

Complex Risk

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The Surprising Characteristics of High Performing Teams

Recent research by organizations such as Google, SpaceX, Microsoft, and many others offers inspiring new insights about business and humanity that can help us create more effective teams.

“We know that culture is the fundamental compass of every organization.” At Lockton’s 2023 Complex Risk Symposium, Potterat described how the highest performing companies spend significant time establishing a culture with care and intention. Being able to draw on the strengths of every team member within that culture is critically important. In the words of leadership guru Ken Blanchard: “None of us is as smart as all of us.”

Perhaps the most surprising information, though, has to do with civility — or the lack thereof. Potterat cited the work of Christine Porath, a professor of management at Georgetown University and a consultant who helps leading organizations create thriving workplaces. Porath has studied incivility for years and has found that being the victim of incivility has real, measurable costs. Her research shows that employees who are the victims of incivility from either their superiors or their colleagues reduce their work effort by 66%. What does that reduced productivity mean for an organization? Cisco conservatively estimates that incivility in its own workforce has cost approximately \$12 million per year.

What's even more startling is the "second-hand smoke" effect of incivility. We now understand that smokers put themselves at significant risk by choosing to smoke, but we've also come to understand that being in the presence of a smoker exposes us to harm. Similarly, Porath found that simply witnessing incivility impacts us in profound ways. Our reasoning ability, decision-making skills, and productivity all decrease significantly when we see others belittled or treated rudely. Incivility impacts all of our health and wellbeing.

In one study, participants who watched one stranger speak unkindly to another stranger were five times more likely to misread information. The emotional impact of witnessing incivility affected their cognitive ability.

Porath suggests that it all boils down to respect. When individuals feel respected and appreciated, they try harder. Her research demonstrates that small actions can lead to important changes in behavior. If we listen more fully, know people's names, share credit, and express our thanks, people may be more productive. "Incivility robs people of their potential."

Building on Porath's research, Potterat shared five elements necessary for creating high performing teams:

1. Psychological Safety
2. Dependability
3. Structure and Clarity
4. Meaning of work
5. Impact

According to Potterat, team members must have a sense of shared contribution, be open to risk, and possess emotional intelligence to manage difficulties. Trust and empathy are vital to creating a sense of community.

Potterat suggested that we can enhance the feeling of community by creating weekly team rituals that increase psychological safety. Asking each team member to share risks they've taken weekly and making sure that all team members contribute equally may enhance a sense of community.

Another factor that can help teams is a growth mindset — the belief that everyone has the potential to succeed, and creating an environment that supports and celebrates growth. A growth mindset is "thirsty for feedback both in victory and defeat."

Potterat also described that diversity is essential in creating high performing teams because we need different perspectives to find different solutions. After-action reviews, that seek honest opinions from all members, may also help teams perform better. When employees feel their opinions are heard and respected, they are more likely to share ideas. Being mindful of "groupthink" is also important. The tendency for team members to think like the leader is common, and "groupthink" can stymie my innovation because a lone team member who thinks differently risks being ostracized. Finally, we should encourage measured risk and innovation that challenges team members to try new approaches. But ensuring a safe psychological environment is imperative.

According to Potterat, Google's research confirms Porath's findings. The biggest threat to successful teams is "The Brilliant Jerk." Our most dangerous obstacle to collaboration and innovation is the team member who is disrespectful or rude. However, we must carefully address The Brilliant Jerk in ways that are intentionally civil, or we risk escalating an already problematic situation. As he learned early in his military career, Potterat urged the audience to "praise in public, criticize in private." Above all else, the number one trait workers want from their leaders is respect.

Potterat believes that teams can and will perform better if everyone is treated with civility. He asked the audience to reflect on their own behavior with one powerful question:

"Are people happier when you enter a room or happier when you leave?"