

Building High-Performance Teams

By Harvey Dubin

Corporate leaders everywhere are searching for the ultimate edge. Ever-increasing rates of change and competition press companies to continually explore new ground and do more with less. There is no shortage of guidance on how to lead the pack, and you would be hard-pressed to find a CEO who doesn't want to have a high-performing team and culture. In fact, a Google search on the how-tos of high performance yields more than 30,000 results, ranging from quick fixes to complex theories.

The focus is warranted because of the expectation: A high-performing team will produce innovations and results that take the company to the next level. This is the team that will reduce costs, increase productivity, shorten time for research and development, and get products and services to market faster. In short, these are the people who can save the day.

True examples of these teams in action are less common than all the talk about them. The reason is unavoidable friction between a corporate addiction to predictability and the concern for risk involved in far-reaching challenges. From market analysts to boardrooms—even to the front lines of the workforce—pressures for predictable performance overshadow the potential rewards of bold moves. Meeting or failing to meet production deadlines and earnings forecasts can put a new company on Wall Street's radar, land a seasoned CEO in the boardroom hot seat, or make the difference between becoming an acquisition suitor or a takeover target.

Although the business landscape is complex, building a high-performing team doesn't have to be: It can begin as simply as a single leader with a single challenge.

It Starts With Commitment

There is no step-by-step formula for building a high-performing team. It is the best-case outcome of achieving a significant objective—not the actual goal in and of itself.

When a business leader takes on a challenge that requires people to commit and perform in ways they never have before, one of the possible outcomes might be a high-performance organization and culture. The pathways to achieving the outcome emanate from the commitment. Because people's past experiences are not enough to guide them through the effort, they become open to new perspectives, skills and work practices. Their ways of thinking and working become the new norm—and a sustainable approach to unprecedented achievements.

A Not-So-Secret Ingredient

At the start of a big project, one of the questions asked most often is: “Do we have the right people with the right skills?” Although it’s a legitimate concern, most businesses under time and cost pressures do not have the luxury of deliberating personnel overhauls—nor is this necessarily a smart tactic, given the swift nature of changes in the marketplace. That said, the potentially plaguing question about “the right people” can be a real show-stopper. By hesitation alone, companies fail to take on truly significant challenges, or they embark on such projects but do not succeed.

Experience shows us that breakthrough performance may be less about individual team members and more about galvanizing people around a clear, seemingly impossible challenge.

The not-so-secret ingredient for high performance is to compel the people in your company with a new possibility. They become stakeholders who commit to the venture’s success because they see the benefit to themselves, as well as the company. Their collective stake, passion and persistence are the fertile ground for developing your high-performing team.

Commitment, Risks and Results

Building a high-performing team is not about people’s skills, abilities or knowledge. It’s about their commitment. It is not about putting together the right team. It’s about putting together the right challenge. It is not about avoiding or overcoming setbacks and corporate resistance. It’s about embracing difficulties and leveraging them to galvanize the team in a relentless pursuit of results.

There is a human factor to high performance that formulas ignore. The critical component is a group of committed people. Commitment, if it is to be sustained, ought to reach beyond the organization to each individual’s stake in a successful outcome. The benefit to both the company and the individual must be clear and compelling.

In the mid-1990s, Paul Barron (who, at that time, was the managing director of U.K.-based Ruston Gas Turbines) was running a business under serious

marketplace pressures. Operating costs were running too high, production was taking too long and the company’s market share was slipping. Barron, who started his career with Ruston as an apprentice and grew up in the town where the company was the lifeblood of the economy, was determined to shift the challenging circumstances of the business. “We were in a position where it was imperative for us to improve on all fronts—market share, profitability and internal processes,” Barron said. “So it may have seemed a little crazy to some people at the time, but what we did was set forth an objective of doubling the company in every way—size, productivity, revenues and profits—within four years.”

Barron aligned his challenge with a team that held similar job security motivations, as well as concern for the economic well-being of the town where they lived and worked. Their commitment opened the door to what was possible for the company. Ultimately, as a result of their efforts, the company was able to produce more engines, get them to market more quickly, regain competitive stature as well as market share and boost morale company-wide.

“It took some time for people to move beyond discussions of simply incremental change,” Barron said. “I think part of that pace was the process of convincing them that they truly had the freedom to come up with more sweeping, innovative approaches. They had to come to believe that they weren’t operating in some sort of bubble—that we were genuinely committed to their efforts, and leadership was on record with that commitment.”

Barron’s point raises a fundamental aspect of building a high-performing team: going on the record. It’s part of creating an environment of “no back door,” where people are free to invent and deliberate in a way that makes the commitment a choice, not a directive.

IBM Fellow Emeritus Allan Scherr emphasizes this point in a Barbados Group Working Paper from January 2005, titled “Managing for Breakthroughs in Productivity,” about high-performance teams based on more than 30 years of leading successful engineering and software projects. “To successfully make a shift to a high-performance culture, the champion of that shift

has to make it public and get his or her skin in the pot,” Scherr writes. “It simply doesn’t work to keep two sets of books—one for a ‘business-as-usual’ result for the boardroom, the other for the extraordinary result the team is committed to. When top management isn’t committed and accountable, performance will very likely remain at the status quo.”

Take Risks and Get the Job Done

High performance is risky business. It’s not about just working harder or setting the bar higher. It’s about establishing new ways to work and deliver results, which means dealing with the uncertainty and unpredictability of a new approach. Most corporate managers, however, have been trained and rewarded for minimizing risk and maximizing predictability. For a major challenge to produce a high-performing team, someone has to step out on a limb. And that step has to be a big one—far beyond current assumptions about the business.

The impetus for the risk doesn’t have to be a rescue mission, such as Barron’s commitment to saving a town’s primary business and employer. Motivations ranging from survival to aspiration can serve as the catalyst for a high-performance challenge, whether it’s an energy industry leader forming a first-ever alliance with competitors, a pharmaceutical company inventing a drug because patients depend on it or a manufacturer transforming its mission from supplying rocks and cement to building communities.

Whatever the nature of the challenge, to compel unparalleled performance, it must defy convention. For instance, Barron’s commitment to doubling his company’s size—at a time when its current performance was in question—challenged the better judgments of corporate leaders and broke the rules of risk adversity. “I had to step up and take on this challenge, but I was met with skepticism and concern from all sides,” Barron said. “The only way to prove that I was right was to liberate the team to get to work and do it.”

This concept of liberation is the focus of much current literature, such as Tom Peters’ “The Project 50” approach to projects and tasks. But the kind of liberation that can launch a high-performance shift

starts with the bigger picture. Getting a wide-angle view of an organization’s true possibilities requires shaking up the status quo.

Scherr tells a classic risk-success story based on his experience at IBM. Six months before the committed delivery date for a new software project, Scherr learned that a key software component had been written to the wrong hardware interface and had to be redone completely. Although the work had taken several people two years to complete, one of the programmers came forward and offered to fix the problem—if he was left alone for three months. Scherr, having no real alternative, took him up on the offer—and the individual delivered the new component on time and with outstanding quality.

“If risk aversion had prevailed in that situation,” Scherr explained, “not only would the breakthrough not have occurred, the project would have been a year or more late with the attendant loss of revenue, morale and productivity.”

Get the Results, Get the Team

Newfound capabilities typically surface in the midst of resistance, and often in the wake of setbacks or “breakdowns.” In this context, a breakdown is a situation where current performance falls short of committed goals. Such setbacks can be accidental or deliberately set in motion. The very nature of asking people to take on a great challenge can have the impact of a breakdown. For example, when Barron declared his vision of doubling the company in all capacities, he also asked his teams to cut costs by 25 percent and reduce delivery time by more than 30 percent. In the face of these seemingly impossible objectives, Barron’s cross-functional team of stakeholders—ranging from engineers to accountants—pulled together to meet the challenge. Within a year, they succeeded in reducing delivery time by a third and reducing costs by more than 25 percent. In addition, they achieved the company’s historic growth goal. “It took nearly a year longer than anticipated to double all capacities,” Barron said, “but by stretching the business in every direction, we achieved a new way of working, and a new approach to challenges that still exists today.”

In this instance, only such a powerful challenge—one that flew in the face of current capabilities—could have prompted the exceptional performance and results that secured the future of the company. The team members embraced resistance and setbacks, forcing themselves to consider and implement new ways of developing and testing their product and getting it to market faster.

If leaders and their teams don't assume risks and learn new ways of dealing with setbacks, they take on a far greater risk in the long run: no progress at all. Challenges that put leaders and their teams on the line move their organizations forward in dramatic ways. With the benefit of daring challenges, risks and even setbacks, people have no choice but to see things differently and create outcomes that otherwise would not have been possible.

Recap: An Anti-Formula

Commitment, risk and results are what it takes to build high-performing teams. There is no guaranteed formula. Taking new ground with significant achievements is, by its very nature, a process uniquely defined by each challenge. In lieu of prescribed steps or rules, there is educated guidance:

Focus on challenges, not teams: Putting together a high-performance challenge is the catalyst for creating a high-performing team.

It can start with one person: A single leader going out on a limb can be the start of a challenge that can transform a company's culture and future.

Keep one set of books: Go on record with your commitment with anyone who will listen, from the apprentices to the board.

Seize setbacks and embrace resistance: Corporate cultures typically reward predictability and avoid risk. Shifts in culture come from embracing difficulties and leveraging them to achieve results.

When you win, people get on board: Once you begin to make things happen, skepticism and resistance give way to human nature—people want to be part of a winning team.

This is not a one-time event: Building a high-performing team begins with near-term wins, but the returns continue for the long term. The organization's new capabilities will outlive the initial team effort.

Remember, commitment trumps all. The right commitment is the starting point—not a quest for the right skills, abilities or knowledge. Chances are, your high-performing team is already part of your organization, right in front of you.

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