

The Dynamics of High-Performing Teams

By Dr. Dick McCann, [Team Management Systems](#)

Just when we think that the rate of change is about to stabilize, events seem to conspire to bring about even more (and unexpected) change. Very few people were predicting the recent Global Financial Crisis and many organizations were left 'flat-footed' in their ability to adapt quickly. Once considered to be 'high-performing', some have ceased to exist. In addition we have now entered the age of the real 'dot-com' boom which was illusionary some 10 years ago but is now impacting just about every business. As fiber-optic communication traverses the world, the way business is being done is changing at an alarming rate. International teams are 'the norm' as globalization continues unabated. Traditional management methodologies need constant revising if organizations are to become 'agile'.

The Past

Let's look first at the 1920s in America. It was an exciting time. Production and employment were rising and people were optimistic about the future. This, combined with an innate desire for Individualism, created a climate where people wanted to believe that personal wealth was just around the corner. In 1925 the Florida land boom was a great example of how easy it is to create a world of speculative make-believe – a world where people want an excuse to believe. They believed that the whole of Florida would be populated by holiday-makers and that wealth lay in land of all kind – beaches, swamps, scrub and bogs. Enter people like Charles Ponzi, fresh out of jail from his international reply coupon fraud, (the so-called 'Ponzi scheme') who advertised lots (23 to the acre) in areas that did not exist.

Although many people suffered from the Florida boom it didn't deter the rapid growth of the stock market, as people still dreamt of unbridled riches with little effort. The stock market prides itself as being an exchange market-place where prices reflect the basic law of supply and demand. A perfect market makes lots of assumptions. For example, rational expectations theory claims that the market as a whole always knows more than any individual, so that the 'magic of the marketplace' will sort things out. It assumes that market participants pursue the same self-interest using the same model of how the world works and, although people may get things wrong and misunderstandings can cause random disturbances, the market will eventually come to an equilibrium point without wild swings.

The rational explanation fails to take into account the complex nature of people who are often irrational. (Dan Ariely's book [Predictably Irrational: The Hidden Forces That Shape Our Decisions](#) is a great read on this topic). Although we live in the so-called 'real world' we don't operate directly on that world but create our own personal model, formed through perceptions developed by our senses of sight, sound, feeling, taste and smell. These perceptions are inputs to our cognitive function. Consequently, what seems rational to one person may be irrational to another. Market participants thus act on the basis of imperfect understanding and their actions can have unintended consequences. In the case of unbridled optimism there is increased likelihood of 'group think' which leads to a 'boom' scenario, resulting in an unsustainable deviation from equilibrium and an eventual 'bust'.

A perfect marketplace describes a simple system where there are independent variables of supply and demand and rational buyers and sellers. However the reality is that the marketplace is a complex adaptive system (CAS) with many interacting elements and feedback loops. In systems control theory feedback loops drastically affect the system dynamics depending on whether there is negative or positive feedback. Negative feedback brings a system under control with minimal deviation but positive feedback such as 'unbridled group-think optimism' can lead to instability and an 'out-of-control' system.

The optimism of the 1920s started the stock-market boom but it was greatly enhanced by an increased use of margin trading. Here potential profits were leveraged by the outlay of, say, 10% of the purchase price with the rest borrowed at a fixed interest rate against the security of the stock. New financial vehicles were also developed such as the geared investment trust where organizations sponsored a trust with a small amount of common stock and a large amount of preferred stock and/or loans. This multiplied the returns for investors. In early 1929 these investment vehicles were being promoted at the rate of one per day.

Goldman Sachs took the idea further, coming late to the investment trust business but launched the Shenandoah investment trust in July 1929 with preferred and common stock. Twenty-five days later Shenandoah sponsored its own investment vehicle containing preferred and common stock multiplying the effect of leverage through the process of 'stacking'. Investors leapt with unbridled optimism into this new world of financial engineering. The optimism of the investors, combined with values of Individualism manipulated the 'perfect market', leading to the result most of us read about in the history books.

The Present

Let's move to current times. The system dynamics of the 1920s are now easy to understand and could be mapped using various system archetypes. But the great cybernetic processes of 2007-2009 are hugely complex and are not yet fully understood. For those interested readers I recommend George Soros' recent book, [*The New Paradigm for Financial Markets: The Credit Crisis of 2008 and What It Means*](#). He 'simplifies' the situation by looking at the interaction of the US housing bubble, with a global super-bubble.

Optimism and Individualism again feature as major players. Federal rates were lowered in 2004 to 1% which initiated the housing bubble by creating a willingness to lend. This created a feedback loop affecting the value of housing and so a boom started with mortgagees finding it hard to say 'no' to low interest rates and loan-to-valuation ratios of up to 100%.

Like the 1920s, financial engineering again surfaced through the creation in the late 1990s of Collateralized Debt Obligations (CDO) and Credit Default Swaps (CDS). Mortgage debt was 'sliced and diced' into various risk levels rated by the established risk assessment agencies. The 'paper' was then sold and resold all over the world. Huge fees were earned by the merchant banks and rating agencies with generous bonuses and commissions satisfying the Individualism values of all those involved along the way. Credit Default Swaps started a de-facto financial insurance industry with no-one sure about who was liable to whom and for what, and whether they could pay up.

The stock market boomed and housing prices accelerated. Optimism prevailed along with easy credit. Money sloshed around in a loop incrementally being deposited in over-priced assets. Reinforcing feedback loops created instability, and as they say – the rest is history.

These two snapshots in time show us how 'predictable' humans are. We are all agents in complex adaptive systems which on a large scale are 'unpredictable'. The combination of predictable human behavior interacting with unpredictable complex systems creates 'boom-bust' scenarios. The GFC is one current CAS example and global warming another, its outcomes yet to impact us.

On a smaller scale, the workplace team is another example of a CAS. I have spent 25 years trying to understand them so that team members and leaders will have tools that can help them achieve and maintain high performance. But it's difficult, as many teams (particularly Agile Teams) are often operating on the edge of chaos, in environments of incipient conflict. In such a Complex Adaptive System (CAS) it's essential that we have models to understand why people behave the way they do if we want teams to deliver high performance.

The Pyramid of Workplace Behavior

The model I developed to help leaders assign tasks, put together effective teams, motivate staff and deliver outstanding results is the [Pyramid of Workplace Behavior](#) (Figure 1) which shows the three levels that build a complete picture of the different ways that people approach work.

Figure 1: The Pyramid of Workplace Behavior



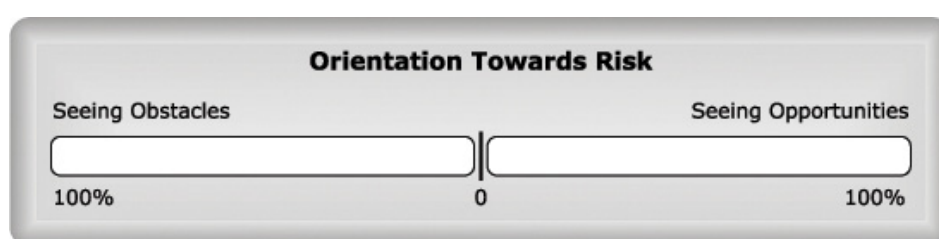
Approach to Risk

The middle layer of the Pyramid addresses the way people approach risk and the effect of optimism is measured here. All through our life we are faced with opportunities and

obstacles; they crop up in every project we undertake no matter how much forward planning is undertaken. What determines peoples' risk profiles is the different emphasis they place on either 'seeing the opportunities' or 'seeing the obstacles'. Some people treat obstacles as an opportunity to take a new direction whereas others use them as an excuse to give up. Some people treat obstacles as a stumbling block but for others they are stepping stones to the future.

The Risk-Orientation scale (Figure 2) enables us to measure someone's approach to risk. At one extreme, people can focus most of their energy on 'seeing opportunities'. They are always positive when new ideas are presented and will look optimistically at most situations. The downside is the energy they assign to 'seeing obstacles'. They don't always see potential difficulties and this can cause them to misjudge situations.

Figure 2: The Risk-Orientation scale



In the classic book, *Pollyanna* (Eleanor Porter, 1969) we can see how someone with a strong focus on opportunities can affect those with a negative view of life. Pollyanna's positive attitude helps Aunt Polly, Mrs. Snow and Mr. Pendleton see the world in a new light and the book is a tonic for anyone who feels at all depressed.

Pollyanna's behavior is often described as a naïve form of optimism. She believes that things will always turn out for the best and that no matter what happens, there is always something to be glad about. There are never any obstacles, only opportunities!

Pollyanna's attitude to life has led to the coining of the psychological term, 'Pollyanna-ism'. Pollyanna accepts anything that happens to her by reflecting that things could always have been worse. This noble view of the world is not always an asset in managing a business. The reality of the business world is often summarized, tongue in cheek, by Murphy's Law, 'If anything can go wrong, it will'. Therefore it's important not to sit back and accept fate in a positive way, as Pollyanna does. It's essential for leaders to identify all the obstacles that might occur and have an alternative plan of action to implement, should things go wrong. Looking for the problems and pitfalls, and planning to avoid them can help prevent Murphy's Law from happening.

Those who suffer from Pollyanna-ism can cause major problems at work. Their enthusiasm and belief in a positive outcome can sometimes lead to decisions that are regretted later. It's the extreme right-hand side of the Opportunities-Obstacle scale that defines Pollyanna-ism. It is a normal, often admired characteristic in many people, but it has definite disadvantages in the world of management when used to excess.

At the other end of the scale, people may focus most of their energy on 'seeing obstacles'. When working on a project, they are more likely to put a lot of effort into looking at all the things that might go wrong. When faced with potential opportunities they may well ignore them, presenting cogent arguments to support their view that the risks are too great.

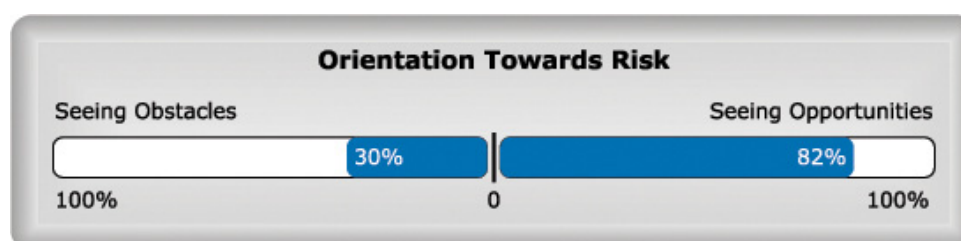
The left-hand end of the scale defines someone who puts most of their effort into looking for obstacles, which in the extreme can lead to pessimism - a mood state that affects all of us to varying degrees. However, too much pessimism can lead to apathy and inaction. The benchmark for the left-hand end of the Opportunities-Obstacles scale is the donkey Eeyore, from A.A. Milne's classic book, *Winnie-the-Pooh* (1926).

Eeyore is universally recognized as being gloomy about life and anticipates the worst in most situations. He constantly expects things to go wrong. However, if we were all like Eeyore and saw difficulties in everything we did, then maybe we wouldn't get out of bed in the morning! A focus on seeing the obstacles is very important in the business world as it can prevent serious mistakes from occurring. But excessive negativity or Eeyore-ism is something to be avoided at all costs.

The Opportunities-Obstacles (QO₂[®]) Quotient is a useful measure to quantify a person's position on the Risk-Orientation scale. It is defined as the ratio of the energy put into 'seeing opportunities' to the ratio of the energy put into 'seeing obstacles'. It is measured by a 50-item profile questionnaire - the QO₂[®] Profile Questionnaire which assesses people's responses to various statements.

Looking at the example in Figure 3, a typical result shows an 82% score towards the Opportunities side of the scale and a 30% score towards the Obstacles side. The QO₂[®] is calculated by dividing the Opportunities score by the Obstacles score. This result indicates that this person would be 2.7 times more likely to see the opportunities rather than see the obstacles.

Figure 3: QO₂[®] of 2.7



The Risk-Orientation scale is synthesized from five subscales: Optimism, Moving Towards Goals (MTG) Energy, Multi-Pathways, Fault-Finding, and Time Focus.

People who map strongly towards the Opportunities side of the scale have a high MTG Energy; that is they set challenging goals and regularly achieve them. When difficulties occur or blockages to their goals arise, they are quick to generate alternative pathways and move around the blockage, still focusing on the goal. As well, they are generally optimistic and full of hope that everything will turn out for the best. They tend to put less energy into finding faults with proposals, projects and people and usually have a positive attitude that can enthuse those around them. For them, the future is a rosy place and one they want to be part of, because it's likely to be better than where they are now.

People who are strongly at the Obstacles end of the scale usually have a lower MTG Energy and are less able to generate pathways around obstacles. When blockages occur they are more likely to keep pressing forward down the same pathway and will quickly give up when their energy is expended. As well, they tend to be more pessimistic and

will anticipate the worst scenario when problems arise. They will usually put a lot of effort into fault-finding, and this can be both a strength and a weakness. When faced with a new idea they are more likely to identify all the difficulties that might prevent the idea from becoming a reality. 'Seeing obstacles' people are also more comfortable with the present and past as, to them, the future is not a rosy place but one that is fraught with difficulties.

The five subscales that make up the Risk-Orientation scale can be arranged as a pentagon to give a visual representation for the key factors defining people's approach to risk in the workplace. This is the [Risk-Orientation Model](#) (Figure 4), sometimes known as just the QO₂[®] Model.

Figure 4: The Risk-Orientation Model



A Question of Balance

These five concepts help us understand how people approach risk, giving us an insight into their behavior. Consider these general examples showing how different people might react when faced with challenges:

- Some people never try new careers or move cities because they spend too much time analyzing what could go wrong and eventually decide it is 'all too hard'. A high score on Fault-Finding has made them risk-averse.
- Others decide to go ahead and venture into the unknown hoping that all will turn out well. Here too much Optimism makes them a high-risk acceptor.
- There are people who start out and once they hit a barrier, push against it for a while but then give up. A low score on Multi-Pathways will eventually make them risk-averse.
- Some people live their lives so ensconced in the past that they are unable to see the benefits of moving to the future. They continue to long for the 'good old days' when things were much better. A bias to the past in the Time Focus subscale makes them risk-averse and resistant to change.

- Then there are those who always expect to succeed and are surprised when things go wrong. Most often, they will try again and again until they succeed, using every failure as an opportunity to change direction. They are high scorers on MTG Energy and will take risks to get what they want. With this behavior there is often an 'up and down' record of success.

In his book, [*Optimism: The Biology of Hope*](#), Lionel Tiger argues cogently that optimism is not an optional characteristic in humans; it is as 'natural to man as his eyes that see, and as irreplaceable as hair.' Through evolution we have developed a species-wide tendency to overestimate moderately, the odds in our favor. In other words, optimism is a biological phenomenon. It seems that optimism has been central to the process of evolution. It has greatly influenced the way humans think, work, play and respond to fundamental issues such as birth and death. It is a force that has been used as a lever in the hand of politicians and a weapon in the hands of dictators. Both groups use optimism as a way of controlling people and harnessing them to a cause.

The mean value for the $QO_2^{\text{®}}$ is just over 2. This means that there is a natural tendency for people to put twice-as-much energy into looking towards opportunities and the future, rather than dwelling on obstacles and the past. Lionel Tiger would say that it is an evolutionary enhancement biasing us towards 'looking on the bright side'; otherwise we might never reproduce and even give up before we start!

It's the Pollyanna effect ($QO_2^{\text{®}} > 5$) that contributed to the 1929 financial crisis and the current GFC. People's approach to risk is affected by changing times. If a period of rapid growth occurs then the risk-acceptance of individuals will increase; if a period of decline occurs then it's risk aversion that rises. Approach to risk is also influenced by group-think: teams of people with higher $QO_2^{\text{®}}$ scores will only look for the opportunities, discounting the obstacles. An illusion of invulnerability can occur; these are the conditions that create boom times and the inevitable bust.

So the lesson for Pollyanna teams is, 'If you always look on the bright side, the dark side will sneak up unexpectedly'. The opposite is true for Eeyore teams, who may never see the opportunities and do need to regularly play the theme song from the Monty Python movie, 'Life of Brian'.

Values

At the base of the Pyramid are values. These are fundamental concepts or beliefs which people use to guide their behavior in the workplace. Values will drive our decision-making and cause us to summon up energy to preserve what we believe in. They go beyond specific situations and determine how we view people, behavior and events. Often major sources of conflict and disillusionment are due to mismatched values. Whereas we are often willing to work on tasks that we dislike, we are much less likely to compromise when our values are under threat.

Values are difficult to observe in others, as they are inner concepts often buried in the human psyche and not readily accessible by the conscious mind. When these values are violated then the conscious mind takes over and appropriate behavior occurs to preserve and defend this attack.

In developing a model of workplace values I have focused on values where the primary content aspect is the type of goal or motivational concern that the value expresses. The

end result is the [Window on Work Values](#) which is a useful model to help understand the differing value types that drive people in the workplace. It has been built up from individuals' responses to 64 key questions defining activities or situations at work that they value. Values group together in clusters of eight 'value types' which are depicted as windowpanes, rather like those in the rose windows of many European cathedrals. The model has good structural validity, meaning that value types close to one another in the Window are related whereas those on opposite sides of the Window are unrelated.

The Window on Work Values has two independent axes. Running east-west through the Window is the axis which focuses on either the group or the self. Although many people can do both, the results suggest that most people will have a bias one way or the other.

Running north-south through the model is the axis defining the organizational environment that people value. On the north side are the values associated with Organizational Constraint while on the south side are the values associated with Organizational Freedom.

Organizational Constraint as a motivational type is derived from the prerequisite for some groups to ensure smooth interaction and group survival, thereby developing a prescriptive set of norms for group members to restrain impulses and inhibit actions that might hurt others. Organizational Freedom, on the other hand, is a motivational type with defining goals of independence of thought and action where individual behavior is unrestricted and people are free to choose their pathways, unfettered by organizational constraints. As such, these two value types are unlikely to be held in the human psyche with equal probability, as the behaviors associated with each are conflicting.

Figure 5: The Window on Work Values



On the east-west axis of the Window on Work Values are the value types of Self Focus and Group Focus. The Self Focus value types govern the dominance of personal over

group goals. The defining motivations for the Self Focus value types are actions that further individual gain and foster a hierarchy of differentiation within an organization. The Group Focus value types have defining goals where the individual is subordinated to the wishes, needs and goals of the group.

The key Self Focus value type is that of Individualism. People high on Individualism will invest energy in being seen as capable, intelligent and highly competent. They will value self-sufficiency and also the rewards that go with being successful. The work behaviors of those high on Individualism will also depend on the organizational environment they value. People who believe that Organizational Constraints (such as rules, regulations and procedures) are necessary for effective work will hold the Authority value as well, whereas those who desire Organizational Freedom will more likely hold the value of Independence.

The key Group Focus value type is that of Collectivism. Collectivism emphasizes the placing of group goals over personal ones. Those who value this highly will want to put others first, support the underdog and work with loyal people who value harmony. Issues such as truth, integrity and fairness feature high on their list. The generation of group opinions and adherence to them are far more important than personal gain. People who value Collectivism highly will use the power of the group to bring individual recalcitrants into line with group thinking.

Work behaviors of people who value Collectivism will depend to a large extent on their desired working environment. Those who value Organizational Constraint will also hold the value of Conformity. Those who believe in Organizational Freedom are more likely to value Equality.

The Window on Work Values helps explain why problems exist within any group of people working together. Value types define core frameworks that people hold and for which they are prepared to expend considerable quantities of energy in either promoting or defending. Most people will hold three or four of the value types reasonably strongly and because of the structure of the model these values are more likely to be concentrated in one particular section, giving rise to key value patterns which are useful in understanding and predicting individual and group behavior.

The eight value types are 'umbrella' descriptors, each containing several values that are related psychometrically and which cluster into the defined value type.

A brief description of each value type is given below.

Individualism

Individualism is the value type that focuses entirely on the self. It comprises values held in high regard in many western countries such as the USA, Australia and the UK. A society that values Individualism will idolize the individual and have many role models to which people aspire.

People high on Individualism tend to classify themselves and others by individual characteristics rather than by membership of a particular group. Individualists in the world of work are driven by the need to be successful and competent, and to receive the individual accolades that go with successful performance. Individual incentives such as pay for performance and assessment based on individual targets are the hallmark of

Individualism. Very often high-performers, heroes and champions are sought out for special praise.

Collectivism

Collectivism is the opposite of Individualism and is a value type that focuses on the importance of the group rather than the self. People who hold these values will usually put others first and want to work in a way that preserves the functioning of the group and the support that goes with it. Collectivists will want to avoid conflict and often go out of their way to promote harmony.

For 'collectivists' the important words are 'we', 'us' and 'ours', compared to words such as 'I', 'me' and 'mine', which reside in the vocabulary of the 'individualist'. Individualists will work in a team primarily because it will further their self-interest, whereas collectivists need a team to give them social context, meaning and purpose. The work group is like a family, community or clan that nurtures its members and gives them a sense of belonging. Trade unions are often based on the need for Collectivism within organizations that focus primarily on Individualism.

Although many people give lip service to values such as 'integrity' and 'the truth', these are guiding principles to 'collectivists' who will want to behave in ways that align with such values.

Compliance

Compliance is a core value type built around a person's need to work to an agreed set of rules and procedures – the Organizational Constraints. People high on Compliance feel comfortable in knowing what they can and can't do and it is this security that enables them to give of their best.

Compliance in the Window on Work Values is midway between Self Focus and Group Focus and if this value type is the strongest one then a person holding it will give equal emphasis to both themselves and the group to which they belong. Usually this is manifested by their need to set an example in being obedient, following the rules, sticking to procedures and being stable. Their desire to also ensure that their group functions well is shown by their tendency to advocate these values when working with others. Therefore if they are in a management position they will expect team members to also comply with the organizational constraints although they will not push this as strongly as someone who holds predominantly the Authority value.

Empowerment

Directly opposite the Compliance value type is Empowerment. A person holding this value strongly will insist on organizational freedom, where they can have the opportunity to contribute to the organization, unfettered by unnecessary rules and regulations. They will accept the need for goals and direction but because they hold to the principles of self-reliance and self-accountability they will want to establish their own constraints in order to pursue outputs and outcomes in their own way.

The Empowerment value type is midway between a focus on the self and a focus on the group. Consequently a person who scores highest on Empowerment will also value empowerment being passed on to those they manage. As a result they will usually want to work in a way where they can find the best in others and give them personal

responsibility. High-scoring Empowerment people are also more likely to value and implement personal development and training programs for their staff.

Authority

The Authority value type comprises a focus on the self, combined with a belief in the need for organizational constraints. A strong Authority person will want to work within an organizational hierarchy so that adequate control processes are in place and outputs delivered to maximum quality and minimum cost. They usually believe that people need to be monitored otherwise inefficiencies will creep in.

The focus on the self means that they will often want to put themselves first and be seen to be right in front of others. They usually dislike being proved wrong and may react strongly to situations where they are allowed to 'lose face'. Authority people will be ambitious and because they put themselves first they will constantly seek promotion and may therefore have a tendency to be highly mobile.

Equality

The Equality value type comprises a focus on the group, combined with the need for an organizational environment that allows a degree of freedom. Equality people value the group and therefore put emphasis on the need for tolerance and the acceptance of other people's ideas and beliefs. The need for organizational freedom means that they expect to be trusted and will give trust in return, to those people they are managing. To some extent there is an air of altruism about high Equality scorers, as they like to work for the benefit of others and have a willingness to forgive.

Independence

The Independence value type is a combination of a focus on the self with the need for an environment that allows organizational freedom. In many ways high Independence people are often seen as mavericks or 'loose cannons' who value their own creativity and will work with a high degree of self-direction and autonomy. The problems come when they go off in different directions to those defined by organizational visions or team purposes.

High Independence scorers value making their own decisions and 'doing their own thing'. Material rewards are not necessarily key desires. They would rather have a 'long leash' and the freedom to act in any way they thought might be beneficial. They are even likely to continue working in organizations where remuneration is low, provided that their independence is ensured.

Conformity

Conformity is the combination of a focus on the group plus the need for an environment of organizational constraints. People high on the Conformity value type will avoid extremes of action and conform to others' expectations of them. Conformity people will not want to stand out from the crowd but fit into the norms of the group, as they need a group in order to give of their best.

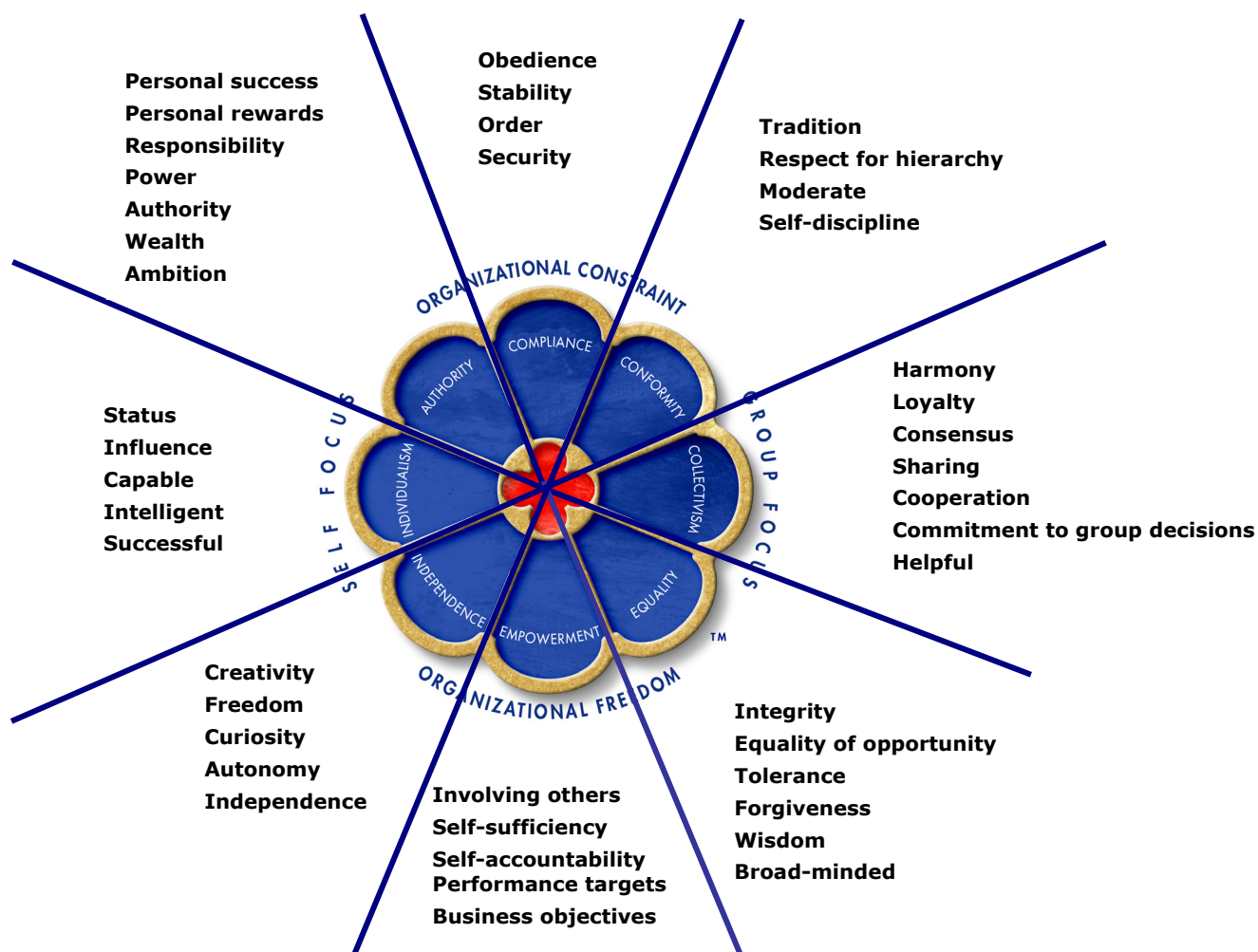
Whereas Independence people are more likely to challenge the status quo, Conformity people are happy doing what they are told. They are more likely to want to preserve the

organizations' traditions and culture and if they hold this value strongly they may have a tendency to oppose change.

Spider Diagram

These eight value types are umbrella descriptors of underlying values that cluster around the Window. Figure 6 shows a spider diagram that relates data from three validity studies to the value types. For further information please refer to the Window on Work Values Research Manual.

Figure 6: Window on Work Values Spider Diagram



WoWV Profile Report

Respondents to the 64-item questionnaire receive a 4000-word report showing their value type hierarchy. This shows the percentage distribution of value types around the Window. The hierarchy is more important than the absolute percentage. Decisive respondents will have a more discriminated Window whereas conservative respondents will have a flatter Profile.

Hierarchical values theory states that there will be an order of importance to our values. Where possible we will try to act in accordance with the strongest components of our hierarchy. However when faced with conflicting values then we will forfeit the lower-placed value.

Balancing the Window

One of the difficulties for team leaders is to balance the Window to meet their own needs and those of their direct reports. Many have difficulties in getting the right balance between Individualism and Collectivism. This dilemma is shown in Figure 7.

Figure 7. The Individualism-Collectivism dilemma



People with significant scores on both Individualism and Collectivism are often faced with this dilemma. They understand the need to work in a team and value the group approach. But they need to beware of a potential tendency to use the group for their own advancement – i.e. their Collectivism score may be there only to support their Individualism score.

Figure 8. The Compliance-Empowerment dilemma



Another dilemma is sometimes experienced by those with significant scores on both Compliance and Empowerment. Figure 8 shows the problem.

Here the danger is that lip service is applied to Empowerment. Managers espouse the value of Empowerment but then double-check the work of others to make sure that everyone is complying with the 'correct' way of executing the tasks. Such a situation is described as 'Complying Empowerment' and can have a serious negative effect on employees.

Ground Rules

High-performing teams need a common purpose and a shared set of values aligned with the organizational vision. The tool for doing this is the Team Charter, comprising the Team Purpose and Team Values. This will help everyone understand what the team is supposed to do, why it is doing it and how everyone should contribute to the outcomes. If a team does not have such a charter then team members can be pulled in many different directions at once.

An important part of the Team Charter is an agreed set of shared values. When a team agrees on its core values it is easy to deal with conflict situations. Team members can then pull in the same, rather than different, directions. Without agreed common values, problems will definitely arise.

The Window on Work Values can be used as a basis for team members to agree an ideal set of value types that will guide team members' behavior. A Team Values Statement should identify behaviors and actions that will ensure that the agreed value types are upheld. Many teams and organizations advocate values such as 'integrity' and 'openness' but only pay lip service to them because they are not developed into agreed behaviors and actions.

If a team is following Agile principles it needs simple ground rules that contribute to the process of 'emergent order' – a unique characteristic of complex adaptive systems. Emergent order minimizes the need for leadership control and provides an environment where innovation, creativity and rapid response can flourish. Good agile ground rules will incorporate agreed behaviors based on all three levels of the Pyramid.

Work Preferences

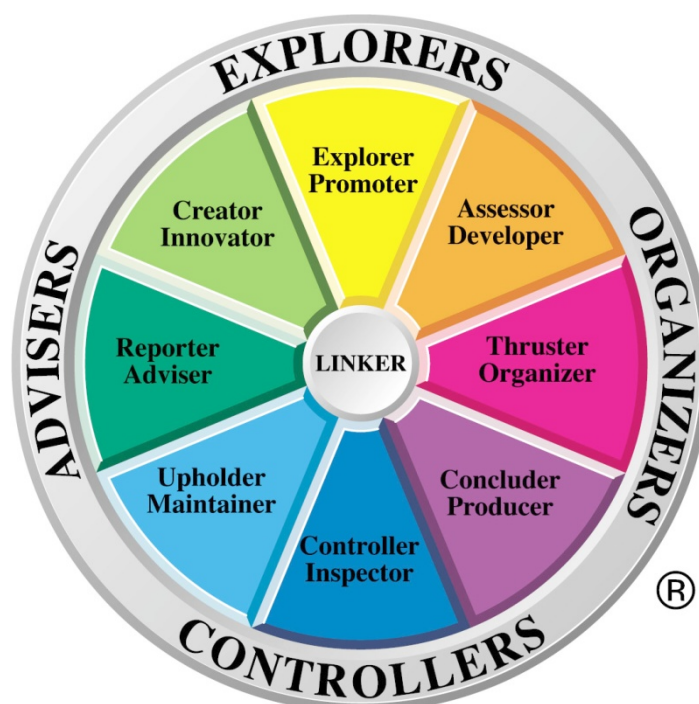
At the apex of the Workplace Behavior Pyramid are Preferences. These are just another name for what we like doing. They are dimensions of individual differences in consistent patterns of relationships, thoughts, feelings and actions. Preferences determine the conditions we set up to allow our mental and psychic processes to flow freely. They guide our behavior, but if we have to work outside them at various times then we can usually cope. Although we 'value' our preferences, they are not 'values'. Preferences simply describe what people are like rather than any intention behind their behavior. Values, however, are deep-seated determinants of behavior and define what people think are important – the goals or motivations that will drive their behavior. We are more likely to react negatively when our values are violated but are often neutral to the actions flowing from other people's preferences.

Preferences are usually transparent and are often the first thing we notice in others – 'He's rather quiet, isn't he?' or 'She never stops talking'. Some people prefer to think

things through on their own whereas others need to talk out loud to clarify their ideas. Preferences are at the apex of the Pyramid because they are readily visible to others and are usually the basis of first impressions. They are also subject to a degree of variability dependent upon the situations faced. Values, on the other hand, are at the base of the Pyramid as they lie deeper in the human psyche.

In a team, work preferences can be well understood by using the model of the [Margerison-McCann Team Management Wheel](#) (Figure 8).

Figure 8: Margerison-McCann Team Management Wheel



This model describes eight different role preferences that people like to adopt when working in a team. The brief descriptions below explain the core differences identified by the Wheel.

Reporter-Advisers

Reporter-Advisers represent the classic advisory role on the Team Management Wheel. They are excellent at gathering information and putting it together in such a way that it can be readily understood.

Reporter-Advisers are patient people who prefer to make sure they have all the information before they take action. This often causes others, particularly Thruster-Organizers, to accuse them of procrastination, but Reporter-Advisers will typically respond, 'How can I take action unless I have all the information?' Reporter-Advisers do not enjoy conflict and have 'antennae' that can detect a potential conflict well before it happens. Usually they will move to defuse the conflict or else position themselves well away from any direct effects.

Creator-Innovators

Creator-Innovators are people who enjoy thinking up new ideas and new ways of doing things. Usually they are independent people and will pursue their ideas regardless of

present systems and methods. Creator-Innovators are sometimes accused (usually by their opposites on the Wheel) of 'having their head in the clouds', but this is usually because they are looking to tomorrow rather than worrying about today. They will tend not to be very structured in the way they go about things and may sometimes appear disorganized and absentminded. Some are more introverted, preferring to be back-room people working on their own or in small groups, on important problems. Others can be more outgoing and even zealous in the way they put forward ideas they really believe in.

Explorer-Promoters

Explorer-Promoters are excellent at taking ideas and promoting them to others, both inside and outside the organization. They enjoy being with others and will usually have a network of people that they use when gathering information and testing out opportunities. Often they are advocates of change and can be highly energized, active people with several different activities on the go at once. They enjoy being out and about and are good at bringing back contacts and resources that can help the organization move forward.

Assessor-Developers

Assessor-Developers are located on the Team Management Wheel midway between the Explorers and Organizers and they therefore exhibit both these types of behavior. They may not always think up good ideas for themselves but they are excellent at taking the ideas of others and making them work in practice. They are usually sociable, outgoing people who enjoy looking for new markets or opportunities. They will then take the idea and match it to the opportunity, always mindful of the organizational bottom-line constraints.

Thruster-Organizers

Thruster-Organizers are people who enjoy making things happen. They are analytical decision-makers, always doing what is best for the task even if sometimes their actions upset others. Their great ability is to get things done, and for this reason they are often found working in project management positions. They will thrust forward towards a goal, meeting conflict head-on if necessary. They emphasize targets, deadlines and budgets, and will ensure that people are organized to take action.

Concluder-Producers

Concluder-Producers are strongly practical people who can be counted on to carry things through to the end. Their strength is in setting up plans and standard systems so that outputs can be achieved on a regular basis in a controlled and orderly fashion. For this reason they usually do not like continual change, as it interferes with the efficient systems they have established for doing the work. This may sometimes cause them difficulties with Creator-Innovators and Explorer-Promoters who often suggest changes just when everything has been set up and is working well.

Controller-Inspectors

Controller-Inspectors are quiet, reflective people who enjoy the detailed side of work and like dealing with facts and figures. They are usually careful and meticulous and can spend long periods of time on a particular task, working quietly on their own. This stands

in direct contrast to the Explorer-Promoters who need a wide variety of tasks to engage their attention, and people around them to interact with.

Upholder-Maintainers

Upholder-Maintainers prefer to work in a control-oriented, supportive way, making sure that things are done according to their standards. In addition, they prefer an advisory role in the background rather than a leading executive role. However, because of their strong principles, they may confront issues that oppose their beliefs. The Upholder-Maintainer who is in support of the team is an invaluable member, providing guidance and help on issues that need to be well thought through in terms of principles rather than just 'economics'.

Team Management Profile

When team members complete a 60-item questionnaire, they receive a Team Management Profile which discusses their work preferences in detail. The report identifies a major role (e.g. Thruster-Organizer) and two related roles which usually account for the majority of the respondent's work preferences. Usually they will enjoy a job where two-thirds of their critical tasks align with their work preferences. When this occurs they will have a high level of engagement with their preferences.

One of the most effective team development processes is for a team to examine the question 'Where are we now?' to see how prepared it is to meet the challenges of the future. The Team Management Profile can be used very effectively here to map individual team role preferences onto the Team Management Wheel. The resulting map can then form the basis for evaluating team balance and deciding what changes might be required to improve team performance.

To be high-performing a team must do well all eight work functions that underlie the Team Management Wheel. In all projects a team needs to focus on Advising, Innovating, Promoting, Developing, Organizing, Producing, Inspecting and Maintaining. If a team is unbalanced, such as everyone having major roles in the Thruster-Organizer area then the focus is likely to be on action and results and the other side of the Wheel might be given a lower priority. Sooner or later the team will suffer through missing important information or ignoring new ideas.

One of the main applications of the Team Management Wheel is for teams to map everyone's role preferences on the Wheel and then use the distribution to assign tasks and responsibilities, as well as adding to the team ground rules key actions that will ensure that those parts of the Wheel having a lower preferences are not ignored.

Leadership Theories

Popular leadership theories over the past 40 years or so have been developed based on the identification of two particular phases of development of followers and associates. Blake and Mouton back in 1964 proposed five management styles based on the dimensions of *initiating structure* relating to the task and *initiating consideration* toward the individual. Low, medium and high leader behaviors on these two dimensions created the various styles. Although the conceptual clarity of the model was appealing, extensive subsequent research demonstrated that the leadership style which was most effective

was not necessarily a high-high on each dimension. It all depended strongly on the situation and the challenge.

Fiedler then proposed that leadership style is a constant characteristic of each person. The challenge was therefore to match the leader and the situation. Subsequently Vroom and Yetton took the idea of a flexible leadership style further and developed a model where the appropriate style depended on the type of problem addressed. Further research by Hooijberg confirmed that there were indeed strong associations between a manager's *behavior repertoire* and effectiveness - suggesting that a portfolio of behaviors is the most desirable and achievable skill set.

Leadership models such as those developed by Hersey and Blanchard have also been very successful in identifying appropriate leadership styles based upon two phases of development of followers, resulting in the dimensions of Supportive and Directive leadership behavior. The idea is that most people will respond to a leadership style that has various combinations of supportive and directive behavior, depending on the situation they are in.

A similar variant of this situational-developmental approach was proposed by Schein, but with a situational variable of organizational development. Each phase of an organization's life requires a different set of responses from their leaders, depending on the organizational life cycle - young, midlife, mature, declining or rejuvenating. This focuses attention on the necessity for leaders to adapt their leadership style to the culture of the organization they lead.

However it's not only the life cycle of an organization that influences the 'situation'. Organizational values are equally important. Some organizations value Compliance where organizational objectives are determined by senior management and rolled throughout the organization without question. Such a culture often discourages risk-taking and even the acceptance of responsibility but such an authoritarian, directive leadership style can well be effective in delivering results. Other organizations will value Empowerment and encourage the appropriate challenging of assumptions about how to do things better, thereby creating openness and confidence and an adaptive approach to leadership.

These various approaches to leadership are all dependent on 'the situation' and are often grouped under the heading of 'contingency theories'. More recently they have also been grouped under the heading of *transactional leadership*. Such approaches assume effective leadership involves the exchange of reinforcements that are based upon established theories of social exchange, such as that of contingent reward: "If you do this for me/us, I/we will do this for you."

By contrast, *transformational leadership* styles result in considerably enhanced effects on followers (Bass and Avolio). They argued that transactional - transformational leadership represents a leadership paradigm which is now supported by evidence gathered from all continents. This paradigm views leadership as either a matter of contingent reinforcement of followers by a transactional leader or the moving of followers beyond their self-interest for the good of the group, organization, or society by a transformational leader.

Transformational leader styles are not an alternative to transactional behaviors but an enhancement designed to produce increased levels of satisfaction, efficiency and extra-

effort. Many studies have confirmed the efficacy of transformational leader styles in bringing about superior outcomes using independent indicators (for example, Podsakoff et al). Others have also found that managers who were better managers differed significantly from weaker managers in their use of transformational leader styles.

The Linking Leader

In the 1990s Charles Margerison and I viewed successful leadership as skill set that is primarily about relationships. Excellent leaders monitor and develop relationships among their followers and ensure that this emphasis is rolled down from their direct reports to the bottom-most layers of the organization. For us, leadership is about Linking – a set of behaviors arising out of acquired skills that encourage the coordination and integration of followers, thereby creating a unified team that knows where it is going and how to get there.

Our model is a multi-level team leadership model tailored to meet the needs of team leadership. It identifies three levels of Linking that have differential effects on outcomes such as satisfaction, effectiveness, results, and extra effort. The model is cumulative in that the successful implementation of any level depends upon the level below being effectively implemented.

The three levels are shown in the Linking Leader Model below.

Figure 9: The Linking Leader Model



The outer six skills – the People Linking Skills - are the level 1 skills of successful team leadership, but they aren't the sole domain of the team leader. They must be also be implemented by *everyone* in the team if high performance is required. These People Linking activities relate directly to the *initiating consideration for the individual*

dimension of Blake's grid or the *Supporting* dimension of the Hersey and Blanchard models. It is not surprising that the activities identified in our research align with the work of previous leadership researchers.

Level 2 skills are the five Task Linking Skills of Objectives Setting, Quality Standards, Work Allocation, Team Development, and Delegation. These relate directly to the *initiating structure relating to the task* of Blake's grid or the *Directive* dimension of the Hersey and Blanchard models. Task Linking Skills tend to be the responsibility of the more senior members of a team who may supervise more junior team members. Such team members would be expected to successfully implement both People Linking Skills *and* Task Linking Skills.

Level 3 skills are the two Leadership Linking Skills of Motivation and Strategy. They relate specifically to transformational leadership skills. The team leader must implement all three levels of the Linking Leader Model in order to be fully effective.

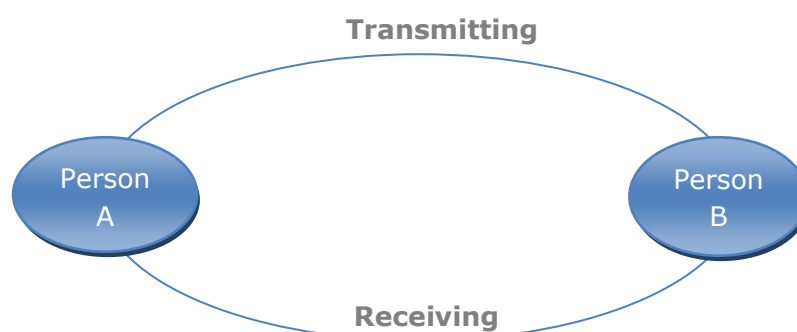
Let's examine briefly what I think is the most important of the Linking Skills and one that is often responsible for low team performance. It sounds simple but very few people do it well. It is *Communication*.

Communication as a Cybernetic Process

When we interact with others, we translate our model of the world into words and use these to attain our outcomes. These words and the supporting communication aids (tone, tempo, and body positions) very much reflect our own views of the world. Therefore when people try to communicate, there is potential for conflict to arise, as different models of the world are interacting. When opposites come together, there is a great potential for things to go wrong and the discussion or conversation may well be doomed before the first word has been uttered.

Communication is a cybernetic process, ever dynamic and constantly changing. When Person A transmits a message it travels in a forward arc to Person B who responds, and a return message is received by Person A. The response arc contains a variety of messages, verbal and nonverbal and should affect what Person A transmits next. The success of communication lies in extracting meaning from the response arc and reformulating a new forward arc that moves the conversation in the right direction. In cybernetic theory this is called 'adaptive control'. By constantly varying the content and delivery of the transmitted message a rapport loop can be quickly established between conversing parties. This is known as the technique of 'pacing'.

Figure 10: Communication loop



Cybernetic processes are governed by the Law of Requisite Variety which, stated simply, says that in any process operating systemically, the elements in the system that have the greatest adaptability or variety are those that gain control. In other words, if Person A constantly adapts their forward arc (based on the information from the response arc), they will be able to influence the results of the interaction.

Pacing is a technique for temporarily modifying your model of the world so that it matches the other person's. This matching shows the other person that you understand 'where they are coming from'. Unless you take time to establish 'a pace' early in the conversation, the chances of a successful interaction occurring are markedly reduced. Equally the person you are communicating with needs to pace you in the same way. When a 'pacing partnership' is established communication flows freely and successful outcomes can be generated in a surprisingly short time.

There are two types of Pacing – 'strategic pacing' and 'operational pacing'. Strategic Pacing involves setting a strategy for the way you intend to structure an impending conversation, using all the knowledge you have about the other person's model of the world. Operational Pacing is the technique to use when the conversation is actually in progress. For further information on these important concepts have a look at the TMS e-book: [The Pacing Partnership](#). Listed there are valuable communication tips covering all three levels of the Workplace Behavior Pyramid.

Agile Teamwork

'Agile' methods were initiated some 8 years ago in software project management where traditional 'waterfall' approaches were found to be cumbersome and failed to adapt to changing requirements, with the result that many large IT developments were obsolete before they were implemented. Project delivery was often well behind schedule and many features in the specification were found to be unnecessary. Many of these teams never reached high-performing status.

Agile IT principles were formulated to deliver high team performance. They value individuals and interactions over processes and tools; working software over comprehensive documentation; customer collaboration over contract negotiation; and responding to change over following a plan. Agile IT teams focus on early delivery of key requirements working to 'time boxes' or iterations where tested product is made available to stakeholders in specified time units. Agile methods have now moved beyond the IT world to project management in general – spawning the age of Agile Teamwork, which embraces many of the Team Management Systems concepts.

Agile Teamwork is a valuable concept where teams are comprised mainly of knowledge workers. In the software industry skilled developers and testers are often worth more to their organizations than their managers and in these teams Agile Teamwork is required to make them successful. In terms of the Window on Work Values many IT professionals hold strong values of Independence and Empowerment. With such teams, Agile Teamwork seeks to strike a balance between the structure required to achieve high performance and the leadership control to effect it.

Old-style leadership seeks to prepare complex end-to-end plans that will cater for all eventualities but the real world is defined by probabilities not certainties and such an

approach trades order for agility. Agile Teamwork allows order to emerge from the team dynamics and this is aided by the Team Management Profile, the QO₂[®] Profile and the Window on Work Values Profile. With the help of TMS tools a fair degree of self-organization is possible in such teams; control processes implemented by the leader are then secondary to the emerging team order.

The key to Agile Teams is their ability to readily adapt to changing circumstances; a prerequisite for this is open and free-flowing information. Traditional hierarchy teams impede the flow of information, as power is often correlated with controlling information and releasing it on a 'need-to-know' basis. Agile IT teams are often geographically dispersed, international and use web 2.0 tools such as 'requirements management systems' and 'team wikis' to ensure rapid response and updates to changing situations. New social media platforms are creating a transformation in the way such teams operate. These approaches are now being exported to other industries as Agile Teamwork becomes more widespread.

Some of key features of Agile Teams are worth summarizing as they have great application to the delivery of high-performance in geographically dispersed and/or international teams. Agile Teams:

- Recognize individuals as autonomous, intelligent agents that interact and collaborate by understanding and valuing behavioral differences
- Operate with simple ground rules that help them function at the edge of chaos
- Willingly undergo continuous learning and adaptation
- Implement the Linking Skills, where guidance rather than control allows emergent order to appear, thereby harnessing creative talent
- Operate with open information to all team members and stakeholders, making use of social media tools to capture and share rapidly changing situations

Leaders of Agile Teams need to be Linking Leaders, implementing the six People Linking Skills, the five Task Linking Skills and the two Leadership Linking skills. In particular such a leader needs to implement the skill of Motivation. They need to:

- Inspire team members to perform
- Articulate a compelling vision of the team's future
- Focus unwaveringly on clear end goals
- Take a stand on controversial issues affecting the team
- Be someone team members want to follow
- Make others feel optimistic about the future

Leaders of Agile Teams inspire team members to give extra effort towards achieving outputs and outcomes. This is particularly important when setbacks occur. At these times it is important to understand how everyone is feeling and use the skills of Pacing and Leading to encourage team members to put the past behind them and look to a prosperous future.

If team members are to give of their best they need to have a clear picture of what lies ahead. In addition they need to be persuaded that this vision is worth pursuing. Along with the vision there needs to be a set of clear end goals that act as beacons to follow. These goals need to be outcome based and generic rather than specific. Agile leaders will

take every opportunity to influence team behavior by explaining, disseminating and sustaining the team's vision, using the ground rules as a behavioral guide.

Agile leaders take a stand when controversial issues arise affecting the team. Team members need to know that someone is out there 'fighting' for them and being an advocate for the team. If team members feel justifiably ill-treated by some issue or situation, then it's important for the leader to put the case strongly to senior people in the organization.

Another key component of the Motivational Linking Skill is making others feel optimistic about the future. The execution of this needs a good understanding of the behavior associated with optimism and pessimism. Team members will follow an optimistic leader, so long as they don't neglect the obstacles, which are always present!

In Conclusion...

The major difference between high-performing and low-performing teams is behavioral. In a fast moving world, the most effective teams are operating on the edge of chaos where there is a fine line between outstanding success and dismal failure. In these circumstances it's imperative that team members and leaders understand as much as they can about each other. Someone who values Individualism strongly, has a high QO₂[®] and enjoys Thruster-Organizer approaches will react totally differently to most situations from someone who values Compliance, has a low QO₂[®], and likes to work as a Reporter-Adviser. Yet both types have a great deal to offer a team.

It's important to realize that interacting with other team members is a dynamic process. If we all stay in our model of the world (e.g. Individualism, Pollyana-ism, Thruster-Organizer) then the team moves from the edge of chaos into self-destruction. By making allowance for differences and applying Linking Skills, the team can be held at the point of incipient conflict where truly great results can occur. But operating at this point requires vigilance and constant monitoring of the external environment. For example, an unbalanced investment banking team of Thruster-Organizers, with high QO₂'s[®] and strong Individualism values can be outstanding in a bull market but looking for jobs when the bears appear. Complex adaptive systems create unexpected events but vigilance, self-understanding and agility can tame the tiger.

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With a background in science, engineering, finance and organizational behavior, Dr. Dick McCann is co-author and developer of Team Management Systems, a set of tools designed to develop leaders and their teams. He has consulted widely for organizations such as BP, Hewlett Packard and Hong Kong & Shanghai Bank. Involved in TMS operations worldwide for over 25 years, Dick is now Managing Director of TMS Asia Pacific and a Director of TMS Development International. For more information visit the TMS worldwide website www.TMSWorldwide.com or regional websites www.tms.com.au, www.tmsoz.com and www.tmsdi.com.