Which has the greater impact on team performance, team design or effective coaching?
The answer may surprise you.

Critical Success Factors for Creating Superb Self-Managing Teams

RUTH WAGEMAN

S elf-managing teams are fast becoming the management practice of choice for organizations that wish to become more flexible, push decision making to the front lines, and fully use employees' intellectual and creative capacities. Indeed, claims for the astounding potential of teamwork in general and self-managing teams in particular are abundant and increasing. Partisans of teamwork claim that organizations need teams to compete; and the proliferation of manufacturing teams, cross-functional teams, quality teams, and the like suggest that managers are listening.

The central principle behind self-managing teams is that the teams themselves, rather than managers, take responsibility for their work, monitor their own performance, and alter their performance strategies as needed to solve problems and adapt to changing conditions. This way of running an organization's day-to-day activities is said to:

■ enhance the company's performance, because those closest to the customer and best able to respond to customer demands have the authority to meet those demands;

■ enhance organizational learning and adaptability, because members of self-manag-

ing teams have the latitude to experiment with their work and to develop strategies that are uniquely suited to tasks; and

■ enhance employees' commitment to the organization, because self-managing teams offer wider participation in and ownership of important organizational decisions.

Clearly, self-managing teams have the potential to make a multifaceted contribution to an organization's competitiveness.

WHY, THEN, MIXED RESULTS?

What sounds straightforward in principle—a change in authority—turns out to be troublesome in practice. While numerous examples of the gains to performance, learning, and commitment attributed to self-managing teams are offered in evidence of their value, an increasing number of organizations are becoming disenchanted with the idea. Managers observe slow and sometimes nonexistent progress in team members' efforts to take on responsibility for decisions that previously belonged to managers. They note that many teams continue to operate much as they al-

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ways have: Members divide their work and do it independently, showing little inclination to join in a collective effort to improve their work strategies, take responsibility for difficult decisions, or solve problems.

These dysfunctions are not surprising when one considers that, in many U.S. companies, teamwork is an "unnatural act." These organizations have long histories of hierarchical decision making cemented with a work ethic based on individual achievement. Given this culture and context, team members will balk at the idea of relying on one another to get work done.

For all their claimed promise, then, many self-managing teams never contribute to organization performance and adaptability—because they never operate as intended. This raises a critical question for many organizations: How can managers get teams to take on self-management and ensure that those teams will perform superbly—especially if this means bucking a long history of manager-directed, individualistic work?

CASE IN POINT: CUSTOMER SERVICE TEAMS AT XEROX

This is precisely the question that faced the Xerox Corporation's Customer Service organization. "Working solo" was part of this unit's culture. In fact, the customer service engineers (CSEs) were hired, in part, because of their ability to work alone, independently, and without supervision.

For many years, each individual CSE handled specific territories and customer accounts. This changed when the unit's senior management created interdependent self-managing teams, each composed of multiple CSEs who would share responsibility for the team's collective customers. Moreover, the groups would be responsible for more than simply fixing equipment—they would design maintenance procedures for their many kinds of machines, analyze and monitor the machines' performance levels, manage the costs of their work, and solve the problems created by unpredictable customer needs.

In many cases, management intended the groups to go even further in the decisions they made: Teams would select their own members, provide peer feedback, and assist in the design of support systems. The Xerox teams provide the main point of contact between the company and its customers—and their effectiveness is critical to the company's ultimate success.

How well do these self-managed service teams actually function? In general, the results are quite positive. But a closer look shows that the teams vary in the degree to which they have embraced self-management and matured into the proactive problem-solving units they were intended to be. Consider two examples, selected from our observations of the Xerox teams.

One team of veteran CSEs approached their machine maintenance responsibilities in a way that was distinctively different from the other groups. When our researchers asked what was going on, a team member explained that they were running an experiment. The team was attempting to increase the time certain copier parts lasted by cleaning related machine areas more frequently. Each team member was trying this process on several machines and recording the length of time that the parts lasted. If the experiment proved successful, they could make substantial savings in parts expenses.

This same team conducted a team meeting after work hours, giving our researchers an opportunity to see its problem-solving dynamics in action. A team member who had been absent earlier in the day explained that he was actually on vacation and had come in just for the meeting. We asked if this happened often. "When we need to," he replied. "We're in charge of our own schedules, so we have to make our vacation plans work with no decrease in care for our customers. All of us have come in on vacation days at some time or another when the call rate got too high for the rest of the team to handle."

We observed a second team, also composed of veteran CSEs, as it reviewed performance data at a group meeting. This team's leader (first-line manager) presented graphi-

cal data indicating problems with machine reliability—customers often had to call back to fix repeated problems. What was the team going to do about it? He put this question on the table, then left the meeting, expecting that the group would analyze and solve the problem.

Once the leader had gone, however, the conversation took a different tack. Some team members focused on problems with the data: "It's more than a month old. Who knows if that's even accurate anymore?" Others laid the problem at the feet of their customers: "Some of these call-backs are for trivial problems, and at least one of those machines was abused." Still others chose not to participate in the conversation: "Those aren't my customers."

While these critiques of the data and the customers may have been accurate, the conversation avoided any focus on what could be done—even on how to get better data or how to manage their customers better to prevent machine abuse.

While both teams had responsibility for managing their own work, the degree to which real self-management was expressed in their actual behavior varied dramatically. Members of teams that are genuinely managing themselves show three basic characteristics in the way they approach their work:

■ They take personal responsibility for the outcomes of their team's work.

■ They monitor their own work performance, actively seeking data about how well they are performing.

■ They alter their performance strategies as needed, creating suitable solutions to work problems.

All these signs were visible in the first team discussed above, and all were absent in the second.

A QUESTION OF LEVERAGE: DESIGN OR COACHING?

How can leaders help their teams become more like the first team? Where should they concentrate their resources and energy to help guide their teams toward effective,

proactive self-management? A fast-growing body of advice centers on two basic influences: (1) how the team is set up and supported, and (2) how the team's leader (or coach) behaves in his or her day-to-day interactions with the team.

Although some research addresses team design features such as team composition and organizational reward systems, a much larger body of writings focuses on the second influence—leader behavior vis-à-vis the team. Many consulting practices, skill-assessment instruments, and training courses address how the role of the manager/leader needs to change, from directing and controlling the work to coaching the team as it decides how best to get its work done.

Just how important is high-quality coaching relative to high-quality team design? To find out, we conducted an in-depth examination of 43 self-managing teams in the Xerox service organization. The researchers looked at both the basic design features of the teams and the day-to-day actions of team leaders to see which of these had the greater impact on effective team self-management. The study sought to answer the following question: "If we have limited resources (such as time and money), what critical few factors should we focus on to increase the chances our self-managing teams will be superb?"

A Close Look at the Differences

To launch the research, we first asked Xerox managers to identify teams that were either superb or ineffective. Superb teams (a) consistently met the needs of their customers, (b) appeared to be operating with increasing effectiveness over time, and (c) were made up of members who were engaged in and satisfied with their work. Ineffective teams (a) frequently failed to meet customer needs, (b) appeared to be operating increasingly poorly over time, and (c) were made up of members who were alienated from or dissatisfied with their work.

The researchers then assessed a wide variety of team features to determine which most strongly differentiated between the su-

perb and the ineffective. Each self-managing team participated in a two-hour interview, describing their history, their work, and the context in which they operated. Their first-line managers provided extensive descriptions of how these teams were set up and supported. Finally, each team member completed an extensive survey describing the team, its interactions, and its environment.

Team self-management was measured by assessing such behaviors as the degree to which the team monitored its own performance and acted to improve its work strategies without waiting for direction.

Researchers also measured a range of coaching behaviors, some of which were expected to promote self-management, others to undermine it. Appropriate coaching included sending cues that the team was responsible for its own performance, providing timely feedback and information, and helping the team develop problem-solving strategies. Ineffective coaching included intervening in the team's day-to-day work and providing solutions to team problems.

Design factors covered a wide range of features, including team composition, team size, the design of the task, the design of the reward system, and many others. (See Exhibit 1 for a list of the full range of potential influences assessed.)

These measures allowed a direct test of the question, Which makes a bigger difference in team self-management and performance: how well leaders coach their teams, or how well the teams are designed and supported?

CRITICAL INGREDIENTS FOR TEAM SELF-MANAGEMENT

We asked 43 team leaders (the first-line managers) to draw on their considerable experience and predict how our research would answer this question. Almost without exception, they chose coaching as the critical differentiating factor—and they were wrong.

The quality of a team's design, our data showed, actually had a larger effect on its lev-

EXHIBIT 1
POTENTIAL INFLUENCES ON TEAM SELF-MANAGEMENT MEASURED IN THE RESEARCH

Design Features

1. Clear, engaging direction
2. Task interdependence
3. Authority to manage the work
4. Performance goals
5. Skill diversity of team members
6. Demographic diversity of team members

7. Team size
8. Length of time the team has had stable membership
9. Group rewards
10. Information resources
11. Availability of training
12. Basic material resources

Coaching Behaviors

Potential positive influences:

1. Providing reinforcers and other cues that the group is responsible for managing itself
2. Appropriate problem-solving consultation
3. Dealing with interpersonal problems in the team through team-process consultation.
4. Attending team meetings*
5. Providing organization-related data*

Potential negative influences:

1. Signaling that individuals (or the leader/manager) were responsible for the team's work
2. Intervening in the task
3. Identifying the team's problems
4. Overriding group decisions**

* Because all leaders engaged in this behavior, it was impossible to determine whether it influenced team behavior.

** Because very few leaders engaged in this behavior, it was impossible to determine whether it influenced team effectiveness.

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el of self-management than coaching—by a wide margin. Well-designed teams show far stronger signs of self-managing than poorly designed teams. While high-quality coaching does influence how well a team manages itself, it does so to a much smaller degree.

For team leaders, a most important finding to note is the joint effect of design and coaching. Exhibit 2 shows how quality of design and coaching work together to influence team self-management. The first diagram shows the influence of high-quality coaching on well-designed vs. poorly designed teams. Note that good coaching had a far more powerful effect on well-designed teams than on poorly designed ones. The implication is that teams whose leaders are good coaches are better self-managers only when the team structures are well designed.

Teams that had many of the critical design features in place became even more self-

managing when their leaders provided effective coaching—for example, helping the team build its problem-solving repertoire. Poorly designed teams hardly responded at all to good coaching. Leaders who tried to help a poorly designed team had almost no impact on the team's ability to self-manage, despite the fact that the leaders followed the principles of effective coaching.

Moreover, ineffective coaching had a much more detrimental effect on poorly designed teams than on well-designed teams. At the same time, coaching errors (such as intervening in the team's work and overriding decisions) had very little negative impact on well-designed teams. These teams were robust enough to remain highly self-managing in spite of a leader's blunders—whereas poorly designed teams were hindered by such errors. (The second panel in Exhibit 2 shows the influence of poor coaching on well-designed

	Team Design	
High-Quality Coaching	**High-Quality**	**Poor Quality**
Little	Moderate to High Self-Management	Low Self-Management
A great deal	Very high Self-Management	Low Self-Management

	Team Design	
Poor-Quality Coaching	**High-Quality**	**Poor Quality**
Little	Moderate to High Self-Management	Low Self-Management
A great deal	Moderate to High Self-Management	Very Low Self-Management

vs. poorly designed teams.)

These findings suggest that the first step in creating effective self-managing teams is to get the team designed right. Only then does it make sense to tackle the hands-on coaching and counseling that are part of a leader's day-to-day interactions with the team. To have the greatest possible influence, then, a team leader needs:

(1) knowledge of the design factors that most strongly influence the effectiveness of self-managing teams;

(2) the diagnostic skills to tell which factors are present and which are absent; and

(3) the ability to act—to put the missing factors in place.

The following discussion addresses each of these three issues. We first focus on the seven critical success factors that the study revealed had the most impact. To address the second issue, we present a set of diagnostic questions to help assess whether a particular factor is in place for a team. To address the third area, the discussion of critical factors includes examples of actions leaders took to put high quality design factors in place.

CRITICAL SUCCESS FACTORS

Seven features emerged as the ones most likely to be seen in superb teams and not in ineffective teams. Collectively, they were strongly related to a wide range of performance measures such as customer satisfaction, speed of response to customer calls, and expense management.

Moreover, each factor is something that team leaders can influence. That is, first-line managers can determine whether or not their teams have each supportive feature and can take action to get the missing ingredients in place. The seven success factors are discussed in descending order of importance.

Factor 1: Clear, Engaging Direction

Superb teams, far more than ineffective ones, have a clear and engaging direction—a sense of why the group exists and what it is trying to accomplish. One team, for example, stated its mission as follows: "This team exists to keep customers so pleased with Xerox that they will remain with Xerox; and the team

aims to do so in a way that uses Xerox resources as efficiently as possible." This statement of direction is exemplary for the following reasons:

1. It is clear and simple. That is, it contains only a few objectives. But those objectives can orient the team and allow its members to make intelligent trade-offs. Faced with a decision regarding whether a course of action is sensible, the statement invites the team to ask "Would this action please the customer, and would it do so without excessive cost to Xerox?"

2. It specifies the ends, but not the means. That is, it is clear about the team's purpose but does not say how the team should get there. Research has shown that this is the best way to enhance team motivation—a leader should be clear about where the team is going and let the team choose the path.

Two common errors in setting direction emerged from the study: (1) failing to set any direction at all and (2) setting a direction that is all about means—the how—but doesn't specify ends—the why. The first error occurs when leaders assume "we all know what we're here for" and launch the team without a discussion of its basic purpose. The second error occurs when there is excessive specification of how a team should operate. This undermines members' motivation to manage themselves.

Factor 2: A Real Team Task

A self-managing team requires work that is designed to be done by a team. That is, basic elements of the work should require members to work *together* to complete significant tasks. Spending time together as a whole team is critical—especially in organizations where members have little experience with teamwork.

In the Xerox customer service teams, the basic task elements included sharing responsibility for all its customers (vs. having customers assigned to specific individuals), managing expenses, designing basic work practices, and solving problems. Groups with real team tasks do all these things collectively. That is, they

have no individual territories—rather, members respond to calls from any of the team's customers (often consulting about which member should handle a particular call). They design their work practices collectively and monitor members' compliance with those practices; they meet every week or two; they are fully cross-trained and are thus able to help each other at any time; and they are given a group budget, with only group-level information about expenses—that is, they manage the parts budget as a group.

Two common task design errors are (1) creating a "team-in-name-only"; or worse, (2) designing a task that only occasionally requires a real team. The first error involves designating some group of individuals a team without changing the nature of the work. Previous research has shown that such teams perform relatively well, but only because they continue to operate precisely as they had before—as a loose collection of individuals. They learn little from each other, cooperate infrequently, and make few decisions collectively.

The second design error—creating a task that sometimes requires significant team activity, sometimes significant individual activity—results in what can be called a "hybrid" task. In this study, a typical hybrid task design asked the team to handle one set of activities as a team (for example, members designed their work practices as a collective, met occasionally, and managed expenses for the group as a whole) and another set of tasks individually (for example, members had specific customers and product specialties).

Hybrid task designs create difficulties for teams because they send mixed signals to the group about whether or not this really is a team. The pull in both directions—to operate alone and to operate as a team—leaves these groups floundering, as some members attend more to their solo tasks than to collective activities. Moreover, hybrid designs prevent a group from investing significant time in learning how to operate effectively as a team. And when members work together only periodically, they discover that much of their "together" time is more difficult and less effective than their "solo" time. In the end, both team

members and their leaders may be convinced that teamwork is not such a good idea after all.

This issue is a particular problem for organizations in which members are relatively inexperienced at teamwork—as many U.S. companies are. Self-managing teams need a task that is defined as a team task, that is measured as a team task, and that requires the members to spend a great deal of time accomplishing something together. A task designed this way creates the opportunity—indeed, the necessity—of learning how to operate effectively as a unit.

Factor 3: Rewards for Team Excellence

This study, as well as previous research, shows that team rewards (not individual or mixed rewards) are strongly associated with superior team self-management. In our study, teams were considered to have team rewards if at least 80 percent of the available rewards were distributed equally among team members. The exceptions to this were (1) small rewards from the leader that are given to individual team members for actions that supported the team and (2) rewards given to the team as a whole but distributed differentially by team members themselves.

The use of mixed rewards—about half provided to individuals and half to the team—emerged as the most common error in reward system design. Leaders tend to provide mixed rewards for the same reason they create "hybrid" tasks—they assume that it is best to introduce team members gradually to the idea of being fully dependent on each other. Like hybrid tasks, mixed rewards send mixed signals to the team and undermine its ability to operate as an effective unit.

This success factor is often a major challenge for front-line managers interested in getting the design right for their teams. It often requires exercising upward influence in the organization to redesign established reward systems. This has been an uncomfortable process in many organizations, especially in cases where employees have participated in designing the former individual merit system. In these cases, getting group rewards in place means a leader must exercise authority over the teams themselves and create an appropriate team-based reward structure. Some lingering discomfort remains in many companies— among managers and employees alike—about "group-only" rewards. But, contrary to what many managers believe, rewards that are about 50/50 individual/group are associated with the lowest team performance.

Factor 4: Basic Material Resources

These are the physical materials the team needs: the tools, appropriate meeting space, access to computing services, and other resources that make it possible for the team to work in a timely, proactive, and effective fashion. Teams that had such resources readily available strongly outperformed teams that did not. My observations suggest that leaders are sometimes reluctant to provide resources to struggling teams, under the premise that "they haven't learned to manage them yet." But this very lack of resources may be among the factors demoralizing the team and preventing it from embracing self-management.

Some leaders dealt with their reluctance to hand over resources to struggling teams by engaging the teams in a discussion of resources they really needed to perform well. They then negotiated an agreement in which the teams committed to tackling particular performance problems in exchange for additional resources. Such practices helped the teams see more clearly what they needed to do—and assured them that they would have the basic materials necessary to solve their work problems.

Factor 5: Authority to Manage the Work

Authority to manage the work means that the team—and not the leader—has decision rights over basic work strategies. We asked teams and their leaders to tell us who—the leader, the team, or some combination— made decisions about basic day-to-day tasks. In this study, such tasks might include decid-

ing which customer call to take next, how to allocate tasks to team members, how to schedule their time when members were away at training, and how to solve customer problems. These are decisions about the work itself—how the basic tasks are accomplished. Teams with the prerogative to make these decisions themselves, without interference from their leader, strongly outperformed those that did not.

While many of these decisions might "officially" belong to the team, some leaders frequently intervened—for example, by monitoring call rates during the day or asking a team member to take a particular call. These interventions compromise a team's sense of ownership for the work. Moreover, when things go wrong, they can easily attribute the cause to their leaders rather than to themselves. Leaders' ambivalence about the teams' authority erodes the very purpose of having self-managed teams.

By contrast, the leaders of the more effective teams explicitly addressed the teams' authority and the boundaries around it. And they made it clear that they were available for consultation—but that the ultimate decision-making authority for solving work problems belonged to the team.

What about decisions regarding distribution of rewards, team involvement in performance appraisal, and changes in team membership? Should the team decide these issues as well? Actually, these are decisions about the context in which the team operates—different from decisions about managing the work itself. The study discovered that leaders tend to empower teams with this kind of decision making once they have matured into high-performance units capable of making solid decisions about the work itself.

Factor 6: Team Goals

This critical success factor refers to whether the team has performance goals that are congruent with the organization's objectives. Unlike the team's statement of its overall purpose, goals are specific (often quantified) descriptions of work the team is to accom-

plish within a specific time frame. In this study, we classified a team as having such goals if members could articulate what they wanted to accomplish as a team by some clear deadline: "maintaining 100 percent customer satisfaction this year," or "improving our customer satisfaction performance by 2.5 percent and our parts expense performance by 5 percent this year."

In some cases, the leader set these goals, and in some cases, the team itself did. For a goal to enhance performance, it had to be congruent with the team's overall direction, challenging, and completed by a specified deadline. For example, one team said that its goal was to become the best-performing team in the district by the end of the year; another identified "over-achieving the performance targets of the district by the end of the second quarter" as its goal.

Factor 7: Team Norms that Promote Strategic Thinking

Norms are the informal rules that guide team members' behavior. Our findings showed that norms which promote strategic thinking about work issues were related to team effectiveness. Self-managing teams, unlike manager-led teams, require an outward focus on the part of team members—they must be aware of their environment, able to detect problems, and accustomed to developing novel ways of working.

This kind of forward thinking may not come naturally to teams, especially if members shoulder greater responsibility than they ever had before. But group norms that promote proactive strategic thinking are very important for effective team self-management.

Superb teams encourage members to (1) experiment with new ways to work more effectively, (2) seek best practices from other teams and other parts of the organization, (3) take action to solve problems without waiting for direction, and (4) discuss differences in what each member has to contribute to the work. These are all ways in which the team encourages a proactive stance toward

problems and increases its responsiveness to changing demands.

Norms emerge naturally in teams, regardless of whether a leader attempts to guide their development. However, norms that are left to emerge on their own often do not support strategic planning. Leaders can—and should—help appropriate norms develop. One way to do this, as demonstrated by the Xerox managers, is to recognize and reinforce strategic thinking early in the team's life. If, for example, a team notes a trend in customers' needs and brainstorms approaches to that opportunity, the leader can reinforce that behavior through praise and rewards. Modeling long-term planning and rewarding teams that think strategically about their work increased the chances that the members themselves would support and encourage such behavior within the group.

Another distinction of note emerges from the comparison of well-designed and poorly designed teams. In the former, such norms were more likely to emerge naturally, and they were even more likely to take root when a leader explicitly encouraged them. The implication is that when a leader gets the other six critical success factors in place, norms that supported active problem-solving and strategic thinking tend to take hold more quickly and to be more carefully maintained by team members. Tackling the other six factors first greatly increased the chances that a leader was successful in building appropriate team norms.

ON COACHING WELL

For many team leaders, the struggle to learn how to coach effectively has been a difficult one. It requires new behaviors that differ widely from their old habits of directing and coordinating work. Such habits are difficult to unlearn. For these leaders, the study findings on team design should come as good news: Once their teams are designed well, leaders have the latitude to experiment with their own behavior and learn how to coach effec-

tively. If their teams are set up right, a leader's coaching errors will not harm the teams much. And as leaders develop their coaching skills, they will see much more evidence of their effectiveness.

We collected behavioral descriptions from teams and their leaders regarding how the leader spent his or her time in day-to-day interactions with the team. We used these data to assess which kinds of common coaching behaviors were positively or negatively related to effective team self-management. Among the leader behaviors that helped a team were:

■ providing rewards and other signals that the team is responsible for managing itself (e.g., rewarding the team for solving a problem; spending more time in interaction with the group as a whole, rather than with individuals); and

■ broadening the team's repertoire of problem-solving skills (e.g., teaching the team how to use a problem-solving process; facilitating problem-solving discussions without imposing one's own view of a solution).

These behaviors underscored the team's responsibility for its own outcomes, motivated the team to tackle problems as a group, and enhanced members' basic self-management skills.

Among the coaching behaviors that undermined a team were:

■ signaling that individuals (or the manager/leader) were responsible for managing the team (e.g., by spending more time with individuals than with the team; by running team meetings rather than coaching the team on how to run its own meetings effectively); and

■ intervening in the task in ways that undermined the team's authority (e.g., monitoring team actions and assigning a team member a particular responsibility; dealing directly with a team's customer without involving the team; and overriding a team decision—even if it seemed to be a poor one).

Coaching behaviors do influence whether the team takes responsibility for its work and monitors and manages its own performance. The most critical thing to remember about

EXHIBIT 3
CRITICAL SUCCESS FACTORS: DIAGNOSTIC QUESTIONS FOR TEAM LEADERS

1. **Clear direction**

   Can team members articulate a clear direction, shared by all members, of the basic purpose that the team exists to achieve?

2. **A real team task**

   Is the team assigned collective responsibility for all the team's customers and major outputs?

   Is the team required to make collective decisions about work strategies (rather than leaving it to individuals)?

   Are members cross-trained, able to help each other?

   Does the team get team-level data and feedback about its performance?

   Is the team required to meet frequently, and does it do so?

3. **Team rewards**

   Counting all reward dollars available, are more than 80 percent available to teams only, and not to individuals?

4. **Basic material resources**

   Does the team have its own meeting space?

   Can the team easily get basic materials needed for the work?

5. **Authority to manage the work**

   Does the team have the authority to decide the following (without first receiving special authorization)?

   ■ How to meet client demands

   ■ Which actions to take, and when

   ■ Whether to change their work strategies when they deem necessary

6. **Team goals**

   Can the team articulate specific goals?

   Do these goals stretch their performance?

   Have they specified a time by which they intend to accomplish these goals?

7. **Strategy norms**

   Do team members encourage each other to detect problems without the leader's intervention?

   Do members openly discuss differences in what members have to contribute to the team?

   Do members encourage experimentation with new ways of operating?

   Does the team actively seek to learn from other teams?

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coaching is that, as we saw above, high-quality coaching had much more positive influence on teams that already had the majority of the critical success factors in place.

THE ROLE OF THE LEADER

Why were leaders so convinced that their day-to-day coaching was the key to effective self-management? Perhaps it is because their ongoing interactions with teams are highly visible. By contrast, team design is invisi-ble—part of the background. But, as we have seen, those background elements are of critical importance.

Do leaders matter? The findings of this study might be taken to imply that leaders don't matter much. A better interpretation is that our emphasis on a leader's day-to-day coaching is misplaced. After all, setting up a team right in the first place and ensuring that it has the needed resources are critical leadership functions. The elements of team design discussed here are all features that a leader or first-line manager can and should influence.

Exhibit 3 presents a guide to help leaders determine where their leadership is most needed to get their teams set up right. The guide can serve as a diagnostic tool to determine which of the critical success factors need most attention.

On Leadership and Timing

Leaders do have an important role in the life of teams—but that role differs at various stages in the team's life. It is useful to look back at the critical success factors to see how the leader's role changes as he or she takes action to get all the pieces in place.

Role 1: Designer (critical success factors one through five). This role is most critical when the team is first launched. The leader's action at this stage is to set a direction for the performing unit, design a team task and a team reward system, make sure the team has the basic material resources it needs to do the work, and establish the team's authority over and its responsibility for its performance strategies. These actions serve to get a team started in the right direction and with the right supports for high-quality performance.

Role 2: Midwife (critical success factors six and seven). This role becomes important after the team is launched; it is best played at natural break-points in the team's work. In this role, the leader works with the team to establish appropriate performance goals. Goals represent measurable aims that specify how a team will take on its work in ways that fulfill its overall direction. Consequently, the critical factors related to task and direction must be firmly in place.
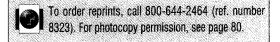
The leader also helps establish norms about strategic thinking, thus influencing how the team uses its resources and authority. In shaping these norms, the leader is helping the team develop work strategies that use the team's decision-making power over how

it operates. This keeps the team moving in an upward direction—toward growth and excellence.

Role 3: Coach. Finally, the coaching role takes over—and continues throughout the life of the team. With the critical success factors in place, the team is now positioned to take full advantage of high-quality coaching. This means that the time and energy a leader invests in day-to-day coaching will be resources well used, not wasted effort. Moreover, because well-designed teams are robust enough to bounce back from inappropriate leader actions, the leader now has the latitude to unlearn old managerial habits and take the time that is needed to learn effective team coaching skills.

CONCLUSION

The seven critical success factors matter for anyone leading a team—from front-line managers leading shop-floor teams to senior managers launching problem-solving groups. Indeed, the messages here may be especially critical for senior managers. Putting the success factors in place may require organization-wide changes—in reward systems, in work design, in resources available to teams. Because it is middle and senior managers who have the most opportunity and authority to change these design features, it is particularly critical that they be aware of what teams require throughout the organization. Putting these factors in place gives the organization the greatest possible chance of getting the creativity, flexibility, and responsiveness that are the whole point of building self-managing teams.

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