Organizational Impediments to Team Performance

Achieving superior team performance (STP) is about leadership and establishing the working and communications environment to form the foundation for attaining team synergism. If you want to achieve success in all your projects you also need to follow the four performance realization principles for ***Superior Team Performance*** [i]*.*

Organizational culture and management practices are important enablers that impact effectiveness and performance. Common wisdom suggests that team performance can increase between 15-20% alone by having an adequate organizational and management.

Introduction

Securing top performance from teams that have never worked together is one of the greatest challenges facing organizations with today's projects, given reasons such as:

- High turnover caused by organizational realignments has made it all but impossible or unlikely that individuals that work successfully in one project will be together in another one, building on past experiences;
- Teams tend to bring varying degrees of knowledge, expertise, methods and practices, and experience, creating a kaleidoscope of opinions as to the best approaches to be followed to achieve consistent results;
- The constant dislocations of employment structures of recent years, compounded by the destruction of career paths, have created a situation in which the loyalties of knowledge workers have all but disappeared, giving rise to a self-centered, survival-driven, and individualistic approaches to work, limiting ownership for the project results;
- Given the era of globalization, most of today's large projects require the use of "virtual teams", working from various geographical locations and time zones, limiting the creation of teaming relationships ; and
- Technological change and employee turnover have prevented IT organizations moving past the first level of the capability maturity model[ii] ("CMM") in which they can start attaining repeatable and predictable results.

Project managers need to understand the impact of organizational, behavioural and reward systems and the impact they will have on the projects.

Audience

This paper is written for CIOs and project managers that are particularly concerned with securing top performance results from their team members to consistently deliver successful projects.

Behavioural Considerations

Organizational culture, management behaviour and work environments can act as catalysts or deterrents in securing top team performance.

Teamwork Misconceptions

There is a great deal of talk these days about teams and team work. Most of it starts out with the wrong assumption, namely, that we have never before worked in teams. Actually, for hundreds of years people have always worked in teams and very few people ever could work effectively by themselves.

The individual is a cost center not a performance center - **it is the organization that performs!!**

So the root cause of project failures and lack of performance is often traced to the organizational, management, communications (or lack thereof) and working practices (business processes) not the individual knowledge worker. When things go wrong the first reaction that management use is put one or all the team members on trial, seldom reflecting on their own shortcomings, much less taking responsibility for the problems they create.

In recent times, knowledge workers have hidden behind the term "team player" to ensure they are considered to participate in projects. My observation in recent times is that within a few days or weeks of the project start, most people inevitably gravitate to a self-centered, individualistic posturing, leading to polarization of ideas and, often, the politicizing of work environments. Once these traits are allowed to root it becomes very difficult to enable the creation of high performance teams. These tendencies are almost inevitable in large-scale projects or business transformational programs when inadequate management practices are applied from those accountable for the success of such programs.

Organizations, no matter what the talk of the day, have a tendency to walk by archaic, power-centered, hierarchical command and control practices. Despite all the business change and teamwork rhetoric, management attitudes and organizational synergies continue to gravitate to the "old ways of doing things". No wonder there is

so much turnover and discontent amongst highly educated knowledge workers.

Many authors have written on the wisdom of establishing work efficiency practices centered on matrix organization management, process re-engineering, creative compensation, and "touchy-feely" approaches to stimulate productivity and performance. While their value should not be underestimated, they are seldom conducive to achieving superior team performance.

I have read many books on the matter, yet few, if any, focus on the psychological and attitudinal characteristics of how knowledge workers (and particularly those in the IT industry) interact, communicate and work with each other.

Impact of Reward Systems

Reward systems have always been a major contributor to influencing team behaviour and projects results, for better or worse. These have by and large been adapted from those used in rewarding sales and organizational performance and, more often than not, act as disincentives to achieving desired project outcomes. Table 1, outlines the evolution of IT projects, which need to be examined to understand reward system issues.

Project Types [iii]	Primary Benefit	Account-ability	Reward System
Work Automation	Single organizational unit	Single organizational unit	Individual achievement
Information Management	Multiple organizational units	Single organizational unit	Individual achievement
Organizational Transformation	Whole organization	Multiple organizational units	Team achievement

Table 1 - Project Types, Accountability & Reward Systems

Work Automation Projects

These were the staple of most IT initiatives in the 60's and 70's, involved teams working for a single organizational unit to achieve operational and cost efficiencies. The hierarchical command and control characteristics of the organization were well-suited to achieve the project goals, as these were compartmentalized within the bounds of an organizational unit – typically the administrative departments.

The domain knowledge and technological requirements for these applications were limited and decision-making was simple to achieve. The applications complexity was also relatively simple to define and easy to implement. Communications among stakeholders was direct and usually supported by the application of SDLC methods. Basic project management practices were also employed to achieve repeatable results.

The accountability and reward systems tended to be based on seniority and hierarchical positions, not contribution levels by team members.

Information Management Projects

Management information systems (MIS) initiatives began to appear in the late 70's, and dominated the scope of most projects during the 80's and early 90's. Their basic engine were relational database and data warehouses, coupled with on-line analytical processing (OLAP) designed to extract data and convert it to information for "intelligent decision-making" purposes.

The emergence of the personal computer triggered the computing-enablement of knowledge workers through the proliferation of distributed computing via the use client-server technologies, networking, and the PC's word processor and spreadsheets. The primary focus was to achieve operational efficiencies by capturing and analyzing operational performance and market demand data. These systems began to involve more than one organizational unit, but were largely owned and driven by a single sponsor supported by the IT unit.

The domain knowledge required the active involvement and participation of several operational units with multiple disciplines and expertise, but the project execution was largely centrally controlled. Communications amongst stakeholders became very important to share the advantages of these technologies and capture their requirements. Projects began to require a variety of implementation methods and practices as well as quality controls.

The accountability and reward systems shifted away from the IT shop to the IMS systems project sponsor(s), if benefits could be demonstrated.

Organizational Transformation Projects

The significant challenges and opportunities brought about by globalization and the information economy, coupled with the introduction of internet-based e-commerce/business, also brought about an era of de-stabilization of organizational and power-control structures and business processes. The need to re-align resources and processes to adapt to new market conditions brought about a new generation of techniques, such as process re-engineering and major business transformation initiatives.

While the two previous types of projects were for the most part driven by the information technology units, organizational transformation projects have been typically driven from the operational units' perspective. They are usually supported by multi-

disciplinary teams, of which IT/MIS role has been changed to a support and facilitation role. These often take the form of programs, comprised of multiple project teams charged with transforming and re-aligning organizational processes, requiring a vast array of domain knowledge and expertise as well as advanced forms of verbal and electronic communications.

Project management has emerged as a major skill needed to achieve results. The accountability and reward systems began to shift towards team compensation based on the organizational transformation results they help enable.

Project-based Reward Systems

The worst thing than an organization can do to a project is the "put a price" on completing the project "on time and on budget" rather than on achieving the project goals. Such incentives will focus the attention of the teams in securing the incentive rather than the project objectives.

The second worst thing that organizations do is to reward individuals on the basis of the seniority or position level, rather than on contributions made towards the project success.

By far the most destructive of them all is when a team achieves the desired results and management does not celebrate the team accomplishments.

It is my observation that most reward systems act as disincentives to do the right things, if they are not focused in achieving the project ultimate goals.

Reward systems should be focused on stimulating desired behavioural actions (such as teamanship) on the part of the team – not individuals. These include the appropriate implementation and execution the processes needed to maintain project governance (e.g. the application of the STP principles), knowledge transfer, completion of deliverables on-time and within the agreed to quality plans. In summary, incentives/rewards must be focused on those elements that will contribute to attaining team synergism and thus superior results.

Mixed Teams Implications

Large and small projects require the use of mixed teams involving employees and external consultants. External consultants can also be self-employed or be salaried members of consulting organizations.

As such, careful consideration should be given to what rewards to promote which behaviour is the most appropriate to balance the potential discrepancies, even though there are likely to be different when recognizing individuals within a team for their achievement.

Management Systems

My observation of several projects which involved business transformation initiatives is that the "hierarchical" nature and political interests of the command and control driven organizations tend to prevail, undermining the ability of the teams to succeed, as these teams have difficulty operating in matrix organizations. The root cause is, for the most part, the continuance of hierarchical control coupled with silo-based accountability, and corresponding reward systems and practices subtly influencing the program/project behaviour.

For example, when individuals are assigned to support projects (as business or subject matter experts) their loyalties and behaviour tend to stay be governed by their line management interests and not the project's. Conflicts tend to be particularly troublesome on large business transformational programs, when the authority or command and control system of organizational units is threatened.

Unless management begins to realize the importance of communications and knowledge and communications as the primary performance drivers, how to harness and focus it, securing benefits from the significant investments in technology and their capacity to compete and prosper will deteriorate and wane to the advantage of those who can. Out are the old paradigms and archaic organizations based on "***silo-thinking***" – welcome the era of "***networked-thinking.***"

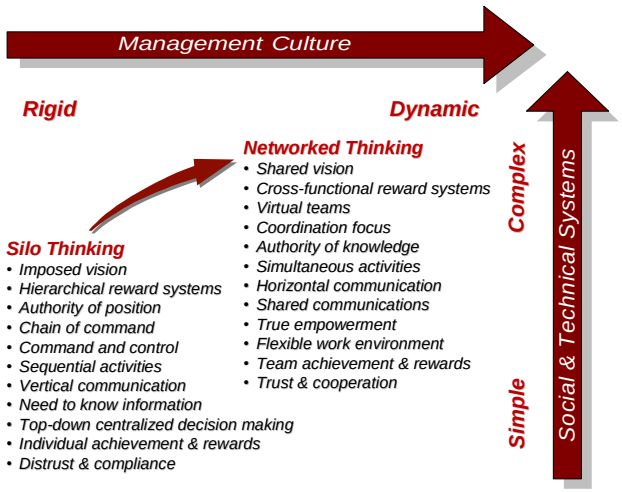

Figure 1 – Management Systems Characteristics

Silo Thinking

Command and control organizational structures are characterized by the following attributes:

- Imposed vision
- Hierarchical reward systems
- Authority of position
- Chain of command
- Command and control
- Sequential activities
- Vertical communication
- Need to know information
- Top-down centralized decision making
- Individual achievement & rewards
- Distrust & compliance

Despite the efforts of the CEOs in transforming the culture of their organizations, there is still a strong tendency to gravitate to hierarchical control. Why is that? More often than not it is centered on the accountability and reward systems established to measure and reward performance.

For example, a sales organization will do anything they can to achieve their quarterly and annual quotas, at the expense of other organizational interests (including their customers) if they are measured by such results; whereas, should they be measured against cross-organizational performance and client satisfaction, then most of their decisions and actions will be driven to effect such shared outcomes. Likewise, when it comes to reward systems for team-based initiatives, there are usually disparities in how these are delivered, which tend to reinforce individual achievement over team achievement.

Management structures based on hierarchical accountability and reward systems make decisions based on the authority of position – that is their participation is predicated on the representation of interests of their "silo". This explains why many transformation initiatives fail to achieve their goals. As such, despite the much touted teamwork organizational talk, teams' behaviour continues to walk in accordance to silo-thinking, when the interests of a unit are impacted by a project initiative. The political imperatives and power/ control debates that ensue, more often than not, lead to significant delays, and consequential cost escalation is ever present and inevitable.

Networked Thinking

The challenges of today's work environment require a new approach - "**Networked Thinking**".

Most of today's transformational programs and supporting projects involve multi-disciplinary teams representing multiple organizational units and are typically structured around matrix management. This much talked about model is hard to implement, manage and maintain, since as discussed above, the command and control hierarchical management and reward systems continue to be based on the performance of organizational units (silo management), which continues to be the base by which organizations make decisions, function and are accountable for results. Unless the approach to defining accountability and reward systems is changed, the success of transformation initiatives (using matrix management) will remain an elusive goal to achieve.

When dealing with business transformation initiatives as well as individual projects, it is possible to organize and deploy teams that represent the interest of the organization as a whole to achieve a specific organizational transformation goal, by applying a networked thinking approach.

A "Networked-Thinking Project Environment" needs to exhibit <u>all</u> of the following attributes.

- Shared vision
- Cross-functional rewards systems
- Virtual teams
- Coordination focus
- Authority of knowledge
- Simultaneous activities
- Horizontal communication
- Shared communications
- True empowerment
- Flexible work environment
- Team achievement & rewards
- Trust & cooperation

The application of these attributes is a key condition to create the environment for attaining superior team performance ("**STP**").

Virtual Collaboration Environments

Today's technological advances have made it possible to use the Internet as a medium to facilitate team collaboration across many countries and time zones. Yet no amount of technology would make them effective unless the way in which they interact and perform is facilitated (not managed) using the foregoing principles.

Figure 2 – The Virtual Environment

These "virtual teams" can be as effective as those working next to each other – except for one important ingredient – The team that plays together succeeds together. So in order to achieve complete synergism, a team needs to build close interpersonal relationships to facilitate open communications that, often, cannot be facilitated via technology alone.

When it is not feasible to bring an entire team together, the one fundamental condition is that the virtual team must be organized into localized delivery teams, each fully accountable for completing a milestone or project outcome.

Gate Management [iv] is an ideal method for planning projects and tracking project status when you require the use of virtual teams.

Conclusions

The significant challenges and opportunities brought about by globalization and the information economy, coupled with the introduction of internet-based e-commerce/business, also brought about an era of de-stabilization of organizational and power-control structures and business processes. The need to re-align resources and processes to adapt to new market conditions also brought about a new generation of techniques, such as process re-engineering and major business transformation initiatives.

This constant has created a situation which prevents leveraging the experience of teams to work on new projects. More often than not, each new project involves new people, bringing different habits and levels of knowledge, understanding and experience.

The root cause of most project failures is frequently traced to inadequate organizational, management, communications and working practices, not the individual knowledge worker. As Peter Drucker put it in 1996 – "The knowledge society will inevitable become far more competitive than any society we have yet known for the simple reason that with knowledge being universally accessible, there are no excuses for non-performance; there will be no poor countries – only ignorant countries" - The same argument can be extended to all organizations that involve the intervention of knowledge workers.

The application of reward systems need to be thought trough to prevent becoming disincentives or catalysts to do the wrong things. In particular, how they are applied when the team has a mix of internal and external resources.

Achieving superior team performance is about effective leadership and communications, through the application of the four performance realization principles. The application of network-thinking and adequate work environments are key elements to enable team synergism.

PRSL's Perform™ Program & Project Management Methods provide an array of tools (from basic to advanced) that allow a project manager to track a project or program status with minimal effort.

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References

[i] *See the White Paper on How to Achieve Superior Team performance - http://www.prsl.ca/Access*

[ii] *Carnegie Mellon University – Software Engineering Institute - http://www.sei.cmu.edu/cmmi/products/models.html*

[iii] *Adapted from The Information Paradox – The three stages of IT Evolution (Page 14) – John Thorp & DMR's Center for Strategic Leadership – McGraw Hill 1998*

[iv] *See the White Paper on PRSL's Performance Management Continuum - http://www.prsl.ca/Access*