Building Teams in a COVID-19 World: What can We Learn From Highly Agile Organizations?

By Leslie Kawai

Key Takeaways:

- *Whether working in-person, remotely, or any type of hybrid, results-based highly effective teams require effort.*

- *Highly agile organizations set a precedence for how virtual teams can sustain high performance in a rapidly changing environment.*

- *Team results improve when teams focus on building four characteristics of highly effective teams: purpose, governance, relationships, and learning.*

V alued at over $10 billion dollars only six years after its founding, Supercell (the Finnish mobile-gaming company) understands teamwork. Its very name speaks to how it achieves success: Supercell is made of "super cells" or highly effective, agile teams that are able to quickly pivot to respond to marketplace trends, leverage shared organizational resources, and create innovative products that successfully meet customer expectations.

As organizations worldwide adapt to the changes required by COVID-19 and the proliferation of virtual teams in the "new normal" work environment, what can leaders learn from the success of highly agile teams at Supercell and other innovative organizations like Amazon, Google, and Alibaba?

Based on more than three decades of research, The RBL Group has identified four characteristics and eight critical attributes of highly effective teams that drive business results:

RBL Group co-founder, Dave Ulrich's and Dr. Arthur Yeung's recent research of highly agile and innovative Chinese, US, and European organizations confirms that teams with these domains create sustainable high performance and agility. Looking at each of these domains to identify implications for today's virtual and disrupted teams can help organizations equip their leaders to be more effective in building their teams in today's unique environment.
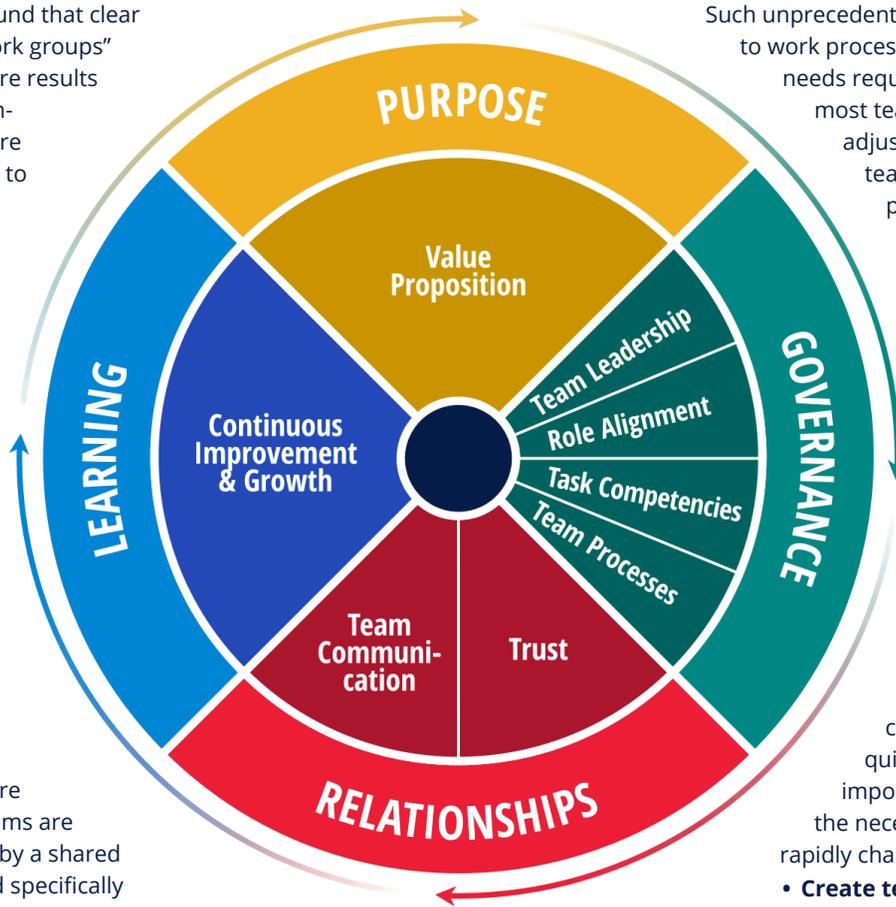
Purpose

Effective teams have a shared purpose. Jon R. Katzenbach and Douglas Smith researched hundreds of leaders across more than 30 organizations, from Hewlett-Packard to Operation Desert

Storm, and more. They found that clear purpose distinguishes "work groups" that come together to share results and information from high-performance "teams" where individuals come together to collectively achieve more together than they can alone. Having a shared purpose — that team members agree on and commit to that connects their individual strengths, efforts, and skills beyond the general organizational charter — transforms "work groups" into "teams."

High-performance teams understand that to win in the marketplace they must have a shared understanding of the business outcomes they are trying to achieve. Agile teams are particularly characterized by a shared purpose that is clearly and specifically related to customer needs. They seek a strong understanding of their customers' expectations and tie their outcome goals to customer-centric data metrics. Google, for example, frequently utilizes small, project teams to work on specific, customer-driven feature improvements. A clear, shared purpose enables organizations to efficiently resource experts in coming together with faster, better, customer-centric outcomes.

Implications post-COVID-19:

With the impact of COVID-19 still evolving across markets, workforces, geographies, and industries, leaders must be more deliberate and focused on ensuring teams have clear purpose. This clear purpose must be defined not only by a shared understanding of the outcomes, but more explicitly by a shared understanding of the customer-driven needs that the team delivers or supports. The link to how the team's outcomes will help the organization meet customer expectations and win in the marketplace should also be made explicit in how the team's performance goals will be measured.

Governance

Governance is especially important as team leadership, role alignment, task competencies, and processes help agile teams drive business results. In one research study of more than 120 senior teams worldwide, fewer than 10 percent of the team members felt confident they understood who was on the teams and what their roles were. Role confusion further compounds ineffective decision-making protocols. Information sharing, accountability, feedback, and collaboration — all critical governance mechanisms for agile teams — can be achieved only when teams clarify and align roles, tasks, and processes to clear and specific outcomes.

Implications post-COVID-19

In a June 2020 survey of more than 300 of the US's largest companies, justCapital reported that 70 percent of all companies it surveyed are adjusting work schedules and remote-work processes.

Such unprecedented level of change to work processes and customer needs requires a reinvention of most teams. To best adapt to adjusted and remote work teams, team governance practices should include the following:

- **Keep teams small and nimble.** Experts agree that highly agile teams must be small (a good rule is no double digits). Amazon uses a "two-pizza" team rule (teams can't have more members than two pizzas can feed). Small teams can build trust, rapport, and communication more quickly — all characteristics important for innovation and the necessity to pivot quickly to rapidly changing external trends.

- **Create teams with the roles and competencies that support critical capabilities.** Just as organizations should cut costs based on a logic that differentiates competitive capabilities from non-essential capabilities, teams should be created with a focus on what is needed to deliver on customer and stakeholder expectations. Jeff Wilke, Amazon's CEO of consumer business, describes its collaboration philosophy as "separable single-threaded teams." Each team focuses on optimizing the critical capabilities for its success. Market-oriented collaboration between teams or business units fosters more efficiently shared resources.

- **Optimize team processes.** Teams aligned to critical work processes can be optimized to ensure the health of decision-making and other team processes. Tools like RACI, WorkOut, team coaching, and team-development programs empower teams to speed up effective decision making, clarify accountability, and reduce inefficiencies. Individual cognitive and psychometric self-analysis surveys like MENTOR are

powerful team-dynamic aides that help leaders assess optimal team design and predict critical team performance capability.

- **Build leaders' competency in managing virtual teams.** Leading teams is challenging, and many leaders struggle even under normal circumstances. Innovative leaders like Jeff Bezos (Amazon), Jack Ma (Alibaba), and Ren Zhengfei (Huawei) implement practices to successfully "walk the talk." All three publicly articulate their personal leadership virtues and operationalize them into behavioral expectations. Likewise, critical leadership competencies must be operationalized for virtual management.

Relationships

Agile teams require trust and communication. One critical key to team success and agile organizations is trust – both within and between teams. In May 2020, Ilkka Paananen, CEO of Supercell, offered 10 lessons to celebrate the company's first highly successful decade and advises that trust must replace control. He warns against a "reporting culture" where teams spend excessive time writing too many reports and leaders spend too much time reading them. Developing social relationships, creating a sense of community, and building relationships effectively facilitate trust.

Successful teams also invest in strengthening communication skills to improve understanding, get better inputs, and coach and give feedback from an outside-in perspective. Agile leaders intentionally build conflict-resolution skills with the understanding that team success will correlate with how effectively the team can debrief setbacks, failures, and challenges. Amazon's idea-generation model encourages creative conflict through its PR&FAQ tool where new ideas are presented in the form of a hypothetical press release and customer FAQ. These are intensely and intentionally debated to help determine which ideas will undergo further development. Establishing protocols for productive feedback and idea deconstruction increases the speed with which teams innovate.

Implications post-COVID-19

Workplace relationships have changed but research in team collaboration holds true for virtual and geographically dispersed teams:

- **Face-to-face still matters.** Face-to-face interactions influence team success. In a study of teams using sociometric data, researchers correlated the duration and frequency of face-to-face interactions with key performance metrics to show that face-to-face is the most valuable form of communication. Although the research took place with in-person interactions, making time for one-on-one conversations even in a virtual environment can help build stronger team relationships.
- **Social relationships create trust.** Whether in person or virtually, team members need opportunities to create a sense of community and build informal relationships. Team "Zoom" lunch breaks, virtual "happy hours," and team celebrations are being used to build a sense of community and foster collaboration and trust. In a recent RBL Group quarterly meeting, one company owner shared funny memes and family pictures submitted by employees to create a sense of unity. Several of our client companies have reported that connecting virtually has opened a wider network of company connections and in some cases fostered even stronger rapport because technology and virtual meetings simplify geographical and resource boundaries. In manager-team relationships, virtual-development conversations are often more focused and promote stronger active listening.
- **Team technological infrastructures should support information sharing.** Effective teams share information upward, downward, and sideways for transparency. Google holds weekly "TGIF" sharing meetings. Alibaba involves customers in co-creation of new products and services. Huawei's CEO frequently internally shares key issues and challenges. Technology solutions, meeting cadences, and team processes should facilitate information sharing.

Learning

Agile teams foster a culture of individual and team learning. Teams progress as they learn and develop — both as individuals and as a team. Just like a sports team often experiences more success after identifying and improving both individual and team skills gaps (through watching past games to understand past failures and successes, scouting upcoming opponents, etc.), agile teams progress faster and improve their ability to innovate by identifying and improving skills gaps, evaluating and learning from outcomes, and processing feedback.

Individual learning and strategic agility improve through individual and organizational (a) self-awareness; (b) cultivating a growth mindset; and (c) strengthening the ability to navigate paradox. Satya Nadella, CEO of Microsoft, challenges her teams to build a mindset of "We learn it all" (rather than "We know it all."). This mindset has helped Microsoft outperform Google and triple its share price in the last four years.

Implications post-COVID-19

Perhaps never before has a growth-mindset culture been as important. With stressors and challenges stretching every organization, leaders have the opportunity to facilitate a mindset that encourages optimism towards leveraging the challenges brought on by COVID-19 and offers a context for failures. Organizations can encourage a growth-mindset culture by:

- Sharing stories about failures and learnings/successes that came from the failures
- Implementing daily or weekly pulse surveys to receive and share feedback
- Celebrating failures and learnings in organizational settings (Supercell celebrates game launches, even if they failed, with a bottle of champagne)
- Creating a culture that encourages asking questions such as, What will we do next? What did we learn from this? How will we move beyond this?

Agile high-performance teams must be the new normal. In many industries,

remote work, steep cost-cutting, changed work structures, new products, altered supply chains, reduced travel, and heightened technological dependencies (among the many additional upsets of 2020) have created a new economy. This new economy demands agile teams that:

a. align clear **PURPOSE** with differentiating organizational capabilities for adjusted marketplace positioning,
b. achieve goals faster with stricter accountability and adherence to **GOVERNANCE**,
c. build strong virtual **RELATIONSHIPS**,
d. and facilitate agile individual and organizational virtual **LEARNING**.

In today's unique environment, team leaders must successfully build these domains to create teams that can successfully pivot to respond to marketplace trends, leverage shared organizational resources, and most importantly innovate to successfully meet customer expectations in the new normal COVID-19 world.

RBL offers virtual and in-person development for "**Leading Virtual Teams**," as well as "**Remote Leadership Online Simulations**." Learn more about **RBL tools and services** that can help you optimize and support your teams for success, or please contact us for more information.

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