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How can organizations, once so effective, collapse so quickly and so completely?*

Megatraps: The Team Killers

Steven R. Rayner

In the autumn of 1988, Tektronix held the first public conference ever sponsored by a major corporation on the topic of employee involvement. Of particular interest to the more than 500 participants was the extraordinary story of the Tektronix portable oscilloscope division. Having sustained a brutal attack from overseas competition in the early eighties, the division had fought back, regaining market share and profitability. Over a two year period, the division went from the company's number one loser (rated last among Tektronix's 29 divisions with a \$23 million loss on \$170 million in sales) to its premiere group. The secret to success, according to the division's then vice president Fred Hanson, was remarkably simple: get your people involved.

And people were involved. Operators on the manufacturing line in the portables division could stop production if they discovered a quality problem; they could redesign the entire process flow if it would lead to improved performance; they regularly took telephone calls directly from customers; and they provided performance feedback to peers. In new product development efforts, cross-functional teams were formed with representatives from engineering, manufacturing, marketing, finance and human resources. The time frame for product development immediately sank from four years to two. With more "wild experimentation"—a strongly encouraged trait of the team-based work culture—design teams soon had new products rolling out in less than 18 months.

Onlookers were astounded by the success of the portables division and were anxious to replicate it. The Vancouver, Washington facility became overrun with tours, serving as a source of inspiration for senior managers from such companies as Martin Marietta, Allied Signal, Texas Instruments, TRW and Fisher Controls.

Today, the portables division no longer exists due to a massive consolidation effort. Nearly all of the senior managers who were part of the turnaround have long since left the company. Even the Vancouver, Washington facility is gone—leased, ironically, to a Tektronix competitor.

The experience of the portables division is by no means unique. Digital's Enfield Connecticut plant, once referred to as the "Mecca of new organization design," was shut down during a recent consolidation effort. It was one of the most publicized and well documented examples of a team-based work system in action—a book and countless articles described its innovative management approach. When DEC announced the shut down, people who had toured or read about the facility wrote over 1,000 letters requesting the plant be kept open.

Martin Marietta's Space Launch Systems group, which in a mere 18 months documented a savings of over \$10 million through employee involvement efforts, saw its attempts to transform the organization stumble when lay-offs were announced.

The list could go on and on. There are hundreds of highly effective teams—with well documented performance results spanning several years—that no longer exist. What happened? How can organizations, once so effective, collapse so quickly and so completely?

About the Author

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Rayner is the author of *Team Traps: Survival Stories and Lessons from Team Disasters, Near-Misses, Mishaps, and Other Near-Death Experiences* (John Wiley & Sons, 1996), from which this article was excerpted. He is also the author of *Recreating the Workplace: the Pathway to High Performance Work Systems* (Oliver-Wight Publications, 1993) and co-author of *Tips For Teams* (McGraw Hill, 1994).

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The Team Advantage?

Some will be quick to cite these examples as illustrative of how team-based work systems simply don't work. Advocates of this perspective see the need for a return to the essential features of traditional management—direct management control over work processes, decision making and problem solving; narrowly defined work roles; thick policy and procedure manuals to manage by; clear boundaries between departments; and a rigid chain of command. The dying perspective holds onto the view that if we control better, we manage better.

The problem with this argument is that it ignores what has been achieved by countless organizations who have embraced team-based work systems. Those close to the Tektronix effort agree the emphasis on a team-based work culture was the key component to its extraordinary turnaround. Quality at DEC's Enfield plant was so good no traditionally structured organization has ever been able to replicate it. Martin Marietta documented cost savings far beyond what they had ever achieved using "old style" management. Procter & Gamble, Kodak, IBM, ABB and Monsanto are but a few additional examples of companies that have seen the dramatic impact of the new management perspective.

The Megatraps

The question is not whether teams can work—they can and usually do when systematically implemented with strong management support and adequate resources. Yet there are a variety of factors that can conspire to assassinate even the most carefully planned and effectively implemented team efforts. They include:

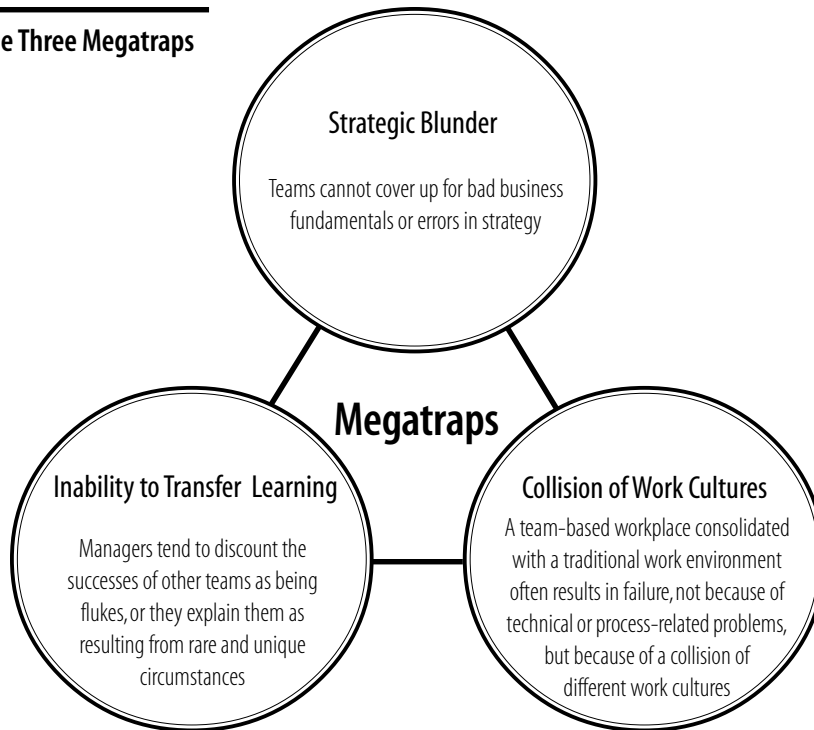
The strategic blunder

No organization structure is immune to the strains and pressures of market conditions, competitive threats or technological change regardless of how well its internal management structure operates. People Express airlines painfully realized this during the 1980s. Having the most highly participative organization in the industry meant little in light of a major strategic error: failing to go after the business traveler market. A highly involved work force that was the envy of their competition did little to improve the company's financial position. Teams cannot cover-up for bad fundamentals or strategic blunders.

The collision of work cultures

Consolidation efforts often have a crippling effect on team development—bad news for an era that has seen restructuring become commonplace. The problem is not restructuring per se, but the careless manner in which many consolidation decisions are made. Typically, consolidation occurs without consideration of the work culture of the groups to be combined. This can prove particularly negative to high involvement teams, who tend to view the consolidation as a demonstrated lack of management commitment to the teaming philosophy. Changes to a team's charter and membership—activities that typically accompany consolidations—will likely lead to a regression in its overall operating effectiveness. Many consolidation efforts have ended in failure not because of technical or process related problems, but because of a collision of very different work cultures and experiences.

Figure 1.1 The Three Megatraps



The inability to transfer learning

Some managers tend to discount the successes of others as flukes or the results of rare and unique circumstances. Organizations even have a name for this phenomenon: “the not invented here syndrome.” A former production manager at Procter & Gamble’s innovative Lima, Ohio plant recounts how in the sixties, shortly after the plant start-up, other P&G managers viewed Lima’s success as a result of its superior technology. By the 1970s, with equipment clearly aged but plant performance still 30-40% better than comparable facilities, the argument shifted to Lima’s work force. The people at Lima had been hand-picked, this argument went, and the facility was non-unionized. It wasn’t until the 1980s that it really began to sink in just how much the management system—with its emphasis on teamwork and involvement—had played in the bottom line results.

The tendency to dismiss what is often significant achievement hampers both the credibility and assumed relevance of employee involvement. It is little wonder the most innovative teams are rarely found at corporate headquarters. Rather, they are on the periphery, either at remote sites or in small, isolated units. Typically, the management of these units has limited ability to influence corporate level change that would be advantageous to their ongoing team development efforts. A host of policies, procedures, processes and systems remain as substantial and aggravating barriers that consume tremendous amounts of time, energy and patience.

Without question, the emerging emphasis on high involvement and the widespread usage of work teams are more critical than ever before, but having a team-based organization will not in itself assure organization success over the long term. Strategic blunders, careless consolidation efforts and the inability to transfer learning can derail teaming efforts. As Tektronix, DEC and Martin Marietta experienced, even the most successful of organizations can ultimately fall prey to these team killers.

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