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Supportive Context

The conditions discussed in the previous three chapters—a real team, a compelling direction, and an enabling structure—provide the basic platform for competent teamwork. But work teams do not operate in an organizational vacuum.[1] Features of the organizational context, as well as the coaching behaviors of team leaders, can either make it much easier for a team to exploit the advantages of a good basic structure or so powerfully impede the team that the advantages of a fine basic design are negated. Even managers who carefully plan the design, formation, and launch of a work team sometimes then back off and say, in effect, "Good luck, kids, you're on your own now!" These managers stop too soon, since what is needed for team effectiveness is a good design *reinforced by* a supportive organizational context and expert team coaching.

If a well-designed work team is a seedling, then the organizational context is the soil in which it is planted, the milieu that provides the nutrients needed for it to grow and bear fruit. Just as infertile soil can stunt the growth of even the healthiest seedling, so can an unsupportive context limit the performance of even a well-designed work team. The reverse also is true, of course: Even the most fertile soil cannot help a fundamentally crippled plant, nor will a wonderfully supportive organizational context enliven a team whose design is fundamentally flawed—once again affirming the importance of giving first priority to a work team's direction and structure.[2]

There are so many organizational structures and systems that potentially bear on team performance that no leader could possibly fine-tune every one of them to make sure that all aspects of the organizational context support teams in their work. The leader's first priority, then, is to identify those specific structures and systems that are most critical to team effectiveness and therefore worthy of focused attention and possible intervention. Findings from research on the organizational context of work teams can be helpful in this regard.[3] In particular, my colleagues and I have found that three organizational systems have particularly high leverage in supporting teamwork: the reward system, the information system, and the educational system.

This chapter explores these three systems, as well as strategies for bringing them into alignment with the support needs of work teams. We will see that identifying the key contextual supports for teams is much more straightforward than getting them implemented in ongoing organizations. Chapter 6 addresses the last of the five conditions for team effectiveness, the provision of expert team-focused coaching.

REWARD SYSTEM

The reward system should provide recognition and reinforcement contingent on excellent team performance. When a reward system does that, it reinforces the motivational benefits of challenging direction (chapter 3) and well-designed teamwork (chapter 4). Moreover, it demonstrates to the team that others in their organization (specifically, those who designed the reward system and administer it) care enough about a team's performance that they are willing to expend organizational resources to recognize what it accomplishes. Recognition for good team performance encourages members to think of "us" rather than "me" and goes a long way in helping to sustain collective motivation.[4] The pages that follow briefly examine each component of the principle stated in the first sentence of this paragraph to develop a richer appreciation of what is required to tailor an organizational reward system so that it supports and reinforces team effectiveness.

Recognition and reinforcement . . .

It has long been known that rewards are better than punishments for shaping behavior. A reward increases the likelihood that the behavior just exhibited will occur again, whereas a punishment makes it more likely that some *other* behavior, and not necessarily one that the punishment giver will view as desirable, will be exhibited. These principles hold for shaping the behavior of animals (e.g., training a puppy to fetch), of individual humans (positive reinforcement works beautifully for teaching a child how to be polite), and of work teams. When a team receives something that members collectively value, it becomes more likely that members will do again whatever it is that they did before. But punishments (e.g., levying a fine or requiring that a team stay after closing to perform some additional aversive work) are likely to focus members' attention on how they can better protect themselves from such things happening in the future—a development that almost certainly is not what the manager who administered the punishment had in mind.

The consequences of excellent team performance, therefore, must be something that team members themselves view as favorable. Even if managers think that putting a team's name on a list of "Top Teams in Our Plant" posted in the reception area is a dandy way to recognize excellence, that listing will have no effect whatever if team members view it as silly. One kind of recognition that almost everyone cares about is money. At least in Western societies, people have learned well to "follow the money" if they want to understand what is going on or what is most valued by those in charge. Although compliments and nonmonetary rewards can go a long way in reinforcing team excellence, they cannot go all the way. At some point, people want to see some cash—or at least feel they have a piece of the financial action.

Providing financial rewards for team excellence is far easier said than done in most work organizations—in part because first-line leaders of work teams rarely have direct control of, or even influence on, organizational reward policies and practices. So some ingenuity often is required to make it happen, as is illustrated by the experience of Hank, a production manager at a Utah semiconductor plant where David Abramis and I once conducted some research.[5] Hank had started out as a production worker at the plant. Although he had no formal training in semiconductor manufacturing (indeed, he was studying at night for his high school diploma), he thought he had a better idea about how to make semiconductors. Over time, he promulgated what turned out to be something of a revolution in using self-managing teams to manufacture memory chips. Hank began to experiment with his idea shortly after being promoted to manage one of the plant's production units (called a *fab*). He converted serial production lines, the standard work design in semiconductor manufacturing, into small teams, each with major responsibility for one part of the chip. Team members learned one another's jobs, took on increasing responsibility for quality control, and were encouraged to do whatever needed to be done within the bounds of their limited authority to increase yield (i.e., the proportion of usable chips relative to the total number of starts). Although Hank had never read anything about the principles of teamwork design, he created a good one.

Initial results were encouraging. Yields increased, production workers seemed pleased with their new responsibilities, and managers of other fabs began to take an interest in what Hank was doing. Then he called me up one day and said, "I think you ought to come out for a visit. There have been some interesting developments with the teams." Whenever Hank called, I would come, as I was fascinated by what this home-taught manager was up to. It turned out that the corporate vice president for human resources happened to be visiting the plant from headquarters in California the same day that I was, and we three found ourselves having coffee in Hank's conference room talking over what he was learning from his team experiment. As if scripted, I asked, "So how are the teams going?" "Big problems," he responded. "Yields are great, but team members are noticing that *somebody* is making more money now than they used to—and it's not them." The conversation then continued along the following lines, which I later realized was just what Hank had anticipated when he arranged for the vice president and me to visit on the same day.

Me: This is serious. Unless you provide them some kind of rewards or recognition based on team performance, the whole thing could crater.

Hank: Can't do it. All I have to work with is an end-of-year bonus pool, and I can only use it to reward outstanding *individual* performers. Doing that could undermine the teams.

Me: Oh, my! Don't do that. That would be the *worst* thing you could possibly do. It probably would kill your teams.

Hank: Well, then, I guess I'm just stuck.

Vice president: Well, just a minute now. Let's think some more about this, see if we can come up with any other possibilities.

By the end of the meeting, Hank had obtained from the vice president an exception to corporate compensation policy that enabled him to use his end-of-year individual bonus funds at any time he wished to provide performance-contingent financial rewards to his teams. The only restriction was that he could not overspend the bonus budget in any fiscal year.

Given that the corporation took its compensation policy quite seriously, the special arrangement Hank negotiated was an extraordinary accomplishment. But do you think he behaved unethically, that he played a little too fast and loose with the vice president? Let us inspect his behavior a little more closely. Did he lie to anybody? No. Did he cheat anybody? No. Could he have made the decision to convert the individual bonus pool to team incentive funds on his own authority? Also no. Did he behave politically? Absolutely.

Hank's political behavior got him what he needed and did not have: the right to use corporate financial resources in a way that could promote, simultaneously, the interests of both the organization and his people on the production floor. Could Hank have used a different strategy to try to achieve the same outcome? Of course. But given his organizational role (a low-level manager in a plant distant from headquarters), his corporate clout (essentially none), and his expertise (unschooled in intervention strategies), what he did may have been about the most effective and appropriate thing he could have done. If you remain skeptical, you might want to speculate about what would have happened if instead he had sent a reasoned memo to headquarters formally requesting permission to deviate from corporate compensation policy. My guess is that he still would be waiting for a response.

Hank's success in obtaining the right to use individual bonus funds to reward teams merely gave him the resources he needed to do something. Next he had to decide what that would be, and that brought another problem. An amount of cash that might be considered a quite nice piece of change by an individual can look more like small change when divided among half a dozen team members. Research on compensation warns us that using financial rewards is not a piker's game—there is no point in doing it if the amount of money is not enough to be experienced as significant by those who receive it.[6] And the amount of money Hank had to hand out would not have made much of a difference in the lives of the members of his teams.

So he came up with an alternative way to use his limited funds. Every so often, a top-performing team was treated to a trip to Salt Lake City for dinner and theater, spouses invited. I don't recall whether or not team members were picked up at home by limousine for the ride to Salt Lake City, but if not they should have been—it would have been a nice additional touch. Dinner and theater provided an enjoyable reinforcement for his best-performing teams and was certain to catch the attention of all the other teams. The event no doubt strengthened team boundaries even as it brought members' life partners into the circle of celebration. And it did not break the bank. It was not a permanent solution to the problem of rewarding excellent team performance in the organization, however. Even after one has eaten lots of dinners and seen lots of plays, someone *still* is making more money than they used to because of the team's efforts and it still is not the team members. At some point, teams that are acting like owners deserve to be treated like owners—and, ultimately, that means having a share in the financial returns from their work.

Hank showed considerable creativity in using a rather small amount of money to recognize and reward excellent team performance, a lesson that should not be lost on others who feel that budgetary or policy restrictions keep them from doing much beyond verbally praising good-performing teams. We should not minimize the importance of verbal praise—just knowing that someone in authority has noticed your performance and taken the trouble to comment on it can mean a lot to a team. But there