what” question: For example, *What* are the possible ways to inform and train supervisors and hourly workers on all three shifts? *How* can we get all the information we need regularly to complete these forms on time?
- Give everyone a minute or two of silence to think about the question.
- Invite everyone to call out their ideas. The meeting facilitator should enforce the ground rules (“No discussion! Next idea...”).
- One team member should write down all ideas on the flip-chart, pausing only to check accuracy.

### Multivoting

Multivoting is a way to select the most important or popular items from a list with limited discussion and difficulty. This objective is accomplished through a series of votes, each cutting the list in half; even a list of thirty to fifty items can be reduced to a workable number in four or five votes. Multivoting often follows a brainstorming session to identify the few items worthy of immediate attention.

The general sequence of events in multivoting is to:

- start with a list of items and number each item;
- combine similar items, but only if the group agrees. Renumber all items if necessary;
- allow each member to vote for several items

(at least one-third of the total number of items);

- have members silently record their preferred numbers (items) on separate sheets of paper;
- have the facilitator collect the ballots and record and consolidate the results;
- reduce the list by dropping those items with the fewest votes. There are no fixed rules on how many votes an item should have. Making this decision is generally self-evident to the team; and
- repeat the procedure until the desired number of items remains.

### Nominal group technique (NGT)

The nominal group technique is a more structured approach to generating a list of options and narrowing it down than either brainstorming or multivoting. It is called “nominal” because during the session the group does not engage in the usual amount of interaction typical of a real team. Because of its relatively low level of interaction, NGT is an effective tool when all or some group members are new to each other. NGT is also good for highly controversial issues or when a team is stuck in disagreement.

NGT has two parts—formalized brainstorming and making a preferred selection.

- formalized brainstorming:
  - ✓ define the task as a question;
  - ✓ write it down for all to see; discuss and clarify until everyone understands;
  - ✓ team members silently generate ideas by writing them down on a paper;
  - ✓ in plenary, prepare a list of ideas using brainstorming;
  - ✓ clarify and discuss the ideas as required; and
  - ✓ consolidate the list (this becomes the ballot for part two of NGT).



- selecting preferences:

- ✓ if the number of items is large (say over 50 items), use multivoting to reduce the list;
- ✓ each member receives a ballot and is allowed a few weighted votes. For example, for 20 items, each member might receive three votes. Weight the first choice three points, the second choice two points, and the third preference one point; and
- ✓ record votes in plenary. The item with the most votes is the group's first choice, the item with the second highest score is second, and so on.

### Decision grid

The decision grid is another structured group technique to aid consensus building. It can be used to narrow the range of alternatives to a more workable number by pairing each alternative with another. Team members vote for the preferred alternative in each pair. After all possible pairs are considered, the votes are tallied. Those alternatives receiving the lowest total number of votes can be eliminated. A grid is used to support this process.

## VIII. DYNAMICS OF CROSS-FUNCTIONAL TEAMS

### Barriers to Effective Team Performance

Teams do not take shape immediately. They evolve, developing their own dynamics. The various forces at work in a team can cause significant barriers to effective team performance, stunting various stages of a team's development if they are not properly managed. Examples are:

- different points of view;
- role conflict;
- power struggles;
- groupthink; and
- lack of commitment.

### Different points of view

The purpose of a cross-functional team is to harness divergent skills and talents toward specific objectives. Coming from different departments or even organizations, there is a strong likelihood that team members will see the world from their own points of view. The tendency to stereotype and devalue other views is heightened when the project is highly technical and members speak their own codes and languages. If there is any history of conflict among organizational units, the representatives from these units may carry their prejudices into the team, potentially subverting attempts to create common objectives. Often these factors are not apparent until the team actually begins work. Conflict resolution, advocacy and inquiry, team building, and team effectiveness role modelling are among the many possible methods for constructing a common team vision and appreciating the contributions of others.

### Role conflict

Project or matrix organizations are not only the product of ambiguity; they create ambiguity as well. Team members are in multiple roles and often report to different leaders, possibly creating conflicting loyalties. They often do not know which constituency to satisfy. The "home" group or department has a set of expectations, perhaps including certain benefits from representation on the team. Once it starts on the task, the team develops a life of its own, with norms, values, and expectations that might vary from those departments. For example, a department may be run in mechanistic, hierarchical fashion while the project team may be more democratic and participatory. Team members might also experience time conflicts due to the demands of project meetings that compete with traditional job responsibilities. The pull of these conflicting forces can be either exhilarating or a source of



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tension for team members. Organizations need to be sensitive to such discontinuities for team participants.

### Power struggles

While role conflict often occurs horizontally (i.e., across units), conflict can also occur vertically, because different authority levels are represented on the team. Individuals who occupy powerful positions elsewhere may try to recreate that influence in the group. Often such attempts to impose ideas or to exert leadership over the group are resisted, especially by others who hold similar positions. There can be subtle attempts to undermine potentially productive ideas with the implicit goal of winning the point rather than looking for what is best for the team. In addition, lower status individuals may be ignored, thus eliminating a potentially valuable resource. While some struggle for power is inevitable in a diverse group, it should be managed in a way that minimizes potentially destructive consequences.

### Groupthink

Groupthink refers to the tendency for a highly cohesive group, especially one working on special projects, to develop a sense of detachment and elitism. To maintain cohesion, the group creates shared illusions of indispensability and unanimity. There is a reluctance to examine different points of view, because these are seen as threats to the group's existence. As a result, group members may censor their opinions, and the group proceeds to compromise the inherent quality and morality of its decisions. Making teams aware of the groupthink phenomenon may help avoid this trap.

Groupthink may also exist on a wider scale through entrenched organization philosophies, further underlining the need for team leaders

and executive champions to create and support an environment for creative thinking.

### Lack of commitment

Team leaders should deal with lack of commitment from members early in the life of the project and attempt to change negative views immediately. Insecurity is often a major reason for lack of commitment. Team leaders should try to determine why insecurity exists and work on reducing team members' fears.

### Stages of Team Development

A team develops in stages, over time, before it becomes really productive. Some groups never get past a certain stage. The most common model of team development involves four stages:

- *Form*—Initially people are concerned with what other people are like, what the group will do and what will be required and expected of them.
- *Storm*—After people settle in, their lack of experience with each others' different styles affects productivity and commitment. Needs for recognition and influence create conflict.
- *Norm*—Because of the conflict, people evolve better ways to both deal with each other and achieve group goals. They develop mutually acceptable patterns of work and rules.
- *Perform*—With the energy released from interpersonal tensions and having identified ways to help each other, people address the work issues at hand.

The role of the team leader and facilitator is to help the team members get through the forming and storming stages as quickly as possible so they can get down to work.

Providing an understanding of the stages a team passes through can alleviate team members'



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### EXHIBIT 2. STAGES OF TEAM DEVELOPMENT

	STAGE 1—FORM Team Formation & Orientation	STAGE 2—STORM Dissatisfaction & Conflict
Stage Characterized by:	Low Productivity  Moderate Morale	Low to Moderate Productivity  Low Morale
General Description of Team Stage	People are concerned with what other people are like, what the group will do, their role, what will be required and expected of them. People see themselves as individuals. They begin to understand the group's assigned task. The group is not a team but a gathering of individuals brought together for a common purpose.	After people settle in their different ways of doing things. Productivity and commitments are affected by their lack of experience in dealing with each others' different styles. Needs for recognition and influence create conflict. Members disagree on the team's approach and resist collaborations.
Team Members Feelings	<ul style="list-style-type: none"> <li>● Moderately eager with high expectations</li> <li>● Tentative and a bit shy toward team members</li> <li>● Some anxiety and skepticism about the task ahead.</li> <li>● Testing situation &amp; central figures</li> <li>● Dependency on authority &amp; hierarchy</li> <li>● Need to find a place &amp; establish oneself.</li> </ul>	<ul style="list-style-type: none"> <li>● Resistant to attempting different approaches</li> <li>● Increased tension and disunity</li> <li>● Defensive and competitive</li> <li>● Feeling incompetent and confused</li> <li>● Experiencing polarities of dependency and counter dependence</li> <li>● Experiencing discrepancy between hopes and reality</li> <li>● Dissatisfied with dependency on authority</li> </ul>
Team Concerns and Questions	<ul style="list-style-type: none"> <li>● What is the group's purpose?</li> <li>● What methods and procedures will we use?</li> <li>● What will be acceptable behavior?</li> <li>● Does group have the right members?</li> <li>● What will be expected of us?</li> <li>● How will we be judged?</li> </ul>	<ul style="list-style-type: none"> <li>● How will we resolve conflict around purpose and methods?</li> <li>● How will we deal with group problems?</li> <li>● How will we make decisions?</li> <li>● How will leadership be decided?</li> </ul>
Suggested Learning Activities to Assist Team Development	<ul style="list-style-type: none"> <li>● Discuss business context of assignment</li> <li>● Review Team Charter</li> <li>● Write Team Mission Statement</li> <li>● Develop Code of Conduct</li> <li>● Introduce:               <ul style="list-style-type: none"> <li>✓ Stages of Development</li> <li>✓ Characteristics of high performing teams</li> </ul> </li> <li>● Organize social time</li> <li>● Encourage open discussion of concerns</li> <li>● Use a team assessment questionnaire</li> </ul>	<ul style="list-style-type: none"> <li>● Develop Project Plan</li> <li>● May introduce:               <ul style="list-style-type: none"> <li>✓ Characteristics of effective team members</li> <li>✓ Dealing with differences</li> <li>✓ Task &amp; relationship skills</li> <li>✓ Effective listening</li> <li>✓ Leadership &amp; empowerment</li> <li>✓ Managing conflict</li> <li>✓ Giving &amp; receiving feedback</li> </ul> </li> </ul>





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### EXHIBIT 2. STAGES OF TEAM DEVELOPMENT

	<b>STAGE 3—NORM</b> <b>Resolution &amp; Development of Home Base</b>	<b>STAGE 4—PERFORM</b> <b>Synergy &amp; Production</b>
<b>Stage Characterized by:</b>	Moderately High Productivity Improving Morale	High Productivity High Morale
<b>General Description of Team Stage</b>	Because of the conflict, people evolve better ways to both deal with each other and achieve group goals. They develop mutually acceptable patterns of work, roles and rules. Members accept individuality of members. The job is getting done positively and effectively.	Because of the conflict, people evolve better ways to both deal with each other and achieve group goals. They develop mutually acceptable patterns of work and rules. The team is now an effective, cohesive unit where much productive work is being done.
<b>Team Members Feelings</b>	<ul style="list-style-type: none"> <li>● Decreasing dissatisfaction</li> <li>● Resolving discrepancies between expectations and reality</li> <li>● Resolving polarities and animosities</li> <li>● A sense of personal accomplishment</li> <li>● Developing harmony, trust support and respect</li> <li>● A sense of belonging to team</li> <li>● Freedom to express ideas and constructive criticism</li> <li>● Mutual respect</li> </ul>	<ul style="list-style-type: none"> <li>● Excitement about participating in team activities</li> <li>● Working collaboratively and interdependently</li> <li>● High trust and friendship</li> <li>● High creativity</li> <li>● Sense of team strength and confidence</li> <li>● Sharing leadership</li> <li>● Pride in team accomplishments</li> <li>● Performing at high levels</li> </ul>
<b>Team Concerns and Questions</b>	<ul style="list-style-type: none"> <li>● Will we be able to meet our mission?</li> <li>● Are we proceeding satisfactorily?</li> <li>● How can we improve our team effectiveness?</li> </ul>	<ul style="list-style-type: none"> <li>● How will senior management respond to our recommendations?</li> <li>● What will happen to the team upon completion?</li> <li>● How can we continue to do good things together?</li> </ul>
<b>Suggested Learning Activities to Assist Team Development</b>	<ul style="list-style-type: none"> <li>● May introduce: <ul style="list-style-type: none"> <li>✓ Norms &amp; groupthink</li> <li>✓ Openness &amp; self disclosure</li> <li>✓ Consensus decision making</li> <li>✓ Group facilitation</li> <li>✓ Collaboration</li> </ul> </li> <li>● Use group problem solving and decision making tools</li> <li>● Use group creativity techniques</li> </ul>	<ul style="list-style-type: none"> <li>● Introduce more advanced group process &amp; problem solving techniques</li> <li>● May introduce: <ul style="list-style-type: none"> <li>✓ Overcoming barriers to effective team work</li> <li>✓ Managing change</li> <li>✓ Personal development techniques</li> <li>✓ Visioning</li> <li>✓ Creative thinking</li> <li>✓ New role of leader as trainer, coach, mentor</li> </ul> </li> </ul>



## LEADERSHIP STRATEGIES & ETHICS

### EXHIBIT 2. STAGES OF TEAM DEVELOPMENT

	STAGE 1—FORM Team Formation & Orientation	STAGE 2—STORM Dissatisfaction & Conflict
Stage Characterized by:	Low Productivity  Moderate Morale	Low to Moderate Productivity  Low Morale
Leadership Style and Behavior	High directive/Low Supportive <ul style="list-style-type: none"> <li>● Set realistic and attainable goals</li> <li>● Clarify tasks and relationships</li> <li>● Set standards and limits</li> <li>● Make decisions and give directions</li> <li>● Teach and show skills</li> <li>● Give feedback on performance and group dynamics</li> <li>● Provide low to moderate support</li> </ul>	High Directive/High Supportive <b>Supportive</b> <ul style="list-style-type: none"> <li>● Facilitate group decision making</li> <li>● Listen actively</li> <li>● Accept &amp; understand differences</li> <li>● Acknowledge difficulties</li> <li>● Confront challenge</li> <li>● Build supportive relationships</li> <li>● Manage conflict</li> <li>● Praise helpful behavior</li> </ul> <b>Directive</b> <ul style="list-style-type: none"> <li>● Redefine goals and expectations</li> <li>● Provide vision</li> <li>● Redefine roles &amp; responsibilities</li> <li>● Continue skill development (technical, interpersonal &amp; group)</li> <li>● Attribute meaning</li> <li>● Facilitate interdependence</li> </ul>

concerns about progress. Exhibit 2 provides a summary of the types of feelings and concerns common to each stage, suggested team learning activities, and team leader style and behavior for each stage of team development.

There are two additional stages of development that may follow the *perform* stage—*conform* and *transform*. Teams at the *perform* stage may function well, producing outstanding results, but they will not do so on an ongoing basis unless they can make it to the *transform* stage. Team performance lags during the *conform* stage, which takes place when:

- team members are less inspired by their vision and sense of purpose;

- trust, mutual respect, and open communication decreases; and
- the team, despite changes, is unable to break from its current frame of reference.

The *transform* stage is the other alternative available to teams. It is the next higher level of learning and performance. It is characterized by the following qualities:

- a renewed sense of purpose is created;
- new goals are stated and group process skills are increased;
- team leadership is shared among all members;
- the group develops enhanced appreciation and respect for individual differences;



## EXHIBIT 2. STAGES OF TEAM DEVELOPMENT

	<b>STAGE 3—NORM</b> Resolution & Development of Home Base	<b>STAGE 4—PERFORM</b> Synergy & Production
Stage Characterized by:	Moderately High Productivity Improving Morale	High Productivity High Morale
Leadership Style and Behavior	<i>Low Directive/High Supportive</i> <ul style="list-style-type: none"><li>● Facilitate group functioning</li><li>● Involve group in setting goals and standards</li><li>● Involve group in decision making</li><li>● Encourage &amp; acknowledge performance</li></ul>	<i>Low Directive/Low Supportive</i> <ul style="list-style-type: none"><li>● Share information</li><li>● Link to the larger organization</li><li>● Manage team goal setting</li><li>● Facilitate team performance review process</li></ul>

- team collaboration is the preferred approach to achieving high performance; and
- the team thrives on continuous learning.

## IX. INDIVIDUAL AND ORGANIZATIONAL IMPLICATIONS

Teams both reflect and affect the organizations of which they are a part. The language and interaction patterns of the organization's structures, systems, and cultures shape its teams and affect their effectiveness. The tension caused by the contradictions of teamwork explains much of the gap between ideal and actual team performance. These contradictions exist:

- *within individuals*, as members adjust to becoming team members, to be both individuals and parts of a team, to having a functional and a team identity, and to being independent and dependent;
- *within teams*, as members grapple with the paradoxical demands of the team task, including the challenge of integrating different functions, skills, and perspectives; and
- *within organizations*, as firms shift from tradi-

tional bureaucratic systems to adopt new work forms, such as cross-functional teams.

### The Individual Perspective

Individual employees want work that offers achievement and fulfillment. Achievement means working and performing well. Fulfillment comes from work that provides a sense of meaning and authenticity. Individuals seek recognition for excellence and quality, but with freedom from constraints on initiative and creativity.

In teams, individuals want not only to be part of a winning team, they want more pleasure, freedom, and opportunity to participate. They expect opportunities and support for the development of new competencies. They seek a sense of community and an atmosphere of tolerance and openness, working cooperatively with different kinds of people to achieve something larger than themselves.

To provide individuals with the essential organizational support for high performing teams, exec-



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utive management must address five concerns of a typical team member: (i) Will I receive organizational credit for my team contribution? (ii) What will I learn or gain in terms of personal development from my team involvement? (iii) Will my team involvement advance or hinder my career? (iv) How will my team contribution be assessed and by whom? and (v) Will I have the required resources and support to fulfill my team commitment?

- i) *Organizational credit*—The answer to this concern may evolve over time with the organization's experience with cross-functional teams. There are firms who do not evaluate an individual's contribution to the team effort or factor this element into the organization's merit system. If they want cross-functional teams to work, firms are advised to provide a mechanism to do these things.
- ii) *Personal development*—Team involvement must meet individual needs, preferences, and aspirations. Opportunity for personal development and growth motivates employees. Organizations should ensure that the selection of team members and their preliminary roles complements the individual's needs as well as those of the team and organization. The performance management system should recognize and reward individuals' learning and accomplishments in teams.
- iii) *Career advancement*—The organization needs to show, through its promotion policies and, more importantly, its promotion practices that team assignments lead to advancement; that team involvement is part of new, flexible, nonbureaucratic behavior essential to the organization's future success; and that there is a hierarchy of more challenging and exciting team assignments.
- iv) *Individual assessment*—Individual team member performance can be evaluated by

the individual's functional manager, by the team leader, by peers on the team, or by the whole team. Individuals deserve to receive feedback on their performance. They deserve to know in advance how their performance will be assessed, by whom, and using what criteria or expectations.

- v) *Resources and support*—The organization must also provide the necessary and appropriate resources for the individual to contribute to the team effort. This may mean reallocating responsibilities to enable the individual to devote the necessary time and attention to team tasks and meetings. It may mean training the individual in preparation for a team assignment (e.g., in interpersonal skills). It may require the functional manager granting to the individual the authority to commit appropriate functional department or work unit resources to the team effort.

### **The Organizational Perspective**

For cross-functional teams to flourish, they must find a breathable organizational atmosphere. It is executive management's role to address this broader organizational and cultural requirement. This assumes that the executive management has an interest in cross-functional teams that extends beyond a one-time or occasional use and wants to build a long-term organizational capability to manage and benefit from cross-functional teams. The concept of teamwork runs counter to the prevailing social and organizational culture of North America. North American culture is deeply rooted in values of individuality, independence, competition, and individual accomplishment. Business culture, in particular, is premised on the beliefs and values that:

- competition produces better effort and outcomes;



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- resources need tight control to be efficiently utilized;
- individual accountability is essential to performance; and
- selection, evaluation, and reward are best done on an individual basis.

These fundamental beliefs find organizational expression in bureaucratic structures and practices; systems of functional responsibility, individual accountability, appraisals and rewards; and policies of quality and cost control. All these values, beliefs, systems, practices, and the organizational imperatives of bureaucratic structures and power relationships are at odds with the new demands of cooperation, information-sharing, and joint decision-making inherent in high-performing cross-functional teams.

For a typical functional manager, the very existence of cross-functional teams implies compromises with existing organizational arrangements. Personal and organizational imperatives associated with the status quo naturally conflict with cross-functional teams. Compounding this is the stress experienced by the team and the individuals within it.

The following serves as a summary of strategies and tactics that organizations can use to support high-performing cross-functional teams. Organizations should:

- *encourage executives to be champions of the team concept*—Executives are models of organizational values in their own behavior and in how they recognize and reward employee practices. How well executives consistently express team-friendly values through their behavior can greatly influence team success.
- *ensure management-team alignment of purpose and expectations*—This objective can be achieved by the appropriate selection of the

team project and through negotiation with the team on its team charter.

- *change functional managers from controllers to suppliers*—Too frequently the functional manager acts as the controller of resources. Today's business challenges require the integration of diverse knowledge and expertise and the cooperation of everyone with the requisite elements of knowledge. Cross-functional team success requires that the functional manager surrender authority for resource allocation to the team. The functional manager's role requires clarification and a shift to that of enabler and supplier of services.
- *provide appropriate external resources and support for the team*—Cross-functional team projects usually require external resources, such as training, process facilitation, and legal, computer, and information services. It is critically important that senior management provide the organizational resources and support required for an innovative team to function effectively. The team leader needs to tell management at the onset of the development program what resources, help, and support are needed. The leader's relationship with senior management should be carefully cultivated via involvement, planning, and regular communications as it critically affects the project leader's credibility, visibility, and priority.
- *allow time away from regular duties*—Assuring time away from regular duties for team meetings and assignments is a key resource issue. Depending on the scope of the projects, total teamwork may require 100 to 200 hours of work over a three-to-twelve month period. Given the hectic pace of most work environments, this time must be built into the schedules of team members and their functional departments. These adjustments must be supported and encouraged by management.



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- *clear roadblocks to team success*—When teams address products and processes with high potential and high visibility, they invariably encounter political issues, differences of management opinion, and questions of responsibility. These issues require the advice and advocacy of the executive champion whose role is to clear any roadblocks to team success.
- *invest resources in training, employee development, and team facilitation*—Initially all team members should be trained in the new way of working. This commonality of training and experience will provide team members with a shared team language. Ideally, basic aspects of team training should be extended to all managers and executives. For example, team members may benefit from training in interpersonal skills.
- *implement team recommendations*—Executives must be prepared to act on team recommendations or to justify their actions when team recommendations are modified or rejected. Failure to do so will undermine future team efforts. Each team project must be brought to a satisfactory conclusion. Results must be implemented, or at least tested. If the results are not implemented, there should be evidence of substantive organizational learning for future application.
- *reinforce team (not team member) accountability*—Allow the team to perform. The organization must grant the team sufficient authority to fulfill its assigned mission. For example, after receiving broad direction from executive management, teams should set their own targets. Organizations must permit the team to manage risk, to control its budget, to evaluate its performance, and to recognize and celebrate its individual members' and the overall team's performance. Making teams accountable for project control, spending, and team results helps team members focus on their joint effort. It generates personal commitment to the team and its common purpose. This strategy also prevents, or at least reduces, external pressures that may distract the team.
- *reward collaboration and cooperation, not competition*—Many forms and types of team recognition are available, such as a team presentation to executive management, an appreciation dinner, recognition in performance appraisals, reporting team results in corporate publications, and personal acknowledgment from executives.
- *suspend normal individual performance reviews*—A corollary to team accountability is suspending individual performance reviews. Individual reviews may work against team effectiveness. In interdependent tasks, such as teamwork, it is difficult to establish individual contributions. If they are required, the team is probably the best judge of individual contributions. Individual performance reviews for traditional functional or line responsibilities should be suspended for people who are assigned to a cross-functional team. Such reviews distract members from the team effort and reinforce existing organizational structures and relationships.

### Evaluating Team Performance

Team performance should be evaluated on a regular basis with the focus more on results and less on specific activities, to promote creative solutions and avoid group tunnel vision. Team success can be evaluated against the following:

- fitting with team vision;
- fulfilling team's mission;
- achieving results;
- upholding team values; and
- meeting expectations.

The best judge of team effectiveness is the team itself. Self-evaluation can be brought onto the





informal agenda of every meeting by simply asking, “How are we doing?” The team leader can periodically place the issue on the formal agenda. The review should consider both the task side and process side of team effectiveness. The “Cross-Functional Team Rating Form,” in Appendix A, provides a possible structure for rating team performance on the process side.

### X. WHY CROSS-FUNCTIONAL TEAMS CAN FAIL

Cross-functional teams can fail for many reasons. Among them are:

- *Failure to establish clear project objectives:*
  - ✓ poor goal or issue definition at project kick-off;
  - ✓ not defining goals and roles of functional departments; and
  - ✓ underestimating project complexity;
- *Failure to control costs, schedules, and resources:*
  - ✓ not anticipating issues that can derail projects; and
  - ✓ not monitoring project process;
- *Ineffective communication networks between the team and the external world:*
  - ✓ not establishing, using, and updating communication networks;
  - ✓ not maintaining the interest and commitment of senior management; and
  - ✓ failure to share important “earnings”;
- *Lack of coordination within the team:*
  - ✓ not clearly defining team member roles and responsibilities;
  - ✓ not integrating the efforts of individual contributors; and
  - ✓ not anticipating team problems and developing contingency plans;
- *Failure to deal with intense pressures and conflicts:*
  - ✓ underestimating task difficulty;
  - ✓ not allowing for a learning curve to develop within the team; and
  - ✓ pressure for immediate results;
- *Failure to deal with problems and issues:*
  - ✓ not knowing that serious problems exist;
  - ✓ not admitting that problems exist; and
  - ✓ not seeking expert help in solving major problems;
- *Failure to develop a feedback system:*
  - ✓ not providing feedback to team members;
  - ✓ lack of senior management feedback and control; and
  - ✓ not using the experience of other teams that have faced similar experiences;
- *Inadequately trained team leaders and team members:*
  - ✓ lack of training in team development skills; and
  - ✓ inadequate team leadership and team membership skills;
- *Other issues:*
  - ✓ underestimating project completion time;
  - ✓ not providing adequate resources;
  - ✓ senior management’s failure to support and empower the team;
  - ✓ not assessing the team’s strengths and weaknesses;
  - ✓ lack of planning and control; and
  - ✓ not investing enough time in high-payoff activities, such as status review meetings.



### XI. CONCLUSION

Today's business challenges require the integration of diverse knowledge and expertise and the cooperation of everyone with the requisite understanding and capabilities. As integrative mechanisms, cross-functional teams are a primary management tool of the 1990s and will be more critical in the next century. Cross-functional teams integrate the distributed expertise required by complex undertakings.

However, teams are not the solution to every organization's organizational needs. They will not solve every problem, enhance every firm's results, nor help top management address every performance challenge. Moreover, when misapplied, they can be both wasteful and disruptive. Nonetheless, cross-functional teams usually do outperform other groups and individuals.

This guideline presents advice and best practices for getting more from cross-functional teams for the individual team member and the organization. Without diligent implementation, however, the best practices are merely best intentions.



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### APPENDIX A: CROSS-FUNCTIONAL TEAM RATING FORM<sup>5</sup>

Think how your team would rate on a scale of 1-5  
(1 = low; 5 = high)

Criteria	Rating
<b>Purpose</b>	
1. Members describe and are committed to a common purpose.	_____
2. Goals are clear, challenging, and relevant to the team's purpose.	_____
3. Strategies for achieving goals are clear.	_____
4. Individual roles and responsibilities are clear.	_____
<i>Sub-total (out of potential of 20)</i>	_____
<b>Empowerment</b>	
5. Members feel a personal and collective sense of power.	_____
6. Members have access to necessary skills and resources.	_____
7. Organizational policies and practices support team objectives.	_____
8. Mutual respect and willingness to help each other is evident.	_____
<i>Sub-total (out of potential of 20)</i>	_____
<b>Relationships and Communication</b>	
9. Members express themselves openly and honestly.	_____
10. Warmth, understanding, and acceptance are expressed.	_____
11. Members listen actively to each other.	_____
12. Differences of opinion and perspective are valued.	_____
<i>Sub-total (out of potential of 20)</i>	_____
<b>Flexibility</b>	
13. Members perform different roles and functions as needed.	_____
14. Members share responsibility for team leadership and team development.	_____
15. Members are adaptable to changing demands and requirements.	_____
16. Various ideas and approaches are explored.	_____
<i>Sub-total (out of potential of 20)</i>	_____

<sup>5</sup> Source: Adapted from Kenneth Blanchard, Donald Carew, and Eunice Parisi-Carew, 1990, 22-23.



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Criteria	Rating
<b>Optimal Productivity and Accountability</b>	
17. There is individual and mutual accountability.	_____
18. There are collective work-products.	_____
19. Team measures performance by assessing its collective work-products.	_____
20. Team discusses, decides, and does real work together.	_____
21. Team output is high.	_____
22. Quality is excellent.	_____
23. Decision-making is effective.	_____
24. Clear problem-solving process is apparent.	_____
Sub-total (out of potential of 40)	_____
<b>Recognition and Appreciation</b>	
25. Individual contributions are recognized and appreciated by leader and other members.	_____
26. Team accomplishments are valued and recognized by the organization.	_____
27. Group members feel respected.	_____
28. Team contributions are valued and recognized by the organization.	_____
Sub-total (out of potential of 20)	_____
<b>Morale</b>	
29. Individuals feel good about their membership on the team.	_____
30. Individuals are confident and motivated.	_____
31. Members have a sense of pride and satisfaction about their work.	_____
32. There is a strong sense of cohesion and team spirit.	_____
Sub-total (out of potential of 20)	_____
<b>General Assessment</b>	
Grand Total (out of potential of 160)	_____



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