MEETING THE CHALLENGES OF DEVELOPING COLLABORATIVE TEAMS FOR FUTURE SUCCESS

Never has the need for collaboration and teamwork been more critical than today. Faced with a rapidly changing business environment and complex organizational challenges, companies are tapping into the power of teams to provide innovative solutions to achieve superior business results. Companies are recognizing the benefits of shifting to a team structure within a unified, inclusive, and collaborative workforce—one that enables agility and unites talent to focus on gaining competitive advantage in an evolving marketplace.

According to research by Harvard Business Review Analytic Services, 89% of business leaders are prioritizing collaboration and teamwork as part of their organization's overall workforce strategies. However, the research found that investment in technology, not investment in humans, is the priority. Most companies have made technology (collaboration tools, applications, and mobility) the focus of their efforts to prepare for the future of work, yet only half as many are enabling the acquisition of "power skills" (communicating verbally and in writing, solving complex problems, and critical thinking, etc.) relevant to the future of work.

Despite the move toward teaming and collaboration, organizations are still up against significant barriers. Research respondents cited a lack of communication, information transparency, and knowledge sharing, and a lack of trust as big barriers. To deploy teams effectively, organizations will need to remove these barriers.

Central to the HR People + Strategy mission is providing access to forward-thinking insights and cutting-edge research that addresses strategic and proven best practices in areas we believe are critical to talent and organizational effectiveness. Today's HR leaders need to be prepared with the knowledge, skills, and expertise to drive organizational capability and performance to meet the demands of a constantly changing ecosystem of work.

We partnered with Harvard Business Review Analytic Services to conduct research on the unique role and importance of highly collaborative, highly diverse, cross-functional teams within the context of the modern workplace.

The world of work continues to evolve. The way companies are structured can hinder or enhance teaming and collaboration. While a thorough review of organizational structure is a logical place for leaders to start when contemplating how to implement these workforce principles, successfully adopting a team-based approach requires changes across several areas: leadership, communication, innovation, and partnerships. This report will offer practical insights for HR leaders to implement a more team-centric workforce strategy while overcoming common implementation barriers.

ABOUT HR PEOPLE + STRATEGY
HR People + Strategy is the premier network of HR executives and thought leaders in the field of human resources. As SHRM's Executive Network, HR People + Strategy provides members access to forward-thinking exchanges, cutting-edge research, insightful publications, and executive-level networking opportunities. To learn more about HRPS, visit HRPS.org.

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Team rooms have replaced cubicles, co-workers are teammates, and work is done in sprints, not increments. Failing is okay, as long as it's "fast" or "forward." Companies are striving to be more productive and innovative, and collaboration and teaming are two key ways they intend to get there.

In their quest for greater agility, "companies are taking their top talent and putting them on teams," notes Rob Cross, professor of global business at Babson College and founder and chief research scientist at Connected Commons, a consortia of business and academic leaders focused on organizational structure and business performance. "What I consistently see is a 50% increase in the collaboration intensity of work in the last decade," he notes.

The 503 business leaders surveyed by Harvard Business Review Analytic Services in July 2019 are witnessing this vigor too, with 89% of respondents saying that prioritizing collaboration and teamwork is increasingly part of their organization's overall workforce strategy.

The reason for such enthusiasm stems from the benefits organizations expect to reap. These include greater employee morale (80%), improved product and service quality (78%), increased innovation (77%), and faster speed and greater agility (60%). More than half (59%) of organizations also anticipate an overall increase in worker efficiency. FIGURE 1

Measuring just how realistic these expectations really are, however, hasn't kept pace with that ardor, according to Cross and other experts. "We've evolved over the past two decades where collaboration is critical, but we're not measuring its impact, so the knee-jerk reaction is that more and faster collaboration is always better."

Organizations also seem to be counting on technology to make their teams more productive at the expense of skills development. Meanwhile, the biggest barriers to collaboration and teams are people issues, having to do with trust, communication, leadership, and decision making. "The way companies are organized is one of the biggest barriers," says Tamara Erickson, an organizational expert and executive fellow in organizational behavior at London Business School.

"Collaboration increases your chances of **finding the right solution** and it probably **increases the quality** of the solution you find, but the democratic way of doing things is terribly slow in general. It's exactly the same with collaboration," Strusievici says.

These obstacles show no sign of decreasing collaboration's momentum, however, perhaps because of the overwhelming benefits it does afford when done right.

Mind the Structural Gaps
The companies surveyed have already established collaborative teams either around a project (53%), business process (51%), product or product line (41%), or business goal (34%). They're also making hefty investments in collaboration tools, applications, and mobility. FIGURE 2

Look at Colliers, a $3.3 billion real estate services and investment management company, where a three-person team was charged with creating and testing a prototype and then deciding on its viability as a product. The team comprised an enterprise architect and senior business leader who were both Colliers employees plus a software solutions developer from an outside firm. Strusievici credits the speed with which the team executed—two weeks—to its small size. By contrast, in his experience with larger teams, working collaboratively actually slows down progress. "Collaboration increases your chances of finding the right solution and it probably increases the quality of the solution you find," Mihai Strusievici, the director of IT, North America, at Colliers International says. "But the democratic way of doing things is terribly slow in general," he notes. "It's exactly the same with collaboration."

A slower pace that accompanies larger teams isn't the only barrier organizations encounter when it comes to collaboration. More than half (53%) of organizations, for example, cite a lack of information transparency and knowledge sharing at their companies. Another 52% point to a lack of clear decision making.
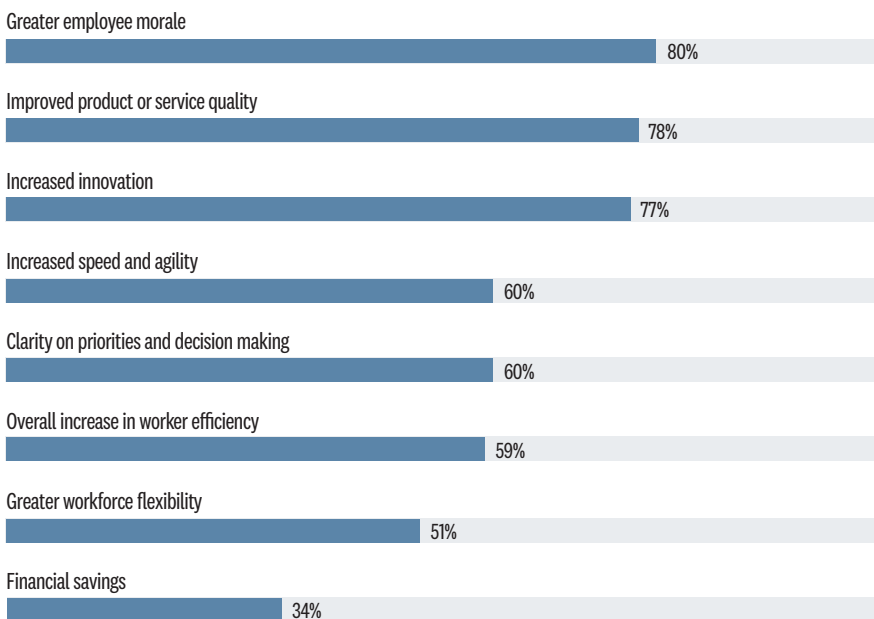
Meanwhile, 44% of respondents say their companies lack team leadership or team management expertise, while the same percentage of respondents cite a lack of trust between team members. One-third of respondents point to trust in the capabilities of the team as a big hurdle.

"As much as humans collaborate better than any other species, we're also not very good at it," Strusievici asserts.

FIGURE 1

PERCEIVED BUSINESS BENEFITS OF COLLABORATION
Business benefits expected from strong collaboration and/or teamwork

Greater employee morale
80%

Improved product or service quality
78%

Increased innovation
77%

Increased speed and agility
60%

Clarity on priorities and decision making
60%

Overall increase in worker efficiency
59%

Greater workforce flexibility
51%

Financial savings
34%

SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, JULY 2019

"Training needs to be provided. I am fascinated by the fact that we put project teams together and we never train them. We just hope that the team will be productive."

While 49% of organizations responding have made technology—collaboration tools, applications, and mobility—the focus of their efforts to prepare for the future of work, only half as many (24%) are enabling the acquisition of new skills relevant to what's ahead. And even though collaboration and teaming entail an entirely different way of working, just 28% of organizations have made significant change around headcounts, departments, and teams in their organizational structure. Significantly less than half (38%) have made any significant changes around knowledge sharing, communication, and information flow. FIGURE 3

Structuring companies by geographic region and function, for example, are industrial concepts designed to yield manufacturing efficiency, but major changes may be in order. "They're great if what you are trying to do is produce a large quantity of goods at a consistent quality and low cost. What you want then is standardization, specialization and hierarchies," London Business School's Erickson says. "Yet increasingly, we live in an intelligence-based economy. Competitive differentiation is information- and knowledge-based. Manufacturing efficiency is not where the money is, and those same constructs are exactly the wrong things to be doing."
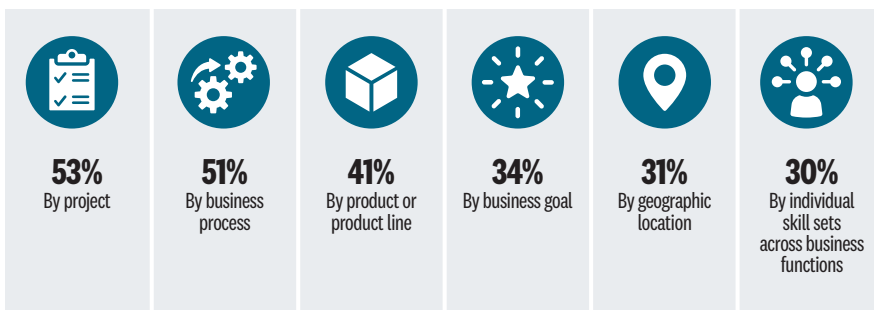
For collaboration to be successful, companies need to experiment with new organizational constructs. "I recommend starting in one place, such as the R&D group, and thinking of it more as a fluid, project-based organization and not people who are housed in a functional pod," Erickson says.

This requires organizations to reimagine their workforce "more like a consulting company," she says. Under this construct, "a group of people forms around specific engagements as they arise, with staffing managers to coordinate the process," she explains.

HOW TEAMS BREAK DOWN
How respondents' organizations establish teams

53% By project	51% By business process	41% By product or product line	34% By business goal	31% By geographic location	30% By individual skill sets across business functions

SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, JULY 2019

Worker evaluation processes also need to change, with peers having much more input into evaluations, Erickson says. "Research shows that you have to allow one of two things to occur to have successful collaboration on teams: A team has to be able to choose its own members, or at the end of a project, the team must be able to assess its own members, or both," she asserts. "What's clear is that the view of a person outside of the team and the view of the team has no correlation."

Beware of Technology Overload
Clearly, organizations are relying heavily on technology to help make the shift toward teamwork and greater collaboration. Yet in the rush to adopt high-tech tools, many organizations have been blind to certain disadvantages, says Babson's Cross.

"I actually think technology can do a lot, but the problem now is there are too many small collaborative applications that are inexpensive, and companies have foisted too many things on people," Cross says.

Where many organizations have fallen short is in setting up policies and/or adopting best practices so that using various collaboration tools is truly more productive and effective. "People are throwing tools into problems, but they're not factoring in the collaboration intensity that is created," Cross notes.
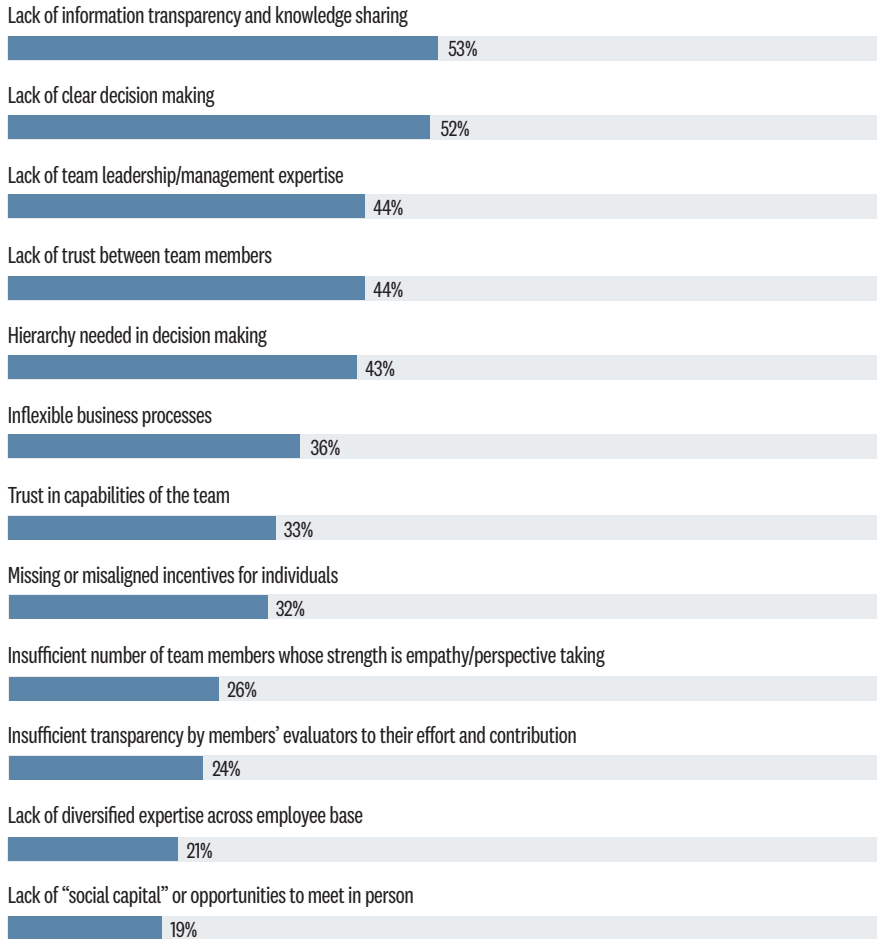
FOR COLLABORATION TO BE SUCCESSFUL, COMPANIES NEED TO EXPERIMENT WITH NEW ORGANIZATIONAL CONSTRUCTS.

FIGURE 3

BARRIERS TO COLLABORATION

Biggest challenges to operationalizing collaborative teams

Lack of information transparency and knowledge sharing

53%

Lack of clear decision making

52%

Lack of team leadership/management expertise

44%

Lack of trust between team members

44%

Hierarchy needed in decision making

43%

Inflexible business processes

36%

Trust in capabilities of the team

33%

Missing or misaligned incentives for individuals

32%

Insufficient number of team members whose strength is empathy/perspective taking

26%

Insufficient transparency by members' evaluators to their effort and contribution

24%

Lack of diversified expertise across employee base

21%

Lack of "social capital" or opportunities to meet in person

19%

SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, JULY 2019

The heart of the issue, he says, is the pervasive absence of any kind of tracking or measuring of collaborative activity and overall team performance. "People generally spend 85% or more of their work time in collaborative activities—on the phone, in meetings (virtual or face to face), and on email or other collaborative tools. Yet we don't track where this time is going and what is productive or drains on efficiency, performance, and well-being. We can track expenses like airline receipts down to two decimal places, but as the collaborative intensity of work has exploded our management systems

and tools have not kept up—we have no idea of the kinds of collaborations that are generating real results today; we don't understand where time is going and what is creating success," he says.

What is clear is that more than technology must change to make a collaborative and team-based approach to work succeed. For the approach to succeed, trust, communication, leadership, and insightful decision making are necessary, but respondents feel there are real deficiencies here. A lack of information transparency and knowledge sharing (53%), clear decision making (52%), team leadership and management expertise (44%), and trust between team members (44%) were cited as the biggest barriers to operationalizing work by collaborative teams. FIGURE 3

Organizations, respondents believe, also need to change their approach to the scope and decision rights of teams (59%), their overall information-sharing practices (55%), and their company culture (54%). New management roles and responsibilities (53%) must also be clearly defined and implemented. More than one-third (39%) of survey respondents also call for changes in performance metrics and reviews in order for a team-based approach to succeed. FIGURE 4

Invest in Team Skills

More companies may be organizing teams and working collaboratively, but it doesn't mean they're doing it particularly well, or that employees are more efficient or effective. "Doing teams well all goes back to companies being willing to invest in employee development and training in how to work on teams," says Lindred Greer, an associate professor of management and organizations and director of the Sanger Leadership Center at University of Michigan.

As part of her work at Sanger, Greer is working to codify key leadership skills and behaviors for MBA students as a way to prepare them for the collaborative, team-based future of work. These include an ability to set goals and inspire people, to resolve

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91% of respondents feel that team members need to develop strong interpersonal skills, such as **relatability** and **non-judgment,** to be at their most efficient and productive.

conflicts, to appreciate diversity, and to work through debate and controversy, plus a variety of traits, such as empathy, that are typically associated with emotional intelligence.

Some 91% of respondents feel that team members need to develop strong interpersonal skills, such as relatability and non-judgment, to be at their most efficient and productive. Empathy (69%), excellent written and verbal communication skills (63%), and a capacity to inspire others (54%) also rank high on respondents' list of necessary team member skills. FIGURE 5

"All of these things are skills that must be taught," Greer says. "When big corporations think about teaming, they need to hire people with these team skills or train people," she notes. "Venture capital teams, for example, often use the heuristic of having someone on the founding

team who has played team sports. The presumption is they've learned the skills they need for good teams."

Successful collaboration and teaming also requires a shift in expectations to go along with process and organizational changes in the work environment. "Teaming has to be viewed as constant experimentation, a process of getting feedback and then making changes and getting better through analytics," Greer says. At Google, perhaps the gold standard among companies working in teams, there is also a strong emphasis placed on "psychological safety" that enables team members to work through difficult issues or disagreements, she notes.

Google researchers conducted a two-year study of teams to determine what makes a successful, high-performing team. What they found is that what matters more than who is on a team is how the team members interact, structure their work, and view their contributions. They also identified five key dynamics that set successful teams apart from other ones at Google. These are psychological safety, dependability, structure and clarity, meaning of work, and impact of work.
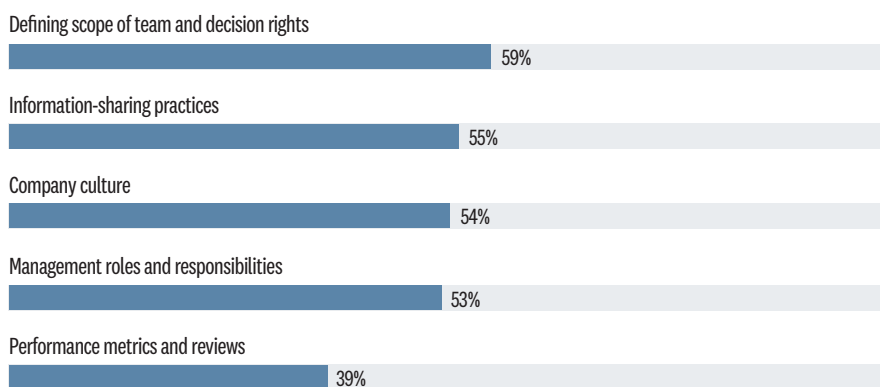
Moving forward with teams without making the necessary structural and process changes and skills training is "doomed to failure," says Erickson. "It simply doesn't work to assign people to a task and make their fate dependent on people over whom they have no input or control." In her own work with business leaders at London Business School, she continues, "I talk with leaders about how their fundamental job today is to create an environment where other people can be successful in their work."

FIGURE 4

TEAM REQUIREMENTS
Clear roles and rights, new performance metrics

Areas in which the biggest changes are needed to successfully adopt a team-based approach to work

Defining scope of team and decision rights
59%

Information-sharing practices
55%

Company culture
54%

Management roles and responsibilities
53%

Performance metrics and reviews
39%

SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, JULY 2019

Both Erickson and Greer underscore the need for organizations to issue very sharp signals when shifting to teams and a more collaborative working style. One such sharp signal was a mandate issued by Amazon CEO Jeff Bezos in the early 2000s when he ordered that all Amazon teams share data and communicate through open computer interfaces. Bezos' mandate reportedly closed with the statement: "Anyone who doesn't do this will be fired."

Neither Greer nor Erickson are recommending that other organizations go to this extreme. "But what is needed is a clear signal that things have changed as you go into a new way of working," Greer says. "It is very important to communicate this and then to provide resources and opportunities for people who find the change hard."

Erickson suggests changing the performance evaluation process as an example of a transparent and pointed signal of change. "To be really radical, evaluation could be taken completely out of the hierarchy and put into the hands of peers," she says. "That would certainly send a clear signal of change and be an example of a 'sharp signal.'"
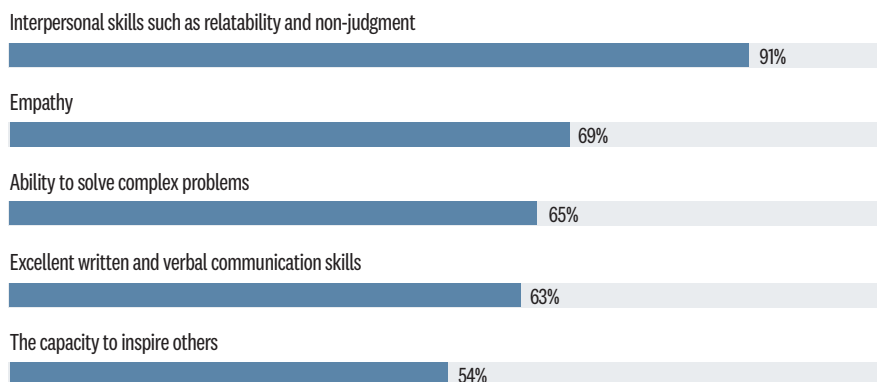
A Path for Companies to Take

Because the way companies are configured can greatly hinder or enhance successful teaming and collaboration, a thorough review of organizational structure is a logical place for senior leaders to start when contemplating how to implement those workforce principles. How frequently do different parts of the organization communicate? Does information flow freely and transparently across existing structural divisions? Most likely, the answer to these questions reveal deeper issues. As a result, managers should start small, experimenting with the creation of a consultancy-like structure under which subject-matter experts are brought together and tasked with specific projects or business goals that are necessary to achieving more teaming and collaboration throughout the organization. This group should:

FIGURE 5
WHAT MAKES A GOOD TEAM MEMBER
Empathy tops the list of people skills

Interpersonal skills such as relatability and non-judgment
91%

Empathy
69%

Ability to solve complex problems
65%

Excellent written and verbal communication skills
63%

The capacity to inspire others
54%

SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, JULY 2019

EMPHASIZE COMMUNICATION.
Standardize a common communication channel that team members will use to communicate project progress, milestones, challenges, delays, and other status reports. A common channel ensures information transparency.

ESTABLISH TEAMWORK PERFORMANCE GUIDELINES.
From the outset, team members should review each other against project goals, rather than managers doing any evaluations.

ENCOURAGE EXPERIMENTATION.
The goal is getting to the best result, which means less-than-optimal results will precede a team's final product.

SEEK OUT EXPERT ADVICE.
Shifting expectations and company culture often requires a fresh perspective that organizational insiders can't provide. Enlisting outside experts should be done in concert with initiatives to change how work is accomplished, how worker performance is measured, how decisions are made, and how overall business goals are met. All these elements qualify as big "people issues," which are often most readily identified and prioritized from the outside looking in.

WHAT MATTERS MORE THAN WHO IS ON A TEAM IS HOW THE TEAM MEMBERS INTERACT, STRUCTURE THEIR WORK, AND VIEW THEIR CONTRIBUTIONS.

METHODOLOGY AND PARTICIPANT PROFILE

A total of 503 respondents drawn from the HBR audience of readers (magazine/ enewsletter readers, customers, HBR.org users) completed the survey.

SIZE OF ORGANIZATION

46%	**9%**	**19%**	**5%**	**20%**
500 OR FEWER EMPLOYEES	500–999 EMPLOYEES	1,000–4,999 EMPLOYEES	5,000–9,999 EMPLOYEES	10,000 OR MORE EMPLOYEES

SENIORITY

27%	**36%**	**20%**	**17%**
EXECUTIVE MANAGEMENT/ BOARD MEMBERS	SENIOR MANAGEMENT	MIDDLE MANAGEMENT	OTHER

KEY INDUSTRY SECTORS

13%	**11%**	**10%**	**10%**	**9%**	**9%**	**8%**
TECHNOLOGY	EDUCATION	BUSINESS/ PROFESSIONAL SERVICES	GOVERNMENT/ NOT FOR PROFIT	HEALTH CARE	MANUFACTURING	FINANCIAL SERVICES

JOB FUNCTION

OTHER FUNCTIONS WERE LESS THAN 8% OF THE TOTAL

25%	**8%**	**8%**	**7%**
GENERAL/ EXECUTIVE MANAGEMENT	HR/TRAINING	MARKETING/PR/ COMMUNICATIONS	SALES/BUSINESS DEVELOPMENT/ CUSTOMER SERVICE

REGIONS

74%	**11%**	**7%**	**4%**	**3%**	**1%**
NORTH AMERICA	EUROPE	ASIA/PACIFIC	LATIN AMERICA	MIDDLE EAST/AFRICA	OTHER

Figures may not add up to 100% due to rounding.