



The Genius of Teams

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More than ever, business success now comes down to teams.

Of course, teams have always been vitally important. One hundred thousand years ago, hunting teams were vital to the survival of early man. With the rise of agricultural civilization, teams were the basic operating unit of social hierarchies and communities. But for the last few millennia, while remaining a crucial building block, teams have been largely made subordinate to larger social organizations: armies, governments, bureaucracies, corporations, etc.

But the rise of the digital age, the Internet, and the global economy has changed all of that. As with many other cultural institutions, technology is beginning to turn organizations upside down. The pace of change is now accelerating so quickly that more traditional, large organizations simply cannot react quickly enough to new challenges arriving in swarms from around the globe. Their informational ‘nervous systems’—their decision-making apparatus—are too complex and slow to deal with events and threats emerging at the speed of Moore’s Law. That makes them hugely vulnerable.

It has become increasingly apparent—and with no little irony—that the one human organization capable of adapting to, surviving through, and even triumphing from the accelerating pace of modern life is the oldest form of human organization: *teams*. Teams are now the key operating unit of smart companies as they enter both newly erupting markets and cope with mature but fast-evolving ones. They are the heart of new product and service creation, and implementation. And they are the nuclei of the new operations that bubble up with increasing frequency inside the organization.

Yet, even as we recognize this growing importance of teams in the modern economy, it also becomes obvious that we know surprisingly little about them—and what we do know is encrusted by centuries of myth, misrepresentation, and wishful thinking. The painful fact is that we know very little about how big a team should be, how it should be organized, how its membership should be composed and recruited, how to properly measure its success and failure, and even how it should properly be retired to set the stage for the creation of a new team.

In other words, at the moment when teams are once again becoming the crucial tool for organizational success across every part of society, we know almost nothing about them... and most of what we do know is wrong.

The good news is that at least we now know more than we did at the turn of the century. Over the last fifteen years, behaviorists, psychologists, brain scientists, anthropologists, and organizational theorists have made some extraordinary discoveries in our understanding of how and why teams work. Little of this research has yet escaped academia and reached the professional world, so we have taken on the task of gathering that information, synthesizing it, and then presenting in the most cogent way possible and in the language of everyday life.

What we've found is stunning. Ultimately, all of this research boils down to two fundamental truths about bringing out the genius of teams.

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1 | Team size is biological: Throughout human history, successful human aggregations consistently fall into specific archetypical numbers. You've probably heard of the Dunbar number of 150, the maximum number of people with whom we can have true friendships. It is a number that regularly appears throughout human history, from the size of military units in the ancient world to the number of members in tribal groups of the Yanomamo people in the Amazon rainforest, to the average size of villages in the 11th century British Domesday Book to the number of 'friends' of the average modern Facebook user.

But there are other numbers as well, some identified by Dunbar, a British anthropologist, and others that have popped up in research by others: 2, 3, 7 ± 2 , 15 ± 3 , 50, 150, 450, and 1,500. These numbers correspond with human behavior—i.e., your mate or best friend, your closest friends, the number of people you interact with closely almost daily, the people with whom you share a deep mutual trust, the number of people who you can keep your head and identify in any scenario, the number of people whom you can identify as a member of your community. They also correspond with most human organizations—i.e., teams—throughout history, and even in today's digital world.

In other words, no matter how sophisticated and technology-enabled your enterprise, when it comes to organizing teams, human nature established one million years ago still trumps everything. Fight these archetypes and you will almost always lose—or experience a lot of misery. Instead, let nature be your guide and, whenever possible, tackle a project with the smallest team possible. Why? Because, every new member increases the number of team interconnections exponentially and slows down the team’s decision-making.

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2 | The more diversity, the better the team: Despite evidence to the contrary before our eyes every day, the myth still endures that the best teams are the most harmonious ones. And from that it follows that the most effective team composition is one whose members are most alike temperamentally, culturally, and in aptitudes and skills. It follows from this myth that the best teams are those whose members are friends, whose relationships extend out into their private lives, and who almost never disagree.

This myth endures partly because of a few incredibly rare examples, such as Bill Hewlett and Dave Packard, who seemed to have never fought in a sixty year personal and professional friendship, as well as corporate PR departments that for obvious reasons create official histories in which the relationship of their founders are far less acrimonious than they really were.

The reality is that homogeneous/harmonious teams are usually the least likely to succeed, much less accomplish anything great. Not much more likely to succeed are “diverse” teams in which the homogeneity is little more than surface: members of different races, genders, and ethnicity who all grew up in the same neighborhood and went to the same business school are not diverse in any meaningful way.

In a truly diverse team, the members could all be, for example, the same race. But if some of the members are analytical and the others creative, some empirical and others intuitive,

some from blue collar backgrounds and others white collar, some verbal and others visual, some code writers and others marketers, that is true diversity. This is the type of heterogeneous team capable of doing great things... of showing team genius. If it can stay together.

The reality, as any veteran team leader knows, is that with greater diversity comes great volatility. The greatest teams also have the greatest likelihood of exploding. True genius is never easy to handle.

The solution, of course, is to have equally great leadership. A team leader or external manager who can deal with these naturally antagonistic personalities and guide them towards a common goal. Ultimately, it will be the presence of these leaders that will prove to be the competitive difference in the years to come. As institutions increasingly depend upon their teams; and those teams require top-notch leadership, experienced and talented small team leaders are going to become very valuable and sought after. They will separate the winners from the losers in decades to come.

All of this suggests that enterprises and other institutions that want to remain successful in the years to come will begin constructing teams that, in their size, truly reflect human archetypes, and maximize true diversity in their composition.

Most important, they need to identify inside their operations—and recruit from outside—the kind of team leaders that can hold together these volatile teams and bring out all they are capable of, and then never let those leaders get away.

To help you think differently, perhaps even more scientifically, about teams, here are twenty questions you ought to be asking about the teams you manage and those to which you belong;

1. Is your organization, and the teams that compose it, up to the challenges they face in a hypercompetitive global economy?
2. If not, is there some way to accelerate your understanding of teams?
3. Can you apply that new knowledge in a way that lets you build both fast and appropriately for the ever-changing challenges that face you?
4. Can you find the right team at the right moment?
5. Can you identify the right moment when one team needs to dissolve to create another, perhaps in a very different form?

These first five are not idle questions. They are very real and their implications are imminent. Every organization of which you are a part is composed of teams, and every one of those teams

is currently at some point in its life cycle. Some of these teams are clearly dysfunctional; others are suboptimal in their performance; and still others are approaching the end of their usefulness. Even great teams aren't always being challenged to do all that they are capable of doing.

- 6.** If the fate of your organization depended on it, could you identify those great teams.
- 7.** Do you know how to staff a team for a specific task?
- 8.** If you were assigned the task of reorganizing the subpar teams to ensure their top performance, would you know how to do it?
- 9.** Would you even know where to start?
- 10.** By the same token, if you were to look at the top-performing teams in your company—in management, manufacturing, R&D, sales—would you be able to identify which ones were reaching the end of their life span?
- 11.** Would you have the courage to shut them down?
- 12.** Would you know how to handle that retirement without creating acrimony and killing morale among some of your most talented employees?
- 13.** Would you know how to recompose a replacement team to be just as effective and without losing any time?

Thirteen, and we've only just begun! Those were questions about your own skills creating and managing team. Here are questions about your organization's capabilities that you have likely never considered:

- 14.** Can your company's teams stay ahead of the changes affecting your industry and customers?
- 15.** Are your teams able to anticipate and respond to sudden disruptions in technology, economics, and customer behavior?
- 16.** Are your teams leveraging globalism and multicultural values as strengths?
- 17.** Is mobile technology helping or hurting your team's performance?
How are you performing in this area relative to your competition?
- 18.** Are your teams' missions and values supported or undercut by social media?
- 19.** Do you have the right people in the right position in the right teams?

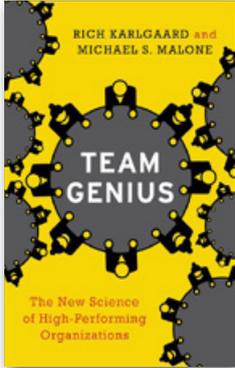
Last but not least, here's a question that almost no one asks and even fewer organizations get right:

- 20.** Are your teams the right size for the job?

We wrote our new book, *Team Genius: The New Science of High-Performing Organizations*, to help you answer all of these questions, and there are some surprising, counterintuitive truths that we found. But at its foundation is this very simple truth: To miss the importance of teams is a costly mistake and an avoidable one. Thanks to the latest research by sociologists, anthropologists, neuroscientists, cognitive researchers, historians, and behaviorists, we have a better understanding of how teams are created, composed, and operated than at any time in human history. These discoveries are waiting to be put to use. Smart organizations *will* put them to use. Will you be one of them?

At a time when two billion more people around the world are entering the global marketplace, when tech-driven change is speeding up, when the survival of both nations and enterprises will depend on the smarts to quickly identify change and adapt to it, teams—that oldest of human institutions—are more vital than ever. So we owe it to ourselves to understand them and to help them operate at the highest potential. **Not just our success, but our very survival, may depend on them.** 📖

Info



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ABOUT THE AUTHOR | Rich Karlgaard is the publisher of *Forbes* magazine, where he writes the biweekly column “Innovation Rules.” He is the author of the *Wall Street Journal* bestseller *Life 2.0* and *The Soft Edge*, and is a regular panelist on *Forbes on Fox*, and a frequent speaker to companies around the world.

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