



TEAMS

Effective White-Collar Teams The New Quality

by **Howard M. Guttman**

GIGO: Garbage in, garbage out. It's become a mantra of the computer age, but it's long been a tenet of the quality movement as well.

You can't transform defective materials into a quality product, no matter how good your processes. Nor can premium raw materials make up for out-of-spec

In 50 Words Or Less

- **Every organization's teams must deliver consistent top quality results.**
- **The work of white-collar teams must be aligned with strategic and operational goals, individual and team responsibilities, protocols and interpersonal relationships.**
- **Fast, effective problem solving and decision making, efficient project management and innovation are valid measures of quality.**

machines and sloppy mental or physical processes.

Quality is a three-part equation: A **top quality end product** depends on **first-rate materials** put through **first-rate processes**.

Back in the 1950s, with the help of W. Edwards Deming, Japanese manufacturers got the equation right. First, they attacked the supply chain, rejecting out-of-spec raw materials before they ever reached the plant floor. Next, they examined each step in the manufacturing process, with an eye to continuous improvement. By eliminating redundancy and waste, they increased profits.

In the 1970s, the focus shifted to the social and human resource preconditions for quality improvement. The Japanese pioneered quality circles, in which workers honed their problem solving, decision making and planning skills. Before long, "Made in Japan" had replaced "Made in the U.S.A." as a guarantee of quality.

In the early 1980s, the quality movement, including total quality management (TQM), became manufacturing gospel in the United States. Solving the quality, cost and delivery challenge required paying strict attention to all the elements of the equation—input, process and output. The gap between American and Japanese quality began to close, especially in Detroit.

Collar Teams: Imperative



White-Collar Quality

In manufacturing environments, where TQM has flourished, improvements are relatively easy to measure. Rework and scrap rates, defects per thousand, overtime and other hard costs can be ferreted out. Any decrease in these costs can be translated readily into money saved, and return on investment (ROI) is quickly calculated.

In nonmanufacturing environments, quality has never taken root the way it has in production environments, although there are encouraging signs in the service, education and healthcare sectors. One reason: The input, process, output equation is far more invisible and difficult to measure.

As the vice president of human resources for a large consumer goods company notes, “On the plant floor, the payoff from the quality movement has been huge. Quality isn’t just free; it pays for itself—and it’s easy to measure the payback. In the back office or the executive suite, the payback from paying attention to quality can be equally great, but it isn’t necessarily measurable. How do you measure increased efficiency, better teamwork, more thoughtful decision making? But those improvements also pay for themselves, over and over again.”

In the white-collar world, quality must be pur-

sued with the same rigor that has been applied in manufacturing. True, the value of the right decision is not always susceptible to quantitative analysis. Yet, the quality equation still holds true. A quality output is equally dependent on quality raw materials (in this case, the brainpower and skills of employees) and quality processes (the interactions of those employees).

And GIGO is equally applicable in the back office or executive suite. An employee who lacks the requisite intelligence, experience or skill set—the input—is unlikely to succeed. On the other hand, the smartest, most skilled person will likely fail if his or her interactions with colleagues—the processes—are dysfunctional.

High-Performance Teams

Make no mistake—teams have become the new organizing principle of organizational reality. They are the locus of power and responsibility, which is why every team at every level of the organization must become a high-performance entity, delivering consistently top quality results.

“The quality movement in manufacturing was all about reducing variability—turning out products that were consistently up to specifications—and the manufacturing teams that took the

initiative were extremely successful,” says Gabriel Bottazzi, CEO and president of the Sara Lee Sock Co. “Now, we need consistency in the white-collar arena as well: teams that can deliver consistently good decisions, consistently efficient implementation and consistently innovative ideas.”

Consistently high performance among white-collar teams requires taking a hard look at the second element of the quality equation—the process component or the way people interact, especially the way they deal with the cross pressures and conflict that come from today’s horizontal structures, matrixed relationships and cross functional teaming.

As competition has heated in a more fluid, complex environment, the ability to make quick, smart decisions—and to do so consistently—has become critical to maintaining competitive advantage.

As another vice president of human resources puts it, “If a machine is off spec, and you don’t have the tools to fix it, you keep making scrap. Dysfunctional conflict is the off spec of the white-collar environment. If a team is mired in conflict, and its members don’t know how to deal with conflict, they won’t be able to make any decisions. They, too, will just keep making scrap.”

The Alignment Connection

In my experience, the central driver that determines whether a team is off spec is the extent to which that team is aligned. Quality professionals working the white-collar routes would be wise to rivet their attention on ensuring teams at every

level reach agreement, or become aligned, in the following four areas:

1. The organization’s key strategic and operational goals and how the team’s goals relate to these goals.
2. What they are responsible for and what they are authorized to do, both individually and as a full team.
3. The team’s protocols or ground rules for dealing with conflict.
4. Their interpersonal relationships—the range of personal styles team members

adopt when interacting with one another.

Andrew Pek, global director of organization effectiveness for Pfizer Consumer Health Care, points out, “Just as failing to examine every step in the manufacturing process can compromise the quality of your product, neglecting to align the team in any one of these four areas can jeopardize its ability to achieve its desired results.”

Given the importance of alignment to quality improvement, particularly in the white-collar arena, let’s examine these areas to see how aligning a team around each provides a high-quality process that enables a team to deliver top results.

Strategic Clarity

Johnson & Johnson (J&J) is a diverse organization consisting of more than 200 companies or business units organized into approximately 20 franchise groups. How does J&J manage the outward forces typically at play in this environment?

According to Michael Carey, corporate vice president of human resources for J&J, the franchise strategies are tied together by clear, common goals and values, which minimize the chances for misunderstandings and misalignment.

These goals are articulated in two places. The first is the parent company’s statement of strategic direction, which says it will abide by the ethical principles of its credo, capitalize on its decentralized form of management and manage for the long term. The second is a list of four imperatives identified by the executive committee, themes around which J&J expects each of its businesses to pursue its individual strategy:

1. Innovation.
2. Process excellence.
3. E-business.
4. Flawless execution.

And, just as each franchise keeps the statement of strategic direction and four imperatives in mind as it develops its strategic plan, so must the business units within the franchise as they develop theirs. Carey cites an example:

Ethicon is one of the cornerstone companies in our wound care franchise. Its base business is



wound closure: sutures, stapling and adhesives. Wound care has declared its goal is to become the innovation leader in its category. For the franchise's strategy to succeed, the Ethicon team must be committed to the same goal.

For example, R&D might suggest pursuing the me-too solution of using synthetic skin to close wounds. Marketing might respond with, "No, we need to be more innovative. We need to develop sutures and staples that cause less trauma as they pass through the skin, produce less swelling and promote faster healing, less chance of infection and fewer doctor visits."

If the team is truly aligned around the goal of becoming an innovation leader, the choice should be an easy one. That's how having clear goals, from top to bottom, reduces the potential for infighting and competition among functions.

Roles and Accountability

It's a typical scenario. As a meeting ends, everyone allegedly agrees on the next steps, but before the participants have escaped to the safety of their respective silos, the baton passing has already begun. It's a telltale sign the team is sorely in need of an alignment session.

Here are two questions to help a team get the process started:

1. How clear are you about *your* role and accountability on the team?
2. How clear are you about the *other team members'* roles and accountability?

Then, have the team probe further. During an alignment session, ask team members to define their jobs for the rest of the group by listing the activities they carry out and results they are responsible for, describing how they believe their job is perceived by other players and identifying the gaps between themselves and the other team members.

Then record their responses on a matrix visible to the entire team. As each participant's data are added, the disconnects become increasingly apparent. The discussion that follows often results in a whole new model, with new intersection points, on which everyone can agree.

Rules of Engagement

Clarity of goals and roles will only get you so far. Protocols for resolving conflicts—think of them as ground rules for behavior—are the third key ele-

ment in developing a healthy team atmosphere.

At Campbell Soup, Coach, J&J, Masterfoods U.S.A., Sara Lee Corp. and many other companies where teams have aligned to effectively manage conflict, the following protocols have proved useful:

- **Don't triangulate.** Triangulation entails bringing an issue to a third-party rescuer for resolution instead of resolving it head-on between the two people who own it. It has no place on your team.
- **Don't recruit supporters to your point of view.** Third-party recruiting is contrary to effective conflict management. It is not conducive to open, candid discussion. It does not result in positive behavior change. It tears apart rather than unites the team. Ban it.
- **Resolve it or let it go.** The longer conflict remains unresolved, the greater the chance it will metastasize, spreading throughout and beyond the team. Some teams adhere to a 24- or 48-hour deadline for conflict resolution. If at the end of that time the parties with the issue haven't been able to resolve it, they are expected to drop it once and for all and move on.
- **Don't accuse in absentia.** Even accused felons have a right to hear the charges against them and defend themselves in open court. If, during a team meeting, someone brings up an issue that involves a team member who is not in attendance, the discussion should stop right there and not resume until the absent person can be heard from.
- **Don't personalize issues.** Treat every issue as a business case. While depersonalizing isn't easy, all team members need to be able to accept criticism and answer challenging questions without taking umbrage. Of course, it's easier to depersonalize when feedback is given objectively. Make it a rule that anytime criticism is given, team members must present the facts without finger pointing or editorializing.
- **No hands from the grave.** There are some people who just can't take no for an answer. When



a decision doesn't go their way, they continue to lobby for their pet alternative, even after it's been taken out of the running. Don't allow it.

A final word on protocols: To be useful, they must be embedded into "how business is done around here." To ensure the team continues to subscribe to its protocols, make sure they are written and circulated. Keep them posted in the meeting room. And revisit them as a group from time to time to assess whether they are being observed or additional protocols are needed to support the team in its conflict-management efforts.

Interpersonal Relationships

How successful a team is in aligning its goals, roles and protocols speaks volumes about the interpersonal relationships among its members—the fourth key element that is aligned on a high-performance team.

These relationships are often the holding pen of conflict. In dysfunctional teams and organizations, here is where all the silo thinking and subterfuge surface.

People come in three different packages:

- The nonassertive person, in effect, says, "I've got needs and so do you, but I'm not telling you what mine are. And if you don't guess them, I'm going to hold it against you." The nonassertive person is Mount St. Helens waiting to erupt.
- At the other extreme, the aggressive individual proceeds on the basis that, "I've got needs and, at best, so do you, but mine count more." This is the schoolyard bully in business attire.
- The middle ground belongs to assertive individuals, who recognize both parties in a conflict situation have needs and who are willing to work toward a negotiated settlement. They are effective conflict managers, and high performance teams are those whose members have adopted this communication style.

Can people change style and metamorphose toward the golden middle? Sure, but it's hard work. Consider putting a team through this exercise: Begin by asking each person to identify his or her communication style—nonassertive, assertive or aggressive. Then, ask the other members, one at a time, to explain why they agree or disagree with their colleagues' self-perception.

It takes a great deal of skill—and courage—to look at ourselves through the eyes of others. It takes even more of both to modify our behavior based on the feedback they give us.

But, if team members are serious about ratcheting up performance, it behooves them to eliminate their blind spots, particularly those that relate to how they transmit and receive messages.

Less Tangible Measures

For quality initiatives to take hold in a white-collar environment, quality professionals must realize benchmarking, Six Sigma, ISO 9000 standards and the like aren't the only valid measures of quality.

Speed and effectiveness of problem solving and decision making, efficient project management, product and service innovations and other team accomplishments are less tangible but equally definitive indicators quality is on the upswing.

Consistently high-quality team output requires alignment of goals, roles, protocols and relationships. Consistently high-quality organizational output requires alignment of all teams, at every level.

The challenge for today's quality professionals is to become catalysts for that alignment by using their skills and experience to guide teams within their organizations.

HOWARD M. GUTTMAN is the principal of *Guttman Development Strategies*, a Ledgewood, NJ, based management consulting firm. He is author of *When Goliaths Clash: Managing Executive Conflict To Build a More Dynamic Organization*, published in 2003 by Amacom. Guttman holds a master's degree in applied behavioral sciences from Case Western Reserve University, Cleveland.

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