

Critical Success Factors in Team-Based Organizing

A Top Ten List

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Team-based organizing is a continuous journey.

OVER THE LAST FEW DECADES, work teams have become a popular method for increasing speed, productivity, employee involvement, and collaboration in organizations. This increased use of work teams created the need for organizations to redesign themselves to support those teams. A full redesign effort produces a team-based organization (TBO). However, that term connotes an ending point. The term “team-based *organizing*” represents continuous improvement and continuous reinvention. This chapter identifies the top ten principles of the design and implementation of team-based organizing in the form of critical success factors.

Our definition of team-based organizing applies to an organization that has the following in place:

- Teams as the basic unit of accountability and work
- Teams leading teams
- An organizational design to support teams

Team-based organizing is about organization design.

The team-based organizing approach differs radically from the historically dominant approach that focuses on the individual as the unit of accountability, leadership, and support. Team-based organizing is *NOT* about teams; it is about the organization! Most publications and most examples focus on individual teams. The leap from team to team-based system of work is as large as the leap from individual work to team work. Redesign to a TBO demands redesign of the organization as a whole. The environment the teams work in is critical to their performance level, so redesigning the whole makes effectiveness possible at the lower level.

The goal of team-based organizing is to maximize the ability to cooperate and collaborate appropriately. Collaboration takes time, effort, and investment that working individually does not. Appropriate collaboration occurs when there is:

- Need of diverse expertise;
- Need to build commitment through participation;
- Need to create synergies with the expertise; and
- A supportive environment in place.

Alignment is the process of coordinating system parts and processes.

Collaborative work may not be the best approach when these factors are not present. Working solo is fine when it can achieve performance goals.

Each organization is unique, so there is no roadmap to follow. However, there are principles to guide the journey. Following are ten critical success factors (CSFs) to make appropriate collaboration successful. Please note that these CSFs are not the same as the principles of collaborative organization established in the first book in the Collaborative Work Systems series. However, the CSFs do not contradict the principles of collaborative organization, and do overlap somewhat. We believe that our CSFs warrant discussion in their own right, here in this chapter. A comparison of the CSFs and principles of collaborative organization can be seen in Table 1.1.

Table 1.1. Comparison Between Team-Based Organizing CSFs and Collaborative Organization Principles

Team-Based Organizing Critical Success Factors	Collaborative Organization Principles									
	Focus collaboration on business results	Align support systems to promote ownership	Articulate and enforce a "few strict rules"	Exploit the rhythm of divergence and convergence	Manage complex tradeoff decisions	Create higher standards for discussion, dialogue, and the sharing of information	Foster personal accountability	Align authority, information, and decision making	Treat collaboration as a disciplined process	Design flexible organizations
Align the organization in multiple ways		■						▨		
The work must be conducive to teams										
Teamwork must fit with and connect to the environment	■									▨
Craft a culture of collaboration and cooperation						▨			■	
Structure the organization with an array of teams								▨	■	
Reinforce cooperation and collaboration with organizational systems		■					▨	▨		
Create empowerment and authority at all levels		▨					■			
Foster an atmosphere of entrepreneurship	■	▨					▨			▨
Increase intangible resources of the organization	■	▨		▨		▨				
Design an adaptable organization			▨		▨		▨			■

= Most Relevant Principle
 = Relevant Principle

Source: Beyerlein, Freedman, McGee, & Moran (2002).



CSF #1: Align the Organization in Multiple Ways

An organization consists of one system embedded in another, which is embedded in another, and so on, like a nesting dolls toy. Each subsystem is a component of the larger system it resides in and a context for its own components. The most familiar version of this complexity now is that of an ecosystem. And,

like an ecosystem, there is interdependence between systems and levels. Alignment is a measure of how well those systems coordinate with each other.

Align Across Systems

Focus on alignment for each decision of the redesign.

Is alignment important? In an automobile traveling down the freeway at 70 miles per hour, a tiny misalignment of the front wheels is noticeable and potentially dangerous. In a company, misalignment also displays “wobbles” and pulls the operation toward the ditch. Alignment is crucial across systems of any organization; effectiveness is directly proportional to it. However, when implementing a major redesign effort such as an initiative to become team-based, alignment has added dimensions for concern. The focus on alignment should be one of the primary principles driving each decision of the redesign. Without such a focus, the following occurs: “These interventions were fragile, and were swamped within months or years by dominant organizational cultures that were static and hierarchical in nature. . . .where changes did result in productivity improvements, it was not long before these innovations gave way to more traditional work systems compatible with the dominant management mindsets” (Cordery, 2000).

Align Change Initiative with Vision

Returning to the auto on the highway again, the driver usually has a destination in mind. Staying on the road is partly a survival issue and partly about goal accomplishment. The vision may articulate that company destination. If the executive effort has been made to share that vision often, well, and widely, it generates an alignment of effort. Any change initiative that contradicts the shared vision will fail. Alignment of the teaming initiative with the vision is essential. An initiative gains acceptance, support, and commitment when alignment is visible.

Align Across Change Initiatives

Typically, companies have multiple change initiatives underway. Initiatives such as enterprise resource planning (ERP), business process reengineering (BPR), total quality management (TQM), lean manufacturing, and others may accompany TBO. The initiatives are typically handled as isolated islands of change, thought, and control and end up competing for resources. An integration of the initiatives through design and oversight, as with a cross-initiative committee, provides the opportunity for alignment.

Align Across Teams

Alignment across teams is crucial for performance leaps. After interviewing managers in major corporations, Steve Jones (1999) concluded that 80 percent of the payoff from using teams occurred between the teams. Improvements in the flow of work occurred because the teams aligned with each other through direct communications.

Align Support Systems and Teams

Most teams fail because of lack of alignment between support systems and teams (Beyerlein & Harris, 2001; Mohrman, Tenkasi, & Mohrman, 2000). Teams are social systems with a hunger for information and resources. When given what they need, the teams can excel. On the other hand, they are typically malnourished, trying to perform without the necessary inputs from support systems and support personnel, including managers, HR, IT, engineering, shipping, and others. However, recognize that achieving alignment between teams and support is likely to require overcoming significant barriers and inertia, including changes in assessment, evaluation, reward systems, and processes.

Align Across Subcultures

There are subgroups and subcultures within an organization. Schein (1996) suggests that the differences in culture between management, engineering, and production are so large that it is as if they were living in different countries. Another major gap is between union and nonunion employees. Alignment across these boundaries can be achieved through participation in the change initiative. Creating a steering team with a vertical slice of the organization as a membership criterion provides the opportunity for input from all the subgroups, so shared understanding can unite them across their current boundaries.

Align with Business Environment

Finally, although teams fail for many reasons, they also fail when the business fails. Alignment of the business strategy with the business environment, including competition and customer needs, is an essential envelope within which to work on the internal alignment issues.

CSF #2: The Work Must Be Conducive to Teams

The work encompasses the task that needs to be completed. Placing work in the center of the change model emphasizes the point that the purpose of organizations is to complete business, whatever that may be. Therefore, the organization must have a business, work-related reason for converting to teams for the transition to be successful.

For team-based organizing to be successful, the organization must have work that is appropriate for teams, that is, interdependent tasks that require more than one person to complete them. However, today, because of the increasingly complex work environment, most work is interdependent, especially over the long term, so teams are appropriate in many situations. For companies involved with team-based organizing, the majority of the work should be team appropriate.

Contrary to popular myth, however, not all tasks are team tasks, and all organizations would be wise to recognize this and act accordingly. Sometimes work that seems inappropriate for teams actually is; it simply seems to lack interdependence because of the functional structure imposed on it. In this case, work process redesign may uncover interdependent work that is amenable to a team. Or it may be that an individual is most appropriate for the task. The key is to match the type of work to the appropriate mechanism for carrying out the work, whether it is a team or an individual.

Some situations may warrant redesign of the work to become more suitable for a team. Would a team better accomplish the work than would individuals? Are there “hidden” interdependencies that suggest the use of a team? Would value be added by accomplishing the task with a team? Answering these questions will help determine locations where work redesign is appropriate. Work process mapping is one effective tool for identifying these opportunities graphically. (See Jacka & Keller, 2001.)

In team-based organizing companies, the team is responsible for a whole piece of work, so the work is not as segmented. The whole piece of work is usually process or product focused. For example, a team could be responsible for an entire assembly line, rather than the traditional approach in which each individual does his part and throws it to the next person, without regard for the final product.

Work that is conducive to teams creates an opportunity and the need for a team, but not the team itself. Teams represent a complex solution that is too costly when individuals can do the job, but a wise investment when outcomes depend on collaboration.

The key is to match the type of work to the appropriate mechanism for carrying out the work.



Today's environment requires more collaborative forms of organization.

CSF #3: Teamwork Must Fit with and Connect to the Environment

The environment includes the forces outside the organization, for example, government regulations, communities, competitors, customers, and suppliers.

Historically, changes in organizational design have followed trends in the environment. A traditional, hierarchical organization was appropriate in the 19th Century and part of the 20th. However, the environment has changed, requiring new, flatter, more collaborative forms of organization. Some of the characteristics of today's environment that are creating a need for team-based organizing include globalization, the fast pace of change, rapidly changing technology, increased complexity, and permeable organizational boundaries.

Because of the fast-changing environment, companies utilizing TBO must create continuous links to that environment. They must have mechanisms to create awareness of the environment and build in ways to change accordingly in order to survive and thrive. Examples abound of organizations that did not survive changes in the environment. Just think of all the organizations that were around at the turn of the 20th Century; how many of them survived to the turn of the 21st? Not many. Strategic planning is partially based on scanning the environment. In traditional organizations, strategy is viewed as the province of top management. In the TBO, all members are responsible for scanning, and teams may contribute to strategic planning (for example, Fogg, 1994).



CSF #4: Craft a Culture of Collaboration and Cooperation

Culture can be defined as a pattern of shared organizational values, basic underlying assumptions, and informal norms that guide the way work is accomplished in an organization. For teams to be most effective, the organization's values, assumptions, and norms must support collaboration and cooperation.

A metaphor for a team-based organizing culture is "teams in the DNA." Organizations that have "teams in the DNA" are so committed to cooperation and collaboration that employees automatically think, "Let's put a team on it" when they see a problem. They immediately understand how to begin a team, how to end one, and the processes in between. Some characteristics of "teams in the DNA" culture include a teams mindset, wherein collaboration is efficient and habitual; respect for expertise instead of position; self-sufficient teams run

Strive for a culture that enhances informal, natural learning.

their own businesses; continuous improvement, shared responsibility, autonomy, and authority; the ability to make decisions pushed to where the work is done; all employees engaged and committed; a “not me” but “we” mindset; and an egalitarian atmosphere of trust and respect.

An important, and often overlooked, part of the organization consists of the informal, natural processes that happen as a part of human nature. Humans are social beings and naturally create relationships, networks, and communities and share learnings. The successful TBO remembers this and strives for a culture to enhance, rather than detract from, the informal. These organizations create the space for connections via time, place, resources, and norms.

Understanding both the existing and the desired organization culture is key to creating successful change. Without heed to the existing culture, change initiatives may begin in the wrong place, leaving people feeling frustrated and angry about the gaps and overlaps. Without some emphasis on understanding the desired culture, initiatives have no hook to the future, no energy, and eventually flounder. Successful change initiatives must provide the link between the two.

Culture is either difficult or impossible to change directly, depending on whom you ask. Changing the organizational structure and adjusting systems represent indirect ways to influence culture.



Different types of work require different types of teams.

CSF #5: Structure the Organization with an Array of Teams

Organizational structure includes the ways people are formally organized to carry out the work. An organization chart is how this is traditionally depicted. However, the formal chart does not necessarily match the reality of the organization. Charts may be incomplete or out-of-date. They seldom depict types of teams.

Successful team-based organizing requires using a variety of team types to support different types of work. Because the environment shifts constantly, the organization must be able to use different types of teams to meet the needs of varying situations quickly. Teams can be temporary or permanent, single function or multi-function, inside one organization or across several, and with co-located or distributed membership. Project and task teams are temporary, usually with cross-functional membership; they come together for a particular purpose and disband when that purpose is achieved. Project teams have become more popular as a method of dealing with the quickly changing environment. Work teams are typically permanent, long-term teams, with either single-func-

tion or cross-function membership. Management teams are comprised of management members from multiple functions, each usually concerned with particular issues. Virtual teams may never meet face-to-face and instead rely on technology for communication. As the boundaries of organizations become more permeable, more teams have members from more than one organization.

A common belief is that team-based organizing requires permanent work teams, and some believe that this is the only kind of team that can be used. However, we argue that team-based organizing can encompass any type of team and believe that successful efforts require the use of an array of teams.



CSF #6: Reinforce Cooperation and Collaboration with Organizational Systems

Organizational systems form the infrastructure created to support the work and the people doing the work within the organization. Through modifying and creating systems, team-based organizing enables cooperation and collaboration within the organizational context. Because of the need to align with the work and the rapidly changing environment, flexibility in organizational systems is key. As the work processes and structures change, support systems must change to maintain alignment.

For successful team-based organizing, systems must reinforce collaboration and cooperation.

Traditional support systems are set up to reinforce individual work and, often, competition between workers. Team-based organizing requires collaboration and cooperation, so systems must reinforce teamwork. For example, a traditional system typically bases pay solely on individual contributions, which sets up a situation in which individuals are competing for pay. In a team-based situation, if team members are instructed to work together on projects, yet the reward system is based on individual contributions (for example, the person with the highest sales numbers on the team receives a bonus), chances are quite high that the desired teamwork will not occur. Instead, to foster collaboration and cooperation, team-based reward systems need a component to reward team members for accomplishing team goals.

Alignment is required for all support systems, including the following:

Leadership

- Executive leaders
- Direct supervision (active support, boundary management, and interpersonal skills)

- Team leaders
- Team members/shared leadership

Organization and Team Design

- Designating task design/technology, composition, roles, task characteristics, interdependence, boundaries, human resources, and physical environment requirements for each team and set of teams

Performance Management

- Goal setting (goals, priorities, and tasks)
- Performance measurement
- Performance feedback (formal and informal)
- Rewards (individual, team, business unit levels of performance)
- Recognition

Financial and Resource Allocation

- Including the accounting and reporting systems

Learning (Formal and Informal)

- Communication
- Knowledge management
- Training (interpersonal skills training, and business skills training)
- Information (access and sharing, for example, common databases, goals, and priorities)

Physical Workspace and Tools

- Budgets, tools, time, and computers

Change and Renewal**Integration**

- Informal integration, formal leadership roles, and policies

The name “support system” has two parts. “Support” comes first—it is the purpose of these systems and the basis of assessing their effectiveness. Ask, “Are they delivering support to those doing the work?” “System” comes next—it represents established processes. But the key point is that the array of support systems should also be viewed as a system. When individual support systems conflict with each other, quality of support drops and team performance drops with it.

For more on team-based support systems, see Chapter 17.



CSF #7: Create Empowerment and Authority at All Levels

Does an eight-cylinder automobile run with greater efficiency, power, and smoothness when all eight spark plugs are firing in synchronization? Yes. Will the car run if one or two plugs fail to fire? Yes, but roughly, with loss of power and waste of fuel. An organization usually has resources that are not being utilized; hence its efficiency and effectiveness are less than optimal. The two most critical underutilized resources are the hearts and minds of the individual employees and the synergies that emerge from effective collaboration. Empowerment through participation and involvement rectify that problem to a great extent; designing systems with input from all groups completes the equation.

Control of behavior may be exerted from the outside or the inside—telling someone what or how to do something or allowing that person to decide. Because of the hierarchy of decisions (for example, strategic versus tactical), external, high-level decisions will always be required. However, predominantly external decision making results in over-control, micro-management, and alienated workers.

Empowerment represents the shift from external control of work decisions to internal control. It consists of a redistribution of the power to make decisions within the organization—pushing decision making down to the level where the work is done. Both external and internal influences are present all of the time, but the formal shift toward a balance increases involvement and commitment while keeping individual and team decisions in alignment with organizational goals. The two sources of control must be in alignment or they will undermine each other.

The first hurdle to empowerment is lack of trust. Usually, managers are accused of failing to trust the team members to be accountable when empowered. However, team members may not trust that management is doing something that is win/win; they may suspect hidden motives and agendas. For example, one team of graphic designers grew to the point of being self-managed, but received no extra rewards for the extra responsibility, so they decided to ask to have a manager once again. (For more on this, see Chapter 8.)

The second hurdle to effective empowerment is lack of a plan. Empowerment should proceed in steps that correspond to the developing capabilities of the team. A study of empowerment steps across 117 teams in nine companies by the Center for the Study of Work Teams (Beyerlein, Beyerlein, & Richardson, 1993) showed that the first steps in empowerment were usually team responsibility for problem solving and safety decisions. The last steps were

Lack of trust and lack of a plan are hurdles to empowerment.

those dealing with disciplining, hiring, and firing of employees. Many other responsibilities were arranged in between these extremes of safety and risk. Even with steps in empowerment, abuse can occur. When given new responsibilities, one team focused on vacation planning and let the more work-related items slide. Alignment to guide priority setting was missing in that plan.

Empowerment releases the energies and imaginations of team members.

Empowerment has the potential to release the energies and imaginations of team members. When handled intelligently, empowerment increases the resources of the organization far more than it costs.



CSF #8: Foster an Atmosphere of Entrepreneurship

Entrepreneurial spirit represents the initiative that some people take to achieve their goals and build their visions. Well-known examples are mentioned in newspapers and magazines on a regular basis. The essence of success is to take risks but do so in an intelligent manner. Calculated risks, experiments that are planned, have tended to work better than risk for risk's sake. Visionaries may often be entrepreneurial, but the great successes are those where the visionary has enlisted the energies of the members of the organization. Successful organizations have an atmosphere of entrepreneurship that surrounds all members.

An effective team provides the best incubator for new ideas. When a member shares a new idea, the team can ask, "How do we do this?" The team can also ask "What if. . .?" "What is. . .?" and "What should. . .?" (Pacanowsky, 1995). The idea is protected at conception, receives refining inputs from members with diverse perspectives, and gains momentum before being taken to management. Relationships with customers can benefit in similar ways.

Employees need support through modeling, resources, and systems for entrepreneurship to occur.

Some members of the organization will automatically take risks and develop new ideas, but most will need a sense of permission and support. The naturals will find ways around barriers and use informal mechanisms of information flow. Making formal mechanisms for accessing information, resources, and people user friendly will enable many more members to participate. At the top of the list of support mechanisms is the modeling of entrepreneurial behavior by top management. If conservative, traditional approaches dominate management decision making, that style will cascade down through all layers of the organization and stifle the possibilities at the team level. Removal of barriers to sharing ideas with top management allows them to cascade upward, reversing the trend.

Resources may be necessary for entrepreneurial activity. At 3M, employees may use 15 percent of their time to pursue their own ideas (Coleman, 1999). At Rubbermaid, two-person teams visited homes of consumers to study storage practices and generated three hundred new-product ideas in three days (Stevens, 1999).



Each person brings intellectual capital to the workplace.

CSF #9: Increase Intangible Resources of the Organization

The transformation of work processes and support systems to participative approaches for managing teams requires significant investment of time and money. It is an expensive change. Those who decide to make that change believe that the value gained will exceed the cost. They must be able to answer two questions: (1) How does a team add value? (2) How does a TBO add value?

One of the most common statements explaining change initiative goals has been “faster, better, cheaper.” For several decades that statement has summarized the goals of management. Recently, that phrase has changed to include “smarter” and “innovative.” Success here depends on building intangible forms of capital—assets that are based on the people of the organization: intellectual, social, collaborative, and organizational. These four types of assets represent a new and emerging focus in designing organizations, supplementing the traditional emphasis on financial and physical capital.

Intellectual capital (IC), also known as knowledge capital, represents what the people in the organization know, including how to find others who know. Each employee brings some IC to the workplace. Social capital (SC) represents the relationships that bind the organization together, including relationships with customers (Nerdrum & Erikson, 2001). IC and SC combined have been referred to as human capital. Collaborative capital (CC) (Beyerlein, Freedman, McGee, & Moran, 2002) represents the organizational, team, and individual processes and competencies for working well together. Organizational capital (OC) represents the strategy, structure, processes, and culture of the organization. Recognizing the value of these four types of assets is the first step toward their systematic development.

Collaboration builds human capital.

Collaboration builds intellectual and social capital. Individuals are assets of the organization—they add value when the situation permits it and encourages it. People in teams add value when collaborative skill enables synergies to emerge and when the hurdles to collaboration have been minimized in the processes and structures of the organization. Then collaboration becomes a source of strategic advantage. The talents and experiences of team members

represent valuable assets for the organization. The result of the focus on human capital is a more intelligent organization, one that is more adaptive and more able to acquire, process, and act on information. “The intangible assets are the real drivers of the future business potential” (Sussland, 2001).



**Adaptability
is critical for
survival.**

CSF #10: Design an Adaptable Organization

The nature of work, the worker, work organizing, work environments, and collaborative work systems will continue to change, and more of that change will be discontinuous—leaps that will be difficult to anticipate and prepare for.

Adaptability has emerged as a critical capability for companies. Being agile enough to make changes quickly in response to environmental changes enables companies to survive. Change is not new, but the pace is accelerating to new levels. The rate of change is itself changing, so that many areas can be shown by a J-curve of geometric increase. A common example is the amount of memory on a computer chip: It typically doubles every eighteen months. New kinds of chips, such as biochips, may even accelerate that nonlinear pattern. The leap from Six-Sigma quality to nine sigma standards may be another example.

Adaptability requires an awareness of changes and, when possible, an anticipation of changes in the environment. It also requires the capability of making rapid and appropriate internal changes as responses to new environmental opportunities and challenges. This is an intelligence function. Formerly, this kind of intelligence work—gathering information about the environment, assimilating it, and deciding how to respond—was the responsibility of the top management. Increasingly, it became clear that the more members of an organization who paid attention to the environment and brought back observations and ideas, the more effective the adaptation decisions became.

In an organization where all the brains are engaged and sharing of ideas is encouraged, productive communication and interactions abound among all members and across all boundaries. The rich buzz that occurs generates creative and adaptive solutions and identifies new opportunities in a business world characterized by turbulence. “Complexify!” means design your internal environment to match the external environment (Tenkasi, 1997). If the external is complex and dynamic, mirror it with a design that allows similar flow within the organization. Otherwise, the organization is oversimplified and cannot adapt adequately, which leads to extinction.

Self-design is a capability of the most adaptable organizations.

The most adaptable organizations are those capable of informed self-design. The redesign of a major company is an overwhelmingly complex task; so most self-design occurs within smaller business units in a company, such as divisions and plants. The smallest self-designing unit is the work team, which is also the most adaptable level within the organization (Baskin, 2001). The team is closest to the actual work and may be closest to the customer or the supplier. Team consensus decision making may allow for rapid and temporary changes in response to work environment, supplier, or customer issues, whereas a corporate, division, or plant-level response would require formal policy making and take so much time that the need for the change has passed and the appropriateness of the solution evaporated. But the team cannot do the dance of self-design (or mini-self-design of many changes that are quick, temporary, and minor) unless there is sufficient autonomy, and it cannot make appropriate decisions without some skill and information, that is, without some empowerment and development.

Conclusion

To summarize, we suggest ten critical success factors for team-based organizing:

1. Align the organization in multiple ways.
2. The work must be conducive to teams.
3. Teamwork must fit with and connect to the environment.
4. Craft a culture of collaboration and cooperation.
5. Structure the organization with an array of teams.
6. Reinforce cooperation and collaboration with organizational systems.
7. Create empowerment and authority at all levels.
8. Foster an atmosphere of entrepreneurship.
9. Increase the intangible resources of the organization.
10. Design an adaptable organization.

Maintaining a focus on all critical success factors simultaneously is difficult, but necessary, for successful team-based organizing. A tool to help identify where to concentrate your efforts is included as Appendix 1.1. One person cannot do it alone; participation and involvement from members of the entire system are required. Resources are available for those who want them, including the chapters in this Fieldbook. To facilitate your use of the Fieldbook, Table 1.2 provides a cross-reference of CSFs to relevant chapters in the book.

Table 1.2. Applicable Chapters for Each Team-Based Organizing Critical Success Factor

Critical Success Factor	Applicable Chapters																	
	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
Align the organization in multiple ways		■	■	■	■	■	■					■	■	■	■		■	
The work must be conducive to teams																		
Teamwork must fit with and connect to the environment			■								■		■					
Craft a culture of collaboration and cooperation											■			■				
Structure the organization with an array of teams	■																	
Reinforce cooperation and collaboration with organizational systems		■	■	■			■					■	■	■		■		
Create empowerment and authority at all levels																	■	
Foster an atmosphere of entrepreneurship			■								■		■					
Increase the intangible resources of the organization			■								■		■					
Design an adaptable organization	■																	

■ = Most Relevant Chapters

The keys to a successful and sustainable transformation to a team-based organization include a focus on context, the alignment of systems, and a leadership change, but also include teams with a balance of accountability, responsibility, authority, and empowerment. It is a challenge to do all of these things well, but the option is failure.

Acknowledgment

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Applicable Chapters														Critical Success Factor		
19	20	21	22	23	24	25	26	27	28	29	30	31	32		33	34
■				■		■		■	■	■						Align the organization in multiple ways
																The work must be conducive to teams
		■			■	■	■	■			■					Teamwork must fit with and connect to the environment
				■	■	■	■	■		■	■		■	■		Craft a culture of collaboration and cooperation
								■								Structure the organization with an array of teams
■				■		■		■	■		■					Reinforce cooperation and collaboration with organizational systems
						■		■								Create empowerment and authority at all levels
		■			■	■	■	■			■					Foster an atmosphere of entrepreneurship
																Increase the intangible resources of the organization
								■								Design an adaptable organization

Other Recommended Resources

- Beyerlein, M.M., & Johnson, D.A. (Eds.). *Advances in interdisciplinary studies of work teams* (Multiple Volume Series). Greenwich, CT: JAI Press.
- Lawler, E.E., III, Mohrman, S.A., & Benson, G. (2001). *Organizing for high performance: Employee involvement, TQM, reengineering, and knowledge management in the Fortune 1000 – The CEO Report*. San Francisco: Jossey-Bass.
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Appendix 1.1

Team-Based Organizing Critical Success Factor Gap Analysis Tool

Purpose

To facilitate the discussion of critical success factor focus and prioritization among those leading the change effort to team-based organizing. The tool is useful for those considering a transition to TBO, those with a change effort underway, and those wanting to revitalize a transformation effort.

How to Use the Tool

The gap analysis tool can be used in several different ways, including:

- Complete the gap analysis individually and create your own snapshot of the organization.
- Respond to the tool individually, then compile the results of the group to gain an estimate of the group's perception of the situation.
- Create group consensus on each item to cultivate shared understanding and the foundation for planning.

These are all valid uses of the gap analysis tool, each producing different results. Choose the appropriate method according to your needs.

Instructions

1. Answer the questions. Use a circle to indicate where your organization is now. Consider "organization" to be your business unit or department, whatever unit is considering a change or making the effort to transition to TBO.
2. Answer the questions again. This time use a square to indicate where your organization would like to be at your highest level of team-based organizing.
3. Tally subscores for each symbol under each critical success factor.
4. Plot subscores on the graph.
5. Discuss the graph, using the discussion questions.

CSF #1: Align the Organization in Multiple Ways

Conflict and infighting between heads of functions and programs.	1	2	3	4	5	Smooth communication and coordination between heads of functions and programs.
A lot of waste and competition occur because of silos in the organization.	1	2	3	4	5	Resources are effectively leveraged because of integration across boundaries in the organization.
Change initiatives are not aligned and often contradict each other.	1	2	3	4	5	Time is taken to align change initiatives and present them in a unified way.

Subscore CSF #1 = _____

Subscore CSF #1 = _____

CSF #2: The Work Must Be Conducive to Teams

Individuals do all work or all work is done in teams regardless of type of work.	1	2	3	4	5	A mix of designs (teams and individuals) is used according to the type of work.
The work is segmented with many transitions between different groups or departments during production of the product or process.	1	2	3	4	5	Workers are organized around whole pieces of work, such as whole processes or products.
The work does not require input from multiple types of expertise.	1	2	3	4	5	The work requires input from multiple types of expertise.

Subscore CSF #2 = _____

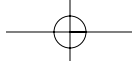
Subscore CSF #2 = _____

CSF #3: Teamwork Must Fit with and Connect to the Environment

Employees have little opportunity to receive information about the organization's environment.	1	2	3	4	5	Organization has various mechanisms to create awareness of the outside environment.
Employees are not well connected to customers and suppliers.	1	2	3	4	5	Employees have open lines of communication to customers and suppliers.
Top management is solely responsible for strategic planning, with little to no input from others.	1	2	3	4	5	All members of the organization contribute in some way to strategic planning.

Subscore CSF #3 = _____

Subscore CSF #3 = _____



Critical Success Factors in Team-Based Organizing

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CSF #4: Craft a Culture of Collaboration and Cooperation

Employees are uninterested and uninvolved and lack commitment to the organization.	1	2	3	4	5	Employees are engaged, involved, and committed.
Organizational norms inhibit informal learning (for example, no conversations in the hallways).	1	2	3	4	5	The organization supports informal learning by allowing time, place, and resources for informal connections to occur and creating norms to support informal learning.
"Blame culture," that is, time and energy are spent looking for scapegoats; collaboration is forced, not natural.	1	2	3	4	5	"Collaborative culture," that is, time and energy are spent looking for partners; collaboration is efficient and habitual.

Subscore CSF #4 = _____

Subscore CSF #4 = _____

CSF #5: Structure the Organization with an Array of Teams

Regardless of the situation, the organization uses only one type of unit (team, individual).	1	2	3	4	5	Organization uses different types of teams and individuals to meet the needs of varying situations.
Forming a new team takes a long time, so they are not launched to solve problems that arise.	1	2	3	4	5	Teams are formed quickly to solve problems that arise.
Teams are disjointed and often conflict with each other.	1	2	3	4	5	Teams are complementary and integrated and together form a cohesive whole.

Subscore CSF #5 = _____

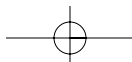
Subscore CSF #5 = _____

CSF #6: Reinforce Cooperation and Collaboration with Organizational Systems

Systems hinder teamwork, collaboration, and cooperation.	1	2	3	4	5	Systems reinforce teamwork, collaboration, and cooperation.
Individual support systems contradict each other, sending mixed messages to employees.	1	2	3	4	5	Individual support systems align with each other.
Only traditional, formal systems (rewards, performance appraisal) are considered when making changes.	1	2	3	4	5	Formal and informal systems, as well as aspects of systems, are considered when making changes.

Subscore CSF #6 = _____

Subscore CSF #6 = _____



CSF #7: Create Empowerment and Authority at All Levels

Empowerment is haphazard, with no thought-out plan.	1	2	3	4	5	Organization has an empowerment plan for both teams and team managers/leaders.
Teams are told they are empowered, but are not given additional responsibility, authority, or development opportunities, or they are given one but not all three.	1	2	3	4	5	Teams are given more authority and development opportunities to coincide with additional responsibility.
Managers micromanage, withhold information, and do not trust workers to do the job properly.	1	2	3	4	5	Managers empower by sharing power, information, and decision making and by trusting employees to do the job.

 Subscore CSF #7 = _____

 Subscore CSF #7 = _____
CSF #8: Foster an Atmosphere of Entrepreneurship

Management creates barriers to sharing ideas (especially upward) or does not remove those that exist.	1	2	3	4	5	Management models entrepreneurship and removes barriers to sharing ideas.
Employees are prevented from taking calculated, intelligent risks.	1	2	3	4	5	Employees are encouraged to take calculated, intelligent risks, without fear of being disciplined if they fail.
No resources are provided for entrepreneurial activities.	1	2	3	4	5	Resources (time, money, information) are provided for entrepreneurial activities.

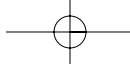
 Subscore CSF #8 = _____

 Subscore CSF #8 = _____
CSF #9: Increase the Intangible Resources of the Organization

Organization makes little to no effort to develop the intangible capital of the organization.	1	2	3	4	5	Organization actively seeks to develop the intangible capital of the organization (for example, through development of people and teams).
Organization has no recognition of the value of intangible resources.	1	2	3	4	5	Organization measures and accounts for the value of intellectual, social, collaborative, and organizational capital.
Sharing of ideas is hindered, resulting in few new ideas and little creativity.	1	2	3	4	5	All brains are engaged and sharing of ideas is encouraged and supported, resulting in a lot of energy and creativity.

 Subscore CSF #9 = _____

 Subscore CSF #9 = _____



Critical Success Factors in Team-Based Organizing

CSF #10: Design an Adaptable Organization

Organization is slow to move in response to environmental changes and opportunities or does not recognize the need to change.	1	2	3	4	5	Organization is agile and flexible enough to make changes quickly in response to environmental changes and opportunities.
Few new ideas are created, or new ideas are quickly stifled.	1	2	3	4	5	Employees develop creative and adaptive solutions and identify new opportunities, and management listens to these.
Teams must wait for higher-level response that takes so much time that the need for the change has passed.	1	2	3	4	5	Teams create rapid changes in response to work environment, supplier, or customer issues.

Subscore CSF #10 = _____

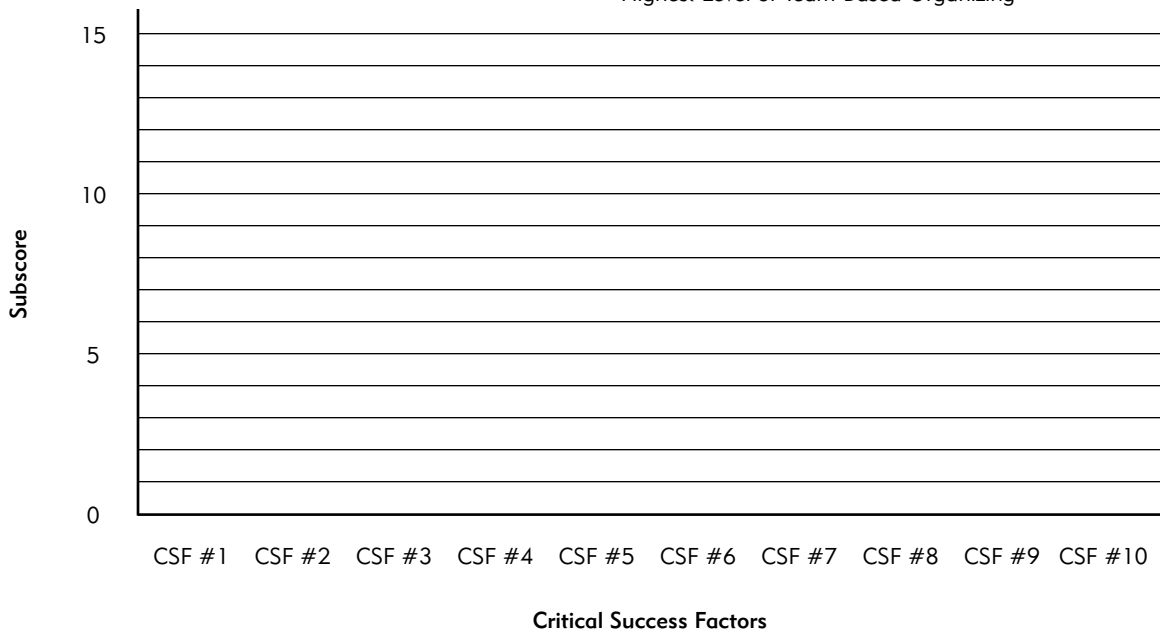
Subscore CSF #10 = _____

Graph of Critical Success Factors Subscores

Directions: Use circles to plot the “where organization is now” scores on the graph below. Connect the circles with a solid line. Then use squares to plot the “where organization would like to be” scores on the graph below. Connect squares with a dotted line.

Where Organization Is Now

Where Organization Would Like to Be at Highest Level of Team-Based Organizing



Discussion Questions

Gear your discussion to your own situation, particularly to the method of analysis (individual, individual and then group, or group consensus) you have chosen. Some possible discussion questions are listed below.

1. Use the graph to identify the biggest gaps between where you are now and where you want to be. The bigger the gap, the more work needs to be done to get where you want to be.
2. Delve deeper into the biggest gaps by reviewing the scoring of the items within the corresponding subscore. Which item contributes most to the gap?
3. Do you agree with the results? Why or why not?
4. Use these gaps to identify the priority of addressing critical success factors. (Bigger gaps probably indicate a higher priority.)
5. Think of the gaps in terms of sequential order of implementation. Do some of them need to be addressed before others?
6. What can you do to close those gaps? Look at the cross-reference table of critical success factors to relevant chapters in the Fieldbook (see Table 1.2) for follow-up ideas.