

Accelerating performance in teams

High-achieving teams enjoy a significant boost in performance over underachieving teams. Here's how they do it.

The ability of an organization to accelerate its performance — in other words, to build and change momentum to get results more quickly than its competitors — is critically dependent on its teams at every level. Most organizations, however, fail to sufficiently consider the performance of teams when seeking performance improvements overall. Indeed, the vast majority of management research on organizations focuses on either the whole organism or the individual leader; the team is forgotten. And yet teams innately tend toward chaos: personalities work at odds, purpose is muddled, and success factors are vaguely defined. When a team is dysfunctional, its energy dissipates, tensions build up, and fatigue sets in — costing the organization time, money, and talent.

After forensically studying data on the dynamics and performance of more than 2,000 teams, we have uncovered both bad and good news. The bad news is that most teams are below par and therefore suffer in their ability to build and change momentum quickly. Senior executive teams are especially poor at this. But on the upside, the energy that can be released by improving a team's ability to accelerate performance is enormous. Taking bonus payments as a proxy for corporate performance, our research finds that high-achieving teams enjoy a 23% boost in performance compared with underachieving teams. Moreover, we find that high-achieving teams reduce costs more quickly, go to market more effectively, and launch products more smoothly.

In this article we explore how high-performing teams get (and stay) that way. First, we present the results of our research on teams from a range of

organizations, functions, and geographies. Then, we examine trends among both high-performing and underachieving teams. Last, and most important, we offer targeted recommendations for how to improve team performance throughout the organization and achieve performance breakthroughs — and achieve them faster than the competition.

Understanding acceleration

Our work focused on closing the gap in our collective knowledge about teams. We analyzed data from a significantly larger sample of teams than completed by researchers to date — 2,000 teams across a wide number of organizations, functions, and geographies, in industries as diverse as banking, private equity, insurance, engineering, telecommunications, health-care, and charitable institutions. We measured a team's ability to achieve performance outcomes more quickly than others, through the application of a proprietary questionnaire — the Team Accelerator Questionnaire (TAQ) — a tool with robust statistical reliability and validity ([for more, see sidebar, "The 15 tests of brilliant teams," on page 6](#)).

Scores were calculated based on the number of respondent groups who rated the team an average of at least 3.8 on a 5-point scale across the TAQ.

A team is considered:

- **Accelerating** when all four respondent groups — team members, team leaders, commissioners (that is, the bosses of the team leaders), and outside stakeholders — score above 3.8
- **Moving** when three respondent groups score above 3.8

- **Coasting** when two respondent groups score above 3.8
- **Lagging** when only one respondent group scores above 3.8
- **Derailing** if none of the respondent groups scores above 3.8

Room for improvement

True to our prediction that high performance is not a natural state, only 13% of the teams we studied were accelerating, whereas almost 30% were lagging or outright derailing (Figure 1).

In a departure from previous academic research, we found that a commonly cited culprit — team size — actually has little to do with a team’s ability to accelerate performance. In the teams we studied, there was no difference in the mean ratings on TAQ scores whether those teams were small

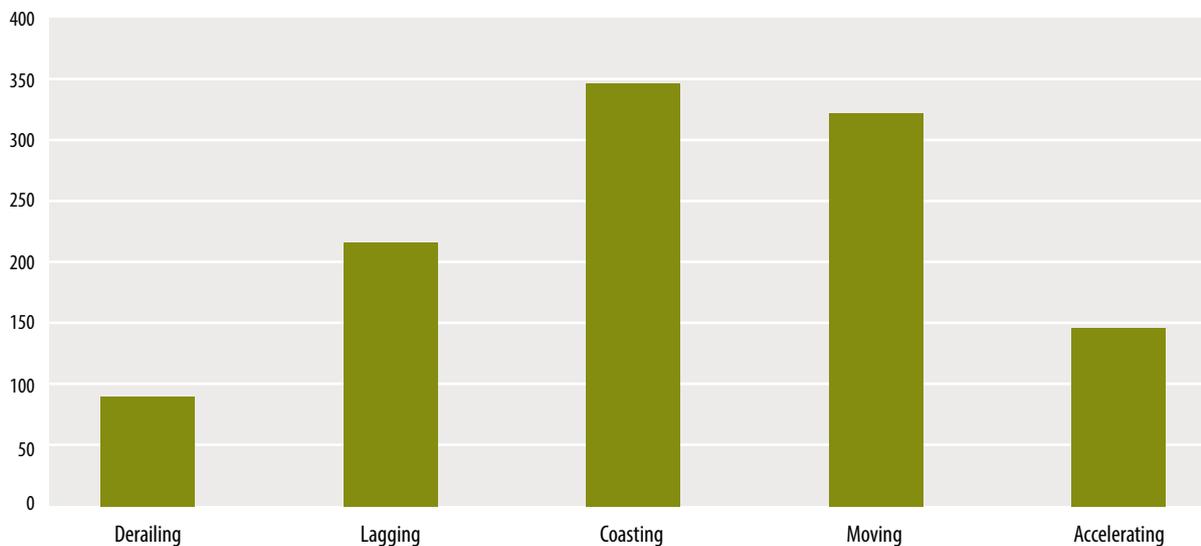
(3–7 members), midsize (8–12 members), or large (13 or more members). What matters is what teams do and how they behave, whatever their size. Our view is not that a high-performing, accelerating team does completely different things than a lagging team. Instead, our findings suggest that an accelerating team simply gets things done faster and more effectively.

All teams — regardless of their ability to accelerate performance — set objectives, create a vision, and get rid of poor-performing people. However, the core difference is that an accelerating team does all its work quickly and effectively, whereas a lagging team does its work more slowly and poorly. What’s at stake? Using corporate bonuses as a proxy for economic performance, we determined that accelerating teams, on average, had an economic impact that was 22.8% higher than the impact achieved by derailing teams (Figure 2).

Figure 1: **Distribution of team performance**

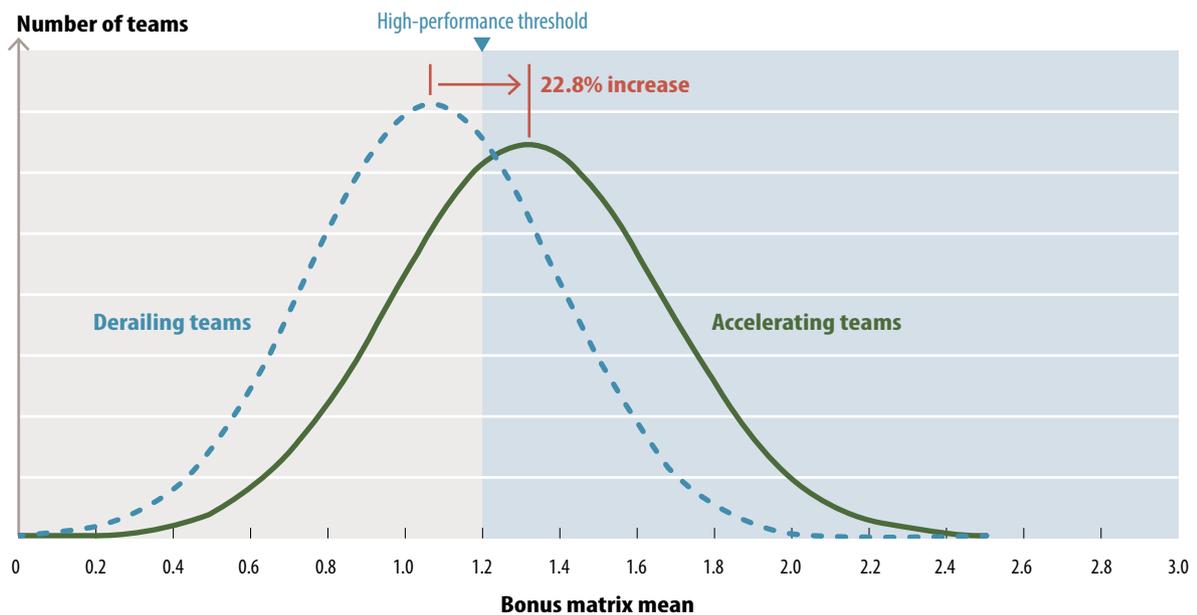
n = 1,118

Number of teams



Source: Heidrick & Struggles

Figure 2: Distribution of bonuses for “accelerating” and “derailing” teams



Source: Heidrick & Struggles

Our research also found that, on average, 67% of accelerating teams are high performers, compared with only 41% of derailing teams that are.

- Operates in a high-challenge, high-support mode
- Focuses on both performance and acceleration

When we observe an accelerating team in an organization, we are witnessing a team that builds on each member’s energies and talents, generating synergy to deliver a shared purpose. We can recognize the team as accelerating because it:

- Mobilizes, executes, and transforms better — and faster — than its competitors
- Creates a shared agenda that produces competitive advantage
- Executes with a metabolic rate that drives outstanding levels of achievement
- Transforms continuously, setting stretching objectives and building improvement capabilities that outpace others
- Has high levels of trust and productive conflict

The results of the TAQ reveal several elements and constraints that adversely affect team acceleration or the measurement of it. Several lessons can be drawn from the research and applied to team building in organizations of every sector, industry, functional specialty, and place in the corporate hierarchy.

Focus at the top

Senior teams tend to be the least likely to be categorized as accelerating among all teams in the organization. Indeed, junior teams were 1.6 times more likely to be accelerating than were teams composed of director-level members and above. In addition, we found that senior teams rate their team lower on 13 of the 15 tests of brilliant teams than do the members of junior teams. This finding aligns

with previous Heidrick & Struggles research; in a survey of 60 top human resources executives from Fortune 500 companies, only 6% of respondents reported that “the executives in our C-suite are a well-integrated team.”¹

Why is it worse at the top? While junior teams are generally organized by geography, department, or product line, teams at the top of the organization are, by definition, doing quite different things: one person runs marketing, another runs manufacturing, another runs finance, and so forth. At the senior level, the challenge is to integrate a portfolio of activities into a coherent whole, and we think the explanation behind the data is that too much of the energy at this level is consumed in dealing with ego problems driven by instincts for self-protection: “I want more power than you,” or “I will agree with your proposal only if you agree with my proposal,” or “I’ll stay off your turf if you stay off mine.” Furthermore, senior team members have invested a lot in their careers by the time they’ve risen to the top of an organization, and by virtue of being visible and exposed, they are vulnerable. If they fail, they have a much longer way to fall. Those factors exacerbate the ego problem.

The bottom line: Just when the responsibility and impact of teams become most critical — when the team is operating at the most senior level — these teams are the least likely to have the ability to quickly build and change momentum to perform. Thus organizations must make their most senior teams the top priority. The upside of this finding is the sheer scale of opportunity for organizations to train and coach their senior teams to improve.

Connect with customers

Our research shows that the further a team is away from the customer, the harder that team must work

to accelerate its performance. Teams that have their purpose for existence “in their faces” — that is, customer-facing teams — are 1.4 times more likely to be an accelerating team and 1.3 times more likely to be within reach of this goal compared with internally focused teams. In addition, customer-facing teams score significantly higher on 14 of the 15 tests of brilliant teams than do non-customer-facing teams.

The bottom line: Connecting with customers is important for team acceleration. For non-customer-facing teams, the story becomes familiar: shared purpose, foresight, and unique commission are what make the difference. Added to this mix is a focused grip on the work they set their organization to do. Concentrating on these areas will help to make a real impact on the performance of non-customer-facing teams.

Hold up a mirror

All team members tend to suffer from self-delusion, according to our research. Compared with the other three respondent groups — team leaders, commissioners (that is, the bosses of the team leaders), and outside stakeholders — team members tend to have a rosier view of their team acceleration and rate the team highest on 10 of the 15 tests of brilliant teams.

This discrepancy between perspective and reality can be ascribed to a concept described in social psychology as the fundamental attribution error — the tendency to emphasize personality rather than external factors to explain behavior. For example, if you play 100 games of tennis against somebody who is equally as talented at tennis, you would each expect to win 50 games and lose 50 games. What’s fascinating, though, is that when that happens, people believe that they won 50 games because of brilliance and talent and skill, and they believe that they lost the other 50 games because of bad luck or even because their opponent cheated. In other words,

¹ Richard M. Rosen and Fred Adair, “CEOs Misperceive Top Teams’ Performance,” *Harvard Business Review*, September 2007.

we tend to ascribe good qualities to ourselves while rationalizing our bad qualities away — or being ignorant of them entirely.

Fundamental attribution error likely explains why the team members in our research — so far, with no exceptions — are more positive about their own team than is everybody else. The team members are not lying; they genuinely believe what they are saying. But they're nonetheless wrong. So if you talk only to your team members about how good your team is, expect a deluded and inaccurate point of view.

The bottom line: Involve multiple outsiders in your evaluation of team performance — not just team members but also the team leader, the manager of the team leader, and the stakeholders. The stakeholders' views are especially critical because they will decide whether they support the team's actions, allocate it an adequate budget, and open doors — or not.

Question optimism

Along the same lines of team members fooling themselves into a rosier view, we found that every team — regardless of its ability to accelerate performance — thinks it will be better in the future. However, the accelerating teams predict only a small improvement, while the teams that are derailing predict an enormous improvement. This is known as the optimism bias, which describes how most of us have an unrealistically positive view about the future. It is important to question this optimism because, without intervention, these teams are unlikely to achieve their performance ambitions.

The bottom line: We urge senior executives to be cautious in uncritically accepting rosy predictions of the future. When your organization's teams predict their future level of performance, apply a healthy discount to that estimate, because half of those evaluations are based on inherent, excessive optimism.

The prescription: Tailor your approach to team building

Consider two elite athletes. One is a 125-pound female table tennis player who is quick as lightning and can run around the table in half a second. The other is a 200-pound male heavyweight boxer. They're both healthy and incredibly skilled. However, their pattern of acceleration — how they build and change momentum to perform — is completely different, requiring different strategies, muscles, and reflexes. If the table tennis player gets in the boxing ring, she risks injury, and if the boxer competes in table tennis, he will likely be beaten. Athletes need to be more than just healthy; their pattern of acceleration must be appropriate to the task at hand.

All 15 of the TAQ tests are foundational for accelerating teams; however, it pays for teams with different starting points to focus on different tests. We looked at the average scores of the 15 tests of brilliant teams across all respondent groups and found the following:

A team that wants to improve its ability to accelerate performance may find it helpful to focus on:

- Aligning the team around a *shared purpose*, as a team that collectively increases its shared purpose score by one point has a 6.9 times greater chance of being an accelerating team
- Building *stakeholder influence* by connecting team members to all the different constituencies with which the team interacts. This can lead to a 3 times greater chance of being an accelerating team

Teams that are either lagging or derailing may find it helpful to focus on:

- *Unique commission* (a clear understanding of stakeholder expectations), as increasing this score by one point brings about a 6.7 times lower chance of derailing
- Defining what the future plan is to deliver, as increasing the *foresight* score by one point translates to a 7.7 times lower chance of derailing

The 15 tests of brilliant teams

According to the results of our Team Accelerator Questionnaire (TAQ), teams that operate at peak performance are strong in five distinct areas:

Mandate

A team has a clear mandate if it meets three criteria:

- Unique commission:** The team has a deep and shared understanding of the expectations of its stakeholders.
- Shared purpose:** Team members are mutually accountable for, and collectively committed to, a shared purpose. Focusing on work only the team can do, the team members leverage their unique position as integrators.
- Coherent direction:** Both the vision and the strategy are aligned, tightly integrated, and clearly articulated.

Governance

A team has strong governance if it meets three criteria:

- Tight composition:** The team contains the right “fact holders” with the right skills and mix of perspectives, while avoiding the burden of excessive size.
- Aligned incentives:** The team is incentivized to deliver its strategy, achieve targeted outcomes, and role-model behaviors, balancing collective and individual accountability.
- Agile processes:** The team interacts flexibly with effective cadence and with clear individual and collective decision rights.

Behavior

Team behavior supports acceleration if it meets three criteria:

- Distributed leadership:** The team leader operates as a “first among equals,” leveraging the full capabilities of the team.
- Productive conflict:** Empathy trumps ego, and the team is able to rupture and repair, support and challenge.
- Explicit standards:** Team members support each other when it counts, and the foundations of respect, disclosure, and directness are in place. They role-model this behavior for the organization.

Connections

A team creates strong connections if it meets three criteria:

- Compelling story:** The team translates its strategy into a compelling story and uses it to powerfully engage target audiences.
- Focused grip:** The team follows through and drives for impact, commissioning work that results in competitive advantage.
- Stakeholder influence:** The team actively considers, then consciously shapes, the wider context in which it operates by managing key relationships.

Renewal

A team capable of continuous renewal meets three criteria:

- Foresight:** The team has sufficient focus on the future and avoids shortsightedness.
- Learning:** The team takes time to reflect and learn, drawing on external and varied perspectives and translating them into productive improvement.
- Energy:** The team works in a way that creates rather than saps energy. It channels the energy of the organization in pursuit of accelerated performance.

- Communicating key messages powerfully across the organization, as increasing the *compelling story* score by one point leads to a 3 times lower chance of derailing

Furthermore, our research found that the top four constraints that thwart accelerated performance relate to purpose. Struggling teams would be wise to focus on tackling these areas first:

- Allowing too many priorities to pull the team in competing directions
- Becoming mired in “troubleshooting” mode and focusing only on today’s problems
- Finding it difficult to integrate the different portfolios of each team member into a coherent purpose
- A tension between the team’s priorities and the expectations of its stakeholders



The potential benefit of improving team acceleration is huge. Our research reveals several clear action items: team building must begin at the top, adapt for customer-facing and non–customer-facing teams, and question the team’s optimism for both current and future performance. Executives who take a hard look at their teams through the lens of the 15 tests of brilliant teams will be well positioned to improve the acceleration of their teams and increase their odds of achieving breakthrough performance gains faster than their competitors. ■

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This article originally appeared in *The transformation mandate: Leadership imperatives for a hyperconnected world*. Click [here](#) for the full collection.

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