

Cross-Functional Collaboration

BY GLENN M. PARKER

The diversity of cross-functional teams can both benefit and hinder team performance. Here are some tips for getting the best from these new-styled teams.

The world and the world of business are changing. Specialization is out; generalism is in. Rigid ownership of work is out; fluid collaboration is in. Power is out; empowerment is in. Individualism is out; teamwork is in.

Vertical hierarchical structures are being replaced by all kinds of organizations: network, adaptive, informal, and horizontal. Right in the middle of them all sit cross-functional teams of experts ready to move quickly and flexibly to adapt to changing organizational needs. Such teams are made up of people from different departments in an organization. They typically perform different job functions and bring a variety of skills and experience to their teams.

Survey results, books, conferences, and observation tell us that cross-functional teams have become important in today's competitive business environment. It's exciting and sometimes frustrating that these new-styled teams are made up of people who come together, each carrying the baggage of past working relationships.

Some team members haven't met before their first team meeting. They are virtually strangers. The design

engineer from the Detroit plant may never have talked with the dealer from Pennsylvania who sells the cars she designs. The marketing professional may never have run into the government-affairs attorney, even though both work in the same office.

Some team members may be colleagues who have worked together on past projects—a situation that gives rise to at least two possibilities. If the purchasing and manufacturing managers on a team agree on customers' needs, the managers' past association can help jump-start the team. But if the managers are old enemies in a turf war, the team may begin with a conflict that needs resolving.

In other words, past associations can bode well for teamwork, but not always.

The diversity within cross-functional teams creates a whole new culture. A team made up of six engineers who report to one engineering manager may work together more easily, but a cross-functional team is more likely to exemplify the axiom, "The whole is greater than the sum of its parts."

A group of allies, strangers, and even enemies can weave a cross-functional design that is a patchwork

of the members' different cultures. But it takes more than just putting together a diverse group of people. In practice, it requires the migration from a parochial view of the world—in which one's own function, values, and goals are paramount—to a culture that says, "We're all in this together." Success is team success; rewards are team rewards. And if the team fails, everyone shares the responsibility.

Here are some guidelines for managers who are responsible for team development and for leaders of cross-functional teams:

- ▶ Insist on clear team goals and plans for achieving them.
- ▶ Work hard to gain the commitment of team members and other stakeholders to achieve team goals.
- ▶ Emphasize collaborative efforts and shared team rewards.
- ▶ Provide training that focuses on working with a diverse group of people.
- ▶ Create policies and procedures that support a team-based environment.

The benefits

Cross-functional teams are characterized by these factors:

- ▶ Speed. Cross-functional teams

tend to accomplish tasks quickly—especially in the area of product development—because they utilize parallel development rather than serial development. In other words, cross-functional teams develop different aspects of a project simultaneously instead of sequentially.

▶ **Complexity.** Cross-functional teams improve the organization's capacity to solve complex problems because such problems transcend traditional disciplines and functions.

▶ **Customer focus.** Cross-functional teams help focus the organization's resources on satisfying customers' needs.

▶ **Creativity.** Cross-functional teams help increase the creative capacity of the organization by bringing together people with different backgrounds, orientations, cultural values, and styles.

▶ **Organizational learning.** Cross-functional team members learn more about other disciplines and tend to develop new technical and job skills more readily because they work across job functions. They also learn how to work with people with different backgrounds and styles.

▶ **Single point of contact.** Members of cross-functional teams promote more effective teamwork by acting as a single source of information and decision making regarding projects and customers.

On the face of it, cross-functional teamwork looks like a great idea that's easy to implement. Just get together a group of people from different parts of the organization who have something to contribute, and good things will happen. But it takes more than that.

Making it work

Here are several ways to maximize the effectiveness of cross-functional teams.

Leadership. The leaders of cross-functional teams play crucial roles. Cross-functional teams are diverse groups that deal with complex problems. Consequently, the leaders must have the technical background to understand the subject of their teams' work and to recognize the potential contributions of people from a wide variety of backgrounds. Team leaders also must have the

people-management skills to facilitate group interaction, especially among people with little experience in working together—or, even worse, with bad experiences.

The most significant requirements for a cross-functional team leader:

▶ a knowledge of the technical issues addressed by the team

▶ experience and skills in facilitating such processes as member participation, conflict resolution, and consensus building

▶ an ability to work with little, no, or unclear authority

▶ a willingness and the relevant skills to develop and manage ongoing relationships with key stakeholders outside the team

▶ the know-how to help the team establish a mission and set goals

▶ the knowledge and assertiveness to obtain the necessary resources

▶ a willingness to change and adapt as conditions change and as the needs of the team evolve.

And a sense of humor doesn't hurt.

Empowerment. Cross-functional teams need the authority to make and implement decisions, but they may not know how empowered they're allowed to act. Such confusion can result in inconsistent behavior. Some teams—usually on the strength of their leaders' skills—assume they have the authority to act empowered. Such teams operate according to the axiom, "It's easier to get forgiveness than permission."

More conservative cross-functional teams seek approval for every key decision. They may send up trial balloons before even making recommendations for approval.

It's important that cross-functional team leaders clarify their teams' authority to decide key issues.

Shared goals. Cross-functional teams often lack a clear vision of where they want to be and what they want to accomplish.

Many cross-functional teams have action plans, due dates, project-tracking charts, and other short-term planning tools, but they have no sense of the future. Team members seem clear about what pieces they have to deliver, but they don't know where the pieces fit. Consequently, they're committed only to making sure that they hand over the deliverables.

They fail to see the requirements of the total project.

Team goals must be clear. They must clearly describe the desired performance outcomes—for example, "reduce cycle time by 10 days." The goal or goals should be based on a specifically defined problem. Some front-end work needs to be done on the problem before it is handed off to the team. The team then translates that information into specific goals.

Last, team goals must be integrated with department goals. The goals developed by the team must be incorporated into the goals of the functional departments represented by team members. That helps reinforce team goals and makes the departments partners in the team process.

Boundary management. Boundary management is the process by which teams manage their "borders"—the flow of information and resources to and from key stakeholders outside the group. The flow may be vertical through senior managers or horizontal through departments or support groups. The flow is interactive; teams send and receive information and resources to and from the stakeholders.

Obstacles to effective boundary management include old stereotypes among stakeholders, competition between departments and key people, and a lack of information among those parties about each other.

To overcome the obstacles and build effective relationships with stakeholders, team members should follow these recommendations:

▶ Identify key stakeholders.

▶ Look for commonalities with stakeholders.

▶ Communicate information about their team, and learn about other teams.

▶ Select informal "boundary managers" from team members skilled in handling the flow of information and resources.

▶ Identify potential barriers and ways to overcome them.

▶ Be credible in all that they say and do.

Performance appraisal. A nagging issue for cross-functional teams is whether team members receive credit for their performance on

teams. Typically, departmental managers are responsible for employee appraisals. Employees often complain that their managers don't consider their work on teams in their performance evaluations.

Organizations with cross-functional teams should examine their performance-appraisal systems to see whether team participation is taken into account and whether managers are required or encouraged to incorporate feedback from employees' team leaders.

Rewards and recognition. As teams proliferate, organizations must shift the emphasis of their recognition programs from individual to team rewards. Organizations will always need to recognize outstanding individuals, but an effective recognition program must also reward the collaborative efforts of teams. Companies need to get away from a star system that rewards only the individuals who stand out from the crowd, and also reward people who help the crowd perform better.

Even individual rewards should acknowledge people who are effective team players—people who freely share their expertise, pitch in and help out when needed, effectively facilitate meetings, and challenge teams to improve.

Interpersonal relationships. A persistent barrier to effective cross-functional teamwork is the failure of people to work well together in groups. Many people in the workplace are poorly prepared to function as team players. Few people take courses in group dynamics; few are naturally endowed with group-process skills.

The diversity within cross-functional teams makes them especially susceptible to poor interpersonal relationships, conflicts between team members, and a lack of trust and candor. Members bring to the team ingrained work styles developed through their associations with similar people in functional areas outside the team. The key to overcoming those barriers is training to help team members develop positive norms, resolve conflicts, gain consensus, and work with people who have different work styles.

Team size. Many cross-functional teams violate one of the fundamental

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principles of effective teams: Smaller is better. Studies show repeatedly that the ideal team has four to seven members—certainly no more than 10 members. Yet, many cross-functional teams try to operate with 25, 35, or even 50 members.

Some organizations are dealing with large teams by limiting the size of all teams, or by using small core groups within larger teams to make the key decisions and accomplish most of the work.

Managerial support. The killer barrier to effective cross-functional teams is a lack of managerial support. Cross-functional teams can overcome many of the interpersonal barriers with such actions as training, and with effective leadership and communication. But when key managerial stakeholders don't cooperate, or when they sabotage team efforts, team members can do little.

Effective managerial support can include

- ▶ providing such resources as time, training, funds, people, and equipment
- ▶ "talking and walking" teamwork, through verbal and visual actions
- ▶ recognizing and rewarding teams and team players
- ▶ communicating a vision, charter, or broad goals
- ▶ breaking down such barriers as old paradigms and procedures
- ▶ modeling teamwork, in that management itself works as an effective team.

Clearly, cross-functional teams have the potential to make organizations more productive and competitive. The key is to eliminate the barriers and maximize the benefits. ■

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