

Teams That Build the Future

A HARVARD BUSINESS REVIEW WEBINAR FEATURING

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SEPTEMBER 29, 2016

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OVERVIEW

Large-scale systemic innovation is challenging. To create the disruptive innovation that changes entire markets and industries, teams must collaborate and innovate together. Unfortunately, most organizations find this to be a huge challenge. Common obstacles include technical knowledge and skills, interpersonal relationships, and expectations about time frames and norms. To promote audacious innovation, leaders must utilize four levers: fostering an adaptable vision, promoting psychological safety, enabling knowledge sharing, and encouraging collaborative iteration.

CONTEXT

Amy Edmondson discussed large-scale systemic innovation projects that require “big teaming.” She shared her research findings which highlight the key leadership practices needed for successful cross-industry innovation.

KEY LEARNINGS

Game-changing innovations require collaboration across organizations and industries.

Many of the issues that companies, institutions, and governments face are so big that they are impossible to solve alone. Teaming across organizations and across disciplines is essential, but can be challenging. Cross-industry innovation projects differ from routine operations in four ways:

1. They are characterized by radical uncertainty, rather than predictability.
2. There are complex, non-linear interdependencies, rather than limited and simple interdependencies.
3. There are multiple and competing criteria, instead of clear and shared criteria.
4. The lines of authority are unclear and conflicting, rather than straightforward.

Smart-city projects, such as [PlanIT Valley](#) and [Lake Nona Medical City](#), illustrate the need for cross-industry innovation. In smart cities, everything is connected, from healthcare to education, government, buildings, physical security, and more.

CONTRIBUTORS

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When organizations team across industries, they face several challenges.

Through her research, Edmondson has identified four obstacles that organizations encounter when they team across industries and disciplines:

- **Different time frames.** Team members may have differing expectations about project time frames. For example, Living PlanIT has found that industries like real estate, construction, and retail tend to be conservative with long decision cycles, while sectors like IT and automotive are used to short project time frames.
- **Different norms.** Team members often have different norms around things like time keeping. One Living PlanIT participant from an electronics company felt that the group culture enabled team members to make promises quickly, but slow delivery on promises was accepted. This resulted in frustration.
- **Technical knowledge and skills.** People take the norms, values, and incentives in their professions, organizations, or industries for granted. They share a set of largely unquestioned assumptions and knowledge is localized.
- **Interpersonal relationships and emotions.** People tend to perceive members of dissimilar groups as less trustworthy. As a result, people are more hesitant to speak up and express their concerns and ideas. They may be reluctant to put themselves at risk in front of other team members whom they don't know well.

Leadership levers are a proven way to improve the effectiveness of cross-industry teams.

Four leadership levers provide tools needed to make large-scale innovation projects a success.

LEADERSHIP LEVERS	Technical Focus on systems for interaction	Psychological Focus on emotions
Motivational Channel energy	4. Encourage collaborative iteration Support test-and-learn approaches and invite debate on project requirements	1. Foster an adaptable vision Appeal to personal values, invite input on the vision, and celebrate change
Enabling Remove barriers	3. Enable knowledge sharing Align professional values and colocate experts	2. Promote psychological safety Give permission for risk taking and encourage social bonding

Figure 1
Four Leadership Levers for Cross-Industry Innovation Projects

1. **Foster an adaptable vision.** Instead of creating an unwavering, compelling vision of what the project hopes to achieve, leaders should design a vision that can adapt and evolve in the face of radical uncertainty. It is important to make values explicit, invite input, and expect and celebrate change. With the Lake Nona Medical City project leaders painted a picture of what they were trying to accomplish and gave an overview of the mission and vision.

2. **Promote psychological safety.** Psychological safety is the belief that one won't be punished or humiliated for speaking up. This is critical for innovation. Google recently conducted internal research to explain team performance. This work identified five dynamics, with psychological safety being the most important.



Figure 2
Google Research on Team Performance

Leaders of cross-industry teams must create an environment where people can offer crazy ideas, admit errors, and openly disagree without fear of ridicule or punishment. Higher-status professionals can foster psychological safety by encouraging input from lower-level employees. Leaders can promote psychological safety by:

- *Acknowledging the experiment.* On technical projects, for example, leaders should remind team members that the work is uncertain and no one knows all the answers. They must reinforce that success depends on everyone participating.
 - *Lowering the legal risk.* Fujitsu and TechShop had lawyers assure teams about the legal ramifications of their work, which boosted innovation.
 - *Encouraging social bonding.* Terrapin Bright Green opened work on the New Songdo project in Korea with a weeklong charrette. In this meeting, key stakeholders shared expertise, built relationships, and set the stage for future work.
3. **Enable knowledge sharing.** Knowledge sharing across professional domains doesn't happen automatically. Relationships across boundaries must be enabled and cultivated. It is important to emphasize professional values and enable face-to-face interactions. The Lake Nona Medical City team encourages members to view competitors as partners. Over time, the team has developed a shared language that spans multiple disciplines. Leaders should look for targeted opportunities to bring team members together face to face. This may be done through charrettes, temporarily co-locating team members, or using technologies like telepresence.

“The gulfs between people in different organizations are much larger than those between people in different departments. Closing the gaps takes patience and practice.”

— **AMY EDMONDSON**

4. **Foster execution-as-learning.** On any complex project, it is tempting to fall back on the blueprint approach to management that works when tasks and interdependencies are well understood. In cross-industry innovation projects, however, the best way to navigate forward is through experimentation. Execution-as-learning differs from traditional execution-as-efficiency along several key dimensions:

A New Mindset

EXECUTION-AS-EFFICIENCY	EXECUTION-AS-LEARNING
Leaders have the ANSWERS	Leaders set DIRECTION (strategy)
STABLE work processes are put in place	TENTATIVE work processes are seen as experiments
IMPLEMENTING CHANGE is a huge undertaking	CONSTANT SMALL CHANGES are a way of life
Feedback is ONE-WAY	Feedback is TWO-WAY
Employee judgment is DISCOURAGED	Employee judgment is ESSENTIAL
Fear (of the boss) is NORMAL	Fear inhibits EXPERIMENTATION, ANALYSIS, and PROBLEM SOLVING
GOAL: Get Results Today!	GOAL: Innovate New Solutions

Figure 3
Execution-as-Efficiency vs. Execution-as-Learning

“With execution-as-learning, no single person is ‘in charge.’ Instead, leaders facilitate complex dialogues, and keep the group together.”

– **AMY EDMONDSON**

Two actions that can support execution-as-learning are testing and learning, and welcoming “arguable” changes. The [Haiti Hope](#) project team used an iterative approach to its work. By testing and learning, the team increased income levels for mango farmers.

Every project faces three types of project changes: avoidable, unforeseeable, and arguable. Avoidable changes result from poor planning, and unforeseeable changes occur when new requirements emerge as more is learned during the project. Arguable changes result from new, debate-worthy preferences that surface unexpectedly. Edmondson suggests that leaders embrace arguable changes.

OTHER IMPORTANT POINT

- **Building the Future: Big Teaming for Audacious Innovation.** Edmondson’s [latest book](#) includes more information about leading cross-industry innovation projects.

BIOGRAPHIES

**Amy C. Edmondson**

Novartis Professor of Leadership and Management, Harvard Business School

Amy C. Edmondson is the Novartis Professor of Leadership and Management at the Harvard Business School, a chair established to support the study of human interactions that lead to the creation of successful enterprises that contribute to the betterment of society.

Edmondson, recognized in 2011, 2013 and 2015 by the biannual *Thinkers50* global ranking of management thinkers, teaches and writes on leadership, teams, and organizational learning. Her articles have been published in *Harvard Business Review* and *California Management Review*, as well as in academic journals such as *Administrative Science Quarterly* and the *Academy of Management Journal*. Her books, *Teaming: How Organizations Learn, Innovate and Compete in the Knowledge Economy* and *Teaming to Innovate* (Jossey-Bass, 2012, 2103) explore teamwork in dynamic, unpredictable work environments. Her latest book, *Building the Future: Big Teaming for Audacious Innovation* (Berrett-Koehler, 2016), reveals the challenges and opportunities of teaming across industries.

Before her academic career, she was Director of Research at Pecos River Learning Centers, where she worked on the design and implementation of transformational change in large companies. In the early 1980s, she worked as Chief Engineer for architect/inventor Buckminster Fuller, and her book *A Fuller Explanation: The Synergetic Geometry of R. Buckminster Fuller* (Birkhauser Boston, 1987) clarifies Fuller's mathematical contributions for a non-technical audience. Edmondson received her PhD in organizational behavior, AM in psychology, and AB in engineering and design, all from Harvard University.

**Gardiner Morse (Moderator)**

Senior Editor, Harvard Business Review

Gardiner Morse is a senior editor at *Harvard Business Review* where he focuses on marketing, innovation, and technology. He has developed articles on a wide range of topics including marketing technologies, data privacy, health care management, and smart products strategy.

Before coming to HBR, Morse served for 15 years in a range of editorial and business roles with the publishers of the *New England Journal of Medicine*. There he developed and launched numerous publications for physicians and the general public, and served as executive editor of *Hippocrates*, a journal for primary care physicians.

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