

Conventional wisdom asserts that teamwork impacts the profit or loss sheet. Given that teamwork is a complex group dynamic, it must be defined to measure the results and prove this claim.

Teamwork Pays

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When it comes to teamwork we have learned some hard lessons. Some of those lessons were difficult experiences. For example, a West Coast financial institution asked us to build their management group into a team. We met with the CEO and were told that he had six independently operating units that did not relate well to each other. The issues he listed included poor communication and difficulty resolving problems across the organization. This was a classic case of silos within an organization.

The CEO asked us to facilitate discussions, conduct interactive exercises, and move teamwork into the workplace. Our goal was to build a higher team function. The CEO invited leaders from each department to participate. As organizational development (OD) consultants, we followed Lencioni's team-building principles (Patrick Lencioni's, *The Five Dysfunctions of a Team*, 2002) of trust, conflict, commitment, accountability, and results. We planned to work through all stages and transfer that learning into the workplace. We got to the "lack of commitment stage" (Lencioni's third stage), surveyed

the group and realized the "smiley" sheet evaluations were negative. Smiley sheets are feedback forms showing a reaction on how the participants felt about the training or learning experience. (Donald L. Kirkpatrick, *Evaluating Training Programs*, 2nd edition, 1998.)

Feedback revealed the employees did not want to make a commitment to change. This is ironic. Company leadership said they wanted to apply team principles to the workplace and we never got past commitment. We learned that consultants, internal or external, must determine clear objectives regarding change in the workplace. To train or develop a team, you have to know up front how you will measure processes such as communication, commitment, coaching, or other fundamental aspects of teamwork.

In this article we elaborate on measuring the results of effective teamwork. When referring to teamwork, we give examples from our experience in working with workplace teams. We define a team as a group of people gathered in one department or task area, with common skills or product output in their goals. We review whether

all members of the team understand their goals and are committed to achieving them. Then we examine the process of how a team works together and how increased productivity or reduced waste is the outcome when teams have clear, attainable goals.

Moving from team-building interventions to profit goals is a significant leap. Many variables occur between the intervention and the result. However, if the OD or quality improvement professional starts with a question like, “What result is value added for the business?” then outcome-based evaluation may validate the team building and teamwork effort. We’ve demonstrated that specific performance measures with business goals, financial benefits, and human factors combine to illustrate the power of teamwork interventions on the bottom line. Basing performance goals for teams on business measures focuses the team on cycle times, cost of operations, rate of production, reduction in rework, decrease in injuries, and others.

Anyone working in corporate America or in a smaller business hears the old clichés about teamwork. The clichés do not fully describe the functions on a team. Some common clichés include:

- Teamwork is important.
- To increase productivity we need to improve our teamwork.
- There is no “I” in team.

In the last several years, advocates of teamwork and team building have needed to demonstrate their claims are supported with hard data. This is a good trend. Team-building initiatives are intended to support the business. Frequently, the outcomes are not identified and measured to verify if the expected results were actually achieved. Consultants and OD professionals should prove their case.

Often OD professionals simply evaluate the immediate response to a team-building session. For example, participants are asked if the team-building sessions seemed helpful or interesting, using Kirkpatrick’s level one. This is an opinion-based evaluation of the team-building event—the reaction, often gathered on what we have referred to as a smile sheet.

We encourage you to “start with the end in mind.” (Stephen R. Covey, *The 7 Habits of Highly Effective People*, 1989). Covey points out in his book that starting with the end in mind transfers your attention from the immediate circumstances and looks at the expected outcomes. This mind-set is also the evaluation choice when a professional moves through Dr. Kirkpatrick’s

four-stage model. Here are the steps in the evaluation process:

- The first step is a smile sheet. Asking if someone liked the team-building session we are using step one or a smile sheet.
- Step two is a test. Asking if the participants remember anything or if their knowledge increased as a result of the team-building session.
- Step three is learning. Observing or asking if there are team-building phrases or actions in the workplace; and are the employees applying what they learned to their jobs? Learning must occur before a change in behavior can take place. This evaluation level determines the extent to which a change of behavior occurs because of the learning.
- Then, step four is measuring the effect on the business and the final results that occurred because of behavior changes.

Some evidence of teamwork are behaviors that we identify as team meetings, team goals, team names, coaching, open communication, and conflict resolution. Measuring how teamwork behaviors affect the bottom line lends credibility to step four and can show a return on investment.

We find, as consultants and OD professionals, Kirkpatrick’s level four evaluation specifically relevant to the bottom line. We think there is a need to look at behaviors and team output in the workplace and identify what they are contributing to productivity in the company. Our clients are skeptical that team-building training will lead to changes in behavior and business goal attainment. To reduce skepticism and increase continued success we incorporate teamwork outcomes into our training or OD intervention designs. We establish goals at the onset of the teamwork sessions. Documenting the increase in productivity and improvement in cooperative behaviors provides proof to the client.

In measuring the effect of team-building intervention on business goals, there are several factors to investigate, consider, design, and measure. Looking at both steps three and four, we considered some key questions:

- *What business goals does the team-building/teamwork intervention intend to affect?* In manufacturing, industrial settings, and offices the client may want to diminish re-work and improve quality. Perhaps a client wants more efficient maintenance or safer work hours. After a team-building intervention, there is an expectation for more productivity and happier employees. Too often the expected outcome is not thought through

early in the design stage. Without specific goals, data collection usually lacks useful quantification, which makes measurement of success or failure subjective.

- *What business baselines are targeted for change?* Some examples are decreasing rework or decreasing maintenance time, so we look at the following:
 - Gather past rework data. How much, where, when?
 - How long does a specific maintenance task take to perform? If unavailable, make an educated guess based on experience and interviews with managers from production or administration.
 - Discuss issues. Be consistent. Perfect accuracy is not as important as comparing consistent data and setting a baseline before the project begins. (D. Glen Miller and Bonnie Mattick, May 2006).
- *What measurement design will best drive the business toward accomplishing its goals?* Literature in this area suggests that what gets measured gets done. Lately, the structure of the balance scorecard encourages measurement of non-financial goals as well as financial goals (Robert S. Kaplan, 2001). We advocate measuring both. The successful quality improvement or human resource professional and consultant design the project that concurrently or interactively measures business goals and human factors.
- *What rewards do team members share when their goals are met?* Are companies willing to provide team bonuses or a share in the estimated savings when targets are met? Group bonus systems reward the teams rather than individuals.

Let's first look at business goals that can be influenced by team building or other human performance improvement. In some cases, neither the field application nor the evaluation indicates the influence of the human performance intervention. For practical purposes some specific goals that contribute to the bottom line are: less scrap, product returns, re-works, run times, less injuries, and production. These factors provide dependent variables for a performance measure that demonstrates money earned or saved through the human performance intervention. Team leaders usually want to see if coaching, less rework, or some other factor is changed by the teamwork. The impact on profit and loss is compelling data for company officers and the board of directors.

In her book, *How to Lead Work Teams*, Fran Rees (1991) acknowledges that employees help their companies solve critical problems and improve manufacturing processes through increased employee participation. A performance measurement, with business goals and human

factors combined, helps illustrate the power of combining these variables. Let's look at a common business goal with a human factor that clearly affects the bottom line.

We have an example of our recent work with ground beef processors. Accidents in the company significantly deduct from the bottom line. Processing ground beef is a low-margin business and is fast paced and somewhat dangerous. As OD consultants, the company told us they wanted their supervisors to change from being the best production workers to become coaches of employees. If the supervisors became better coaches the company wanted to change their titles to team leader. We recommended a human performance technology (HPT) program designed to improve supervisors' coaching skills so they could coach production workers to work more as a team—to increase productivity, decrease waste, and work safely.

In prior years we would set up a coaching workshop, including a handout for workshop evaluations. We would read the evaluations and feel good if the workshop was interesting and helpful. The smile sheet evaluations would indicate the room could have been bigger or the temperature better regulated. We would read these evaluations and do better next time.

Now, however, we make a commitment to expected outcomes. We seek clarification of what upper management truly wants out of the workshop regarding supervisory behaviors. In this case, we asked:

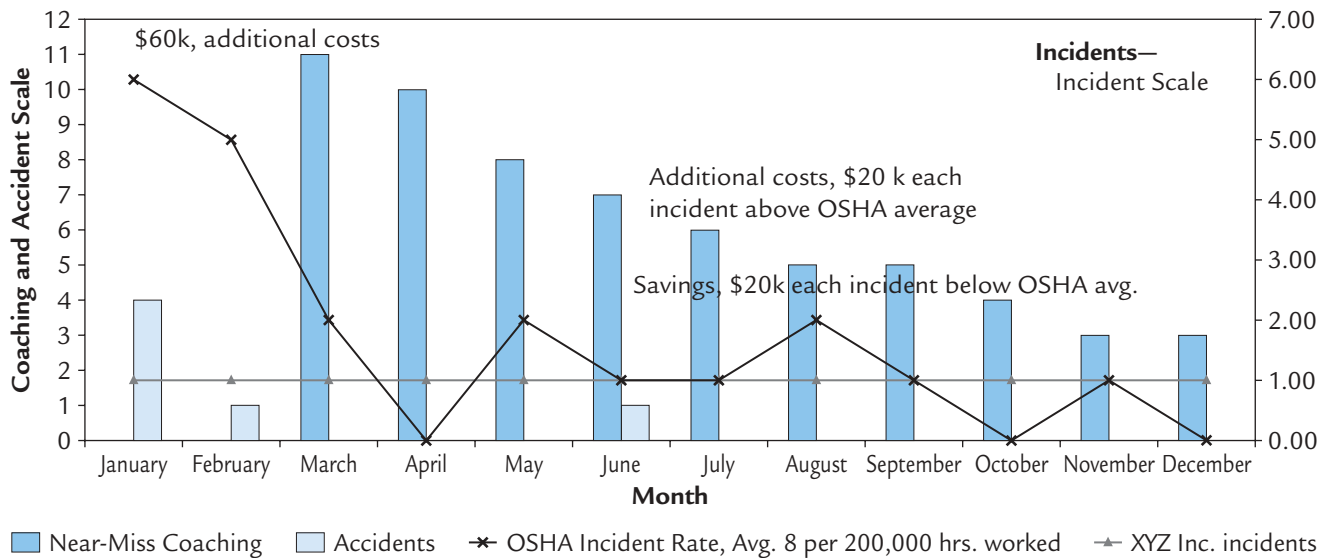
- What is the team leader expected to do after the workshop?
- What is management's role in supporting the team leader to perform as a coach?
- Given coaching, how will we determine if safety is improving?

It is our role and responsibility to design measurement into the project. For this case a company priority was to reduce accidents and indirectly reduce costs. We therefore examined how the business was performing regarding safety (a baseline). Team leaders participated in a coaching and teamwork workshop and then we measured the business safety factors every month.

For this HPT initiative our challenge was twofold:

1. First we designed a workshop that included coaching exercises oriented to team problem solving and safety. During the workshop team leaders practiced basic coaching skills such as listening, giving feedback, demonstrating effective work practices, and suggesting methods for the team to work more productively.
2. The second part of the challenge was to determine that team-building and coaching skills would be

Figure 1: Team Safety at XYZ, Inc., Cost or Savings



transferred into the production floor teams, particularly regarding safety. To meet that challenge we used historical safety events and incorporated that content into the coaching workshop. Furthermore, we designed a checklist for coaching behaviors. Once the workshops were completed we started observing how the production team responded to the coaching behavior of the team leaders. Based on Kirkpatrick’s model we needed to determine if coaching behaviors were transferred to the shop floor and if those behaviors reduced accidents.

The industrial safety chart combines the human teamwork factor of coaching with the production factor of safety. This is a proven robust performance measure. It efficiently motivates team leaders to continue coaching and the team members to value safety. Every day on the shop floor the production workers see that safety is important and that coaching has diminished near misses. A reduction in near misses has led to fewer accidents. The owners of the company and the board want to know if the HPT heightens industrial safety and also if it’s saving time and money. Financial data indicates that money spent on accidents is decreasing. These are direct costs. Measures may be designed to quantify ancillary costs such as replacement worker costs and production downtime during an accident.

Other cases could be found, citing safety or customer satisfaction or financial improvement as benefits from performance improvement programs. The consultant as well as quality improvement and OD professionals should establish measurable goals prior to the team

skills session. Moreover, the professional should be held accountable for saving costs or increasing profits. We have found human performance improvement interventions that clearly enhance the bottom line support teamwork and received funding.

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