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CORPORATE RESTRUCTURING TEAM

This case explores the functioning of a top management team, charged with the responsibility of restructuring a rapidly growing, high-involvement firm. This team succeeded in defining a new organizational structure, but literally became incapable of working together as a team, and consequently, had difficulty implementing its recommendations. Changes in performance conditions are hypothesized to explain the team's dysfunctions. These changes included: an expansion of the team's task to include future assignment of senior managerial roles, and unpredictable shifts in the relationship between the team and the CEO.

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CHAPTER 3

Corporate Restructuring Team [1]

Susan G. Cohen
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The meeting to give feedback on our research to members of the structure team at Omega Systems already had been postponed twice because of last minute changes in senior managers' schedules. This time, we had been assured, all five senior managers on the team would be there to hear what we found in the research, and to explore how those findings might help them improve their functioning in the future. [2]

We climbed the stairs to the second floor of the converted warehouse where senior managers at Omega had their offices and found two team members at their desks. They told us that the chair of the committee, Andrea Lehman, was not feeling well and was lying down in the employee lounge. The remaining two members, they said, were out in the production area and should be back soon.

We asked whether a meeting room at the nearby Sheraton had been reserved. We specifically had requested an off-site meeting because, as our research findings documented, meetings at headquarters invariably were interrupted by managers dropping in with "quick questions" or by urgent telephone calls. No, we were told, nobody had gotten around to doing that. But surely we could be flexible and find a suitable room somewhere in the headquarters offices.

Andrea was indeed in the lounge, looking pale and pained. When we suggested that perhaps the meeting should be rescheduled a third time, she protested: no, she could manage, we should go ahead and get it done. The team, she said, badly needed to hear our feedback. She would be feeling better very soon, and would join us when we found a place to meet. Space was scarce, but with the help of another structure team member we found an unoccupied meeting room next to the shipping office, and the meeting finally began there forty-five minutes late.

During the meeting, several other managers poked their heads in--hoping they could use the space--and sometimes remained for a minute or two to check something out with one of the senior managers on the team. One team member left in the middle of the meeting to participate in an "urgent conference call that will only take five minutes." He never returned. Members interrupted one another frequently, and sometimes two different discussions were going on simultaneously. Our attempts to point out what was happening, to

ask the group to take a look at the meeting dynamics and decide if they wanted to behave differently, were listened to but had little effect.

In all, the anarchy and chaos that characterized the feedback meeting replicated many of the themes that had emerged in our research on the structure team--the findings that we had come to share with the team. And while members agreed both with our findings and with our observations about what was happening in the feedback meeting, their behaviors did not change. Nor did the feedback have any discernible effects on subsequent team dynamics.

Omega Systems was, at the time of the research, a fast-growing and highly successful high technology firm. Located not far from San Francisco, the firm had been founded two years previously by Tom Justin. A hard-driving, entrepreneurial manager, Justin formerly was a top manager at a large, traditionally-managed technology company. He had come up with an innovative idea for new systems products and services, and decided to form his own company to pursue them--taking with him several other senior managers from his former company.

Justin was as committed to developing a new kind of organization as he was to achieving corporate financial objectives. The previous company, he felt, was hierarchical, politicized, and ultimately dehumanizing to the people who worked there. Justin sought to create a relatively "flat" organization where people would manage themselves--under his overall direction, to be sure, but with a minimum of day-to-day supervision. This kind of organization, he believed, would be more efficient and profitable than a traditional bureaucracy. Moreover, it would provide a setting in which people could simultaneously have fun, grow personally and professionally, and potentially make a good deal of money.

Evidence from the company's first year provided striking support for Justin's vision. Despite intense competition and numerous external shocks, the company was both growing faster and making far more money than anyone, with the

possible exception of Justin himself, had thought possible. And he had stayed true to his organizational aspirations. When the research began, there were only fifteen senior managers in a company with over 600 employees: seven directors (including Justin, who was chairman and CEO), and eight division managers.

Although employees generally were doing a good job of managing their own work and coordinating informally with one another, it was becoming increasingly clear to all that senior managers needed some help in leading the company. Nor would the pressure let up: Justin's stated intention was to continue to grow the firm as fast as possible. As one director, a member of the structure team, saw the situation:

"There was a level of frustration in the director and division manager groups as far as being able to get the work done. They didn't have enough arms and legs to accomplish all that needed to be done and sometimes the work was not done well and had to be reaccomplished."

A specific impetus for taking a fresh look at the company's management structure was the upcoming deadline for coordinator rotation. As the organization had grown, some members had been asked to serve as "coordinators" (although without a formal change of title or increase in salary) to help keep production running smoothly. The individuals selected were told explicitly that this was a temporary assignment and that they would rotate back to their regular jobs after six months, at which time others would take their places. As the rotation date approached, both the coordinators (who, by and large, liked the role but felt under-appreciated) and senior managers (who had come to depend on the coordinators to make sure things did not fall between the cracks in day-to-day operations) became increasingly uneasy. Should the role of "coordinator" become a permanent one? What would be the consequences of a wholesale rotation? What would be the consequences if some individuals were

asked to remain in the role but others were rotated back to their former duties?

These questions had no easy answers, and it became clear to Justin that any decision made about the coordinator issue would have implications for the future evolution of the leadership structure in the company as a whole. So he decided to convene a group of his most trusted senior colleagues to look into the matter and to make a recommendation to him about whether the management structure of the firm should be changed--and, if so, how. The life and work of that team is the focus of this chapter.

The Team and Its Task

Team Composition

The team consisted of five members, four directors and one division manager. Chair of the group was Andrea Lehman, the director who worked most closely with Justin on organizational design and human resource matters. Andrea also had line responsibility for a significant segment of the production operation. Harry McGrath was the director responsible for operations--for getting the firm's products and services created and delivered. Karen Miller, who had been Justin's assistant at his previous organization, was responsible for administration. Joe Triandis, the only member of the team who had not worked with Justin at his previous firm, was in charge of technical support. Ivan Williams, the only division manager on the team, handled staff planning and scheduling. The two directors who were not on the team were the Chief Financial Officer and the Director of Facilities. The team was assisted on occasion by Jeff Steiner, an organizational consultant from a nearby research institute who had been involved with the organization since shortly after it was founded.

Although all members of the structure team shared a deep commitment to Justin and to his vision for the organization, members were diverse in skills

and perspectives. As Harry noted:

"We have responsibility for very different parts of the company...and that is very positive. Everyone has to represent their area, but not to the exclusion of the other areas. We are able to put things in the context of the whole organization."

And Joe provided this overview of each member's special strengths:

"I think Ivan tends to be able to think ahead and look at the implications more than some of the other people in the group.... Harry has the writing skills. He can put together volumes of paperwork with a clear thread of the idea running through. But often it tends to be too wordy.... Andrea brought her background in personnel compensation and whatnot. Karen is a very balanced and reasonable person as far as someone to bounce ideas off. She is very consistent. I seem to wind up being the devil's advocate a lot. Not that I enjoy that role at all, as a matter of fact I don't enjoy it. It is not always productive. But I do try to look at the business sense of what we are doing on a long term basis, as opposed to a short term gratification of any group in the company."

Most of members of the team had worked together before, on a task force to reassess the company's compensation arrangements. In general, members felt that the team was well-composed. It was small enough for members to work together without encountering the inefficiencies and coordination problems that invariably develop in a large team. And while members shared a common vision--Justin's vision for the company--they also were diverse enough to have a chance of coming up with a genuinely creative group product.

The Charge and the Constraint

The specific mandate of the structure team was to look into the coordinator problem and come up a recommendation about what to do about it. But Justin also was feeling the need for a fresh look at the overall management structure at Omega. As he reflected later:

"I provided an initial organizational thrust of a radical organizational style from the foundation of the company, [but eventually] I got tired...and I began to feel that I needed some broader perspective.... For lots of reasons, I couldn't pay attention to all the things that needed to be paid attention to.... It had to stop being a Tom-only deal.... [The structure team] was the initial attempt to develop an organizational thrust that was independent of me."

This broader version of the team's charge was not made explicit at the outset. Indeed, when he formed the team, Justin deliberately kept its charge somewhat ambiguous. Only over time, as members got into their work and had subsequent conversations with him, did the full scope of their mandate become clear. Jeff, the group's consultant, described the process by which the team came to terms with its task:

"If I were to paint a picture of it, it would be a picture of a formlessness shape gradually assuming form, and that form gradually changing in response to a whole lot of things.... Throughout its life, the work of the committee was changing and evolving as people learned more about what was needed...."

While Justin was comfortable leaving some fuzz around the edges of the team's objectives, he was crystal clear about one constraint on members' work: whatever they did had to be absolutely consistent with his vision for the company. While he was willing to entertain radical suggestions about management structure (indeed, he gave the team signals that he would welcome radical ideas), any tinkering with the overall direction of the company was completely out of bounds.

"One of the things that I have learned in these two years," Justin told me, "is the absolute beauty of direction, the total power that is in good direction." The direction of Omega Systems was his and his alone to set. He kept a very close watch over it, and tolerated no deviation from it:

"My feeling is that you cannot tolerate very much sideways movement by anyone in the top leadership structure. You can tolerate lots and lots and lots of sloshing around of people who have just joined the company...but you can tolerate very little in the leadership structure. Therefore, you have to work very hard to make sure that the leadership structure really understands what you are trying to do...."

Justin worried, on occasion, whether members of the structure team had internalized the corporate direction deeply enough. One member he worried

about was Joe, the most technically oriented member of the team:

"One thing I learned from the Reuben thing [first president of the company, who recently had departed], which is why I am watching Joe very carefully. I knew that Reuben was a risk all along.... He tried to accommodate his views to the [human resource] strategy but he never made it. I have to watch Joe very carefully to make sure that he is learning and not paying lip service, and make sure that he is not being destructive inadvertently because he doesn't understand. Every now and again, I think he does fall off a little bit, but I think that basically he is learning."

The external consultant to the team also was expected to keep clear of questions having to do with direction:

"Jeff knows well enough that...I have a very defined view of what this company is, what it is going to do.... If he came in here and started saying maybe Omega Systems ought to do this and this, it would be intolerable. I wouldn't let him be here for more than thirty seconds more."

In sum, there were two noteworthy features of the structure team's initial charge from Justin. On one hand, the group's specific objective--just what it was that members actually were supposed to accomplish--was a bit ambiguous. As it turned out, the team's objectives did change and expand as time passed. On the other hand, the overall corporate direction articulated by Justin was clear, insistent, and inviolate. It provided a compass that members found helpful as they set sail on what turned out to be a choppy sea with often-changing currents.

Life of the Team

Drawing In

In the early weeks of its work, members of the structure team were not much bothered by the ambiguity of the team's charge, or anxious about the long term implications of their work. Attention was focussed on a more immediate concern: what to do about the coordinators. They jumped into the work immediately with relatively little advance planning or preparation.

The team began by vigorously seeking ideas from everybody and anybody in

the company. An open letter went out to all employees seeking their thoughts, and responses were summarized and circulated again to obtain additional comments and refinements. Four task forces were formed from subgroups in the company that had a special interest in the topic (e.g., one subgroup consisted of the coordinators themselves). Each subgroup was asked to prepare a report for the structure team giving its views of what ought to be done.

While individuals and subgroups were preparing their responses to the team's requests, members were doing their own diagnosis of the present strengths and weaknesses of the management structure and delineating the criteria they subsequently would use to evaluate alternative proposals. Sometimes this work was done at headquarters, but members found it difficult to obtain and protect the time needed for their deliberations when they met there. Their most productive work was done off-site. Members remember one all-day meeting as particularly helpful. The morning, they reported, was spent mainly dealing with disagreements among team members, but by the end of the day they had forged a common understanding of the criteria for a good organizational design and felt they had established a foundation for developing their recommendations.

The ideas and suggestions the group received during this period varied in quality--members were dismayed by some, and excited by others. Particularly impressive to them was the report of the coordinators themselves, which showed a commitment to the success of Omega that extended far beyond the coordinators' parochial self-interest. Team members reported that the coordinators' report actually inspired them to try harder to do the best job they could possibly do.

Clearly, the process was working. Team members were working hard and felt productive--despite the fact that meetings were hard to arrange, members were sometimes absent or tardy, and interruptions were the rule rather than the

exception. The main problem members experienced was the sheer volume of input they had received. The team had been flooded with ideas, suggestions, and comments, and it was unclear how they were going to pull them all together.

Pulling Together

An occasion to do that soon appeared. Justin decided to hold a retreat of the entire senior management group at a secluded hotel near Newport Beach. After the main work of the retreat was done and most attendees were relaxing on the beach or golf course, members of the structure team holed up and attempted to draft a first cut at their proposals. The work was difficult but engaging. As Harry later reported:

"The meeting in Newport Beach was key because Jeff gave us...a good framework for discussion, [and] we started putting it down on paper and [writing on] flip charts and talking about the skeletal structure. Some of this came from the [coordinators'] presentation so we had a foundation of information, but we ourselves started really getting into it and testing it."

By the end of the day the team had completed a rough framing of its proposals, and members invited Justin to review what they had come up with. They were excited because they liked what they had developed and were eager to tell Justin all about it. They also were anxious, however, because Justin had left the team to its own devices up to that point. This would be his first exposure to the team's ideas, and members were worried that he might think they had gone off in an inappropriate direction or that their proposals were worthless.

The team's worries were unnecessary: Justin loved the report. Harry:

"I recall Tom's enthusiasm about the effort that had been done so far and his drive for us to continue it. [We recognized] that we were beginning to come together with a recommendation that really would have a meaningful impact for everyone in the organization. [We agreed]: 'We're really getting somewhere on this, let's not slow down now.'"

Soon after returning home, members drafted an outline for a comprehensive

final report which would accomplish the following:

1. Review the history of Omega Systems.
2. Review the process used by the structure team to gather ideas and develop solutions.
3. Set forth the criteria used to design the new managerial roles being proposed.
4. Lay out the new structure in detail, including a new managerial role to be called "team advisor."
5. Give examples of how the new management structure would work, and how team advisors would be selected.
6. Describe a plan and timetable for implementing the new structure.

The team realized that as it finished up its recommendations and moved toward implementation, other directors and division managers would have to be involved more systematically than they had been thus far. Therefore, they established a "liaison system" in which each member had responsibility for keeping two or three colleagues informed about how the work was going and relaying back to the team the reactions and suggestions of those individuals. This, members hoped, would keep everyone in the loop while at the same time maintaining the team's autonomy. They also hoped it would reduce the number of complaints and criticisms the team would encounter when it finally made its report to the rest of the senior managers.

Overall, team members reported, the process looked very much on track as they returned from Newport Beach and began the final push to complete their report.

Coming Apart

Two things happened soon after the retreat that were consequential for the subsequent life and work of the team. One was an expansion of the charge of the group, and the second was marked increase in the team's engagement both with Tom and with the rest of the senior managers. As it turned out, the team's internal processes began to deteriorate rapidly as it took on these new activities.

Expansion of the team's charge. Shortly after the Newport Beach meeting, it was agreed that the group would move beyond its original task of laying out a new management structure: it also would make recommendations about who would occupy which slots in that structure. At one level, this meant deciding who would fill the new team advisor positions, but it also involved reflecting on senior management relationships and responsibilities. Should there be changes in who was responsible for which functional area? Which directors and division managers should work together, and which team advisors should report to them? And, lurking unstated in the background was the biggest question of all: Should the role of president, held by Tom since Reuben's departure some months before, be filled--and if so, by whom?

Such questions were a new and emotionally charged addition to the original mandate of the team. As one member later reflected:

"As you started getting into individuals playing certain roles in the company, having leadership responsibility for different functional areas, [we would say] 'I guess we'd better look into that,' but it created some intense moments...."

For the first time, members of the structure team found themselves in competition with each other for choice leadership responsibilities. Alliances were formed, and jockeying for position occurred behind the scenes. Members perceived and resented that others were seeming to position themselves to become the next president. Moreover, even though Tom insisted that it was the team's job to recommend the best division of responsibilities, he also would tell individual members who he wanted in specific areas. One member reported:

"What would often happen was during the process Tom would have discussions with various people...and then inform the group of this discussion so that we could then move in and say, 'Oh, by the way, here is how we are going to structure the equipment area.' Maybe that was necessary. Maybe the role of the structure group wasn't to go into that area of deciding."

Members had secrets based on their conversations with Tom or with

colleagues that influenced their behavior in team meetings and undermined the process of the group. Senior managers not on the structure team noticed the change, and became increasingly concerned about what was happening. One said, "They were politicized, looking after their own nests." Another: "Harry was using the structure group to feather his own nest. Maybe some others were, too. There were some backroom negotiations going on."

Greater engagement with colleagues. After the Newport Beach retreat, the team emerged from the relative isolation and protection from scrutiny it previously had enjoyed. Most significant for the team was Justin's decision to begin meeting with the team on occasion, a reversal his previous stance of leaving the team alone.

Members found their meetings with Tom both helpful and occasionally frustrating. The meetings were helpful in keeping the team on track, and they reduced the risk that members would spend time and energy developing an idea that was inconsistent with what Justin wanted. But they also were frustrating because he sometimes would change his mind about what he wanted from meeting to meeting. As Andrea reported:

"It was very frustrating because we would have a meeting and reach some consensus among ourselves. Justin would agree to this and then, at the next meeting, deny that he ever agreed. It wasn't presented as 'I was thinking about this and I am now at a different place.' Instead, it was like 'Why did you ever think of doing this thing?'"

Beyond his own increased involvement with the team, Justin suggested that the team begin a series of meetings with the rest of the senior managers-- sometimes with him present and sometimes not--to review and discuss what would be forthcoming in the team's report. These meetings, which occurred even as the team was attempting to complete its report, also brought some new challenges. Andrea continued:

"The directors and division managers were doing the same thing as Tom: buying off and then switching positions. This may have been due to people agreeing because they were so tired by the end of meetings. They were all tough issues and maybe people intellectually could agree and then emotionally it wouldn't feel right."

The process looked and felt different to managers who were not on the structure team. One division manager explained why he and his colleagues kept a watchful eye on what the team was doing:

"They took care of their own interests. 'It's moving along,' they would say. After they finally started talking to us about what they had decided, we sent them back to start over. While it was going on, we didn't have any influence, and we cared."

Some of these problems might have been avoided if the team's "liaison system" for keeping in touch with their colleagues had worked, but it never really functioned. One division manager reported, "They attempted a little to keep me in touch, but it took a lot of effort on my part to make that happen.

Another said:

"The communications deal didn't work. I never even knew who my person was. So I talked to Andrea, Ivan, and made inferences and interpretations based on questions Harry would ask me. I finally realized that Joe was on the group, and we had some good conversations. But by then the framework was already in place, so I just dropped out."

Deteriorating internal processes. Coincident with the change in the team's mandate and with its increased involvement with other senior managers was a marked worsening of the team's internal processes. Meetings, always a problem for the team, became more and more chaotic. Members often were absent or late, and frequently nothing was accomplished even when everyone was there. As Joe noted, things seemed to go better when subgroups met than when everyone was present:

"[There were some] very productive meetings when we got down to two or three of us.... [But] when you got the whole group back together, the work was not accepted by the group. There was a lot of what I would call very substantial progress made when the whole group wasn't there, and it all got unwound again when the group got back together."

The slow progress, disagreements, competitiveness, and distrust exhausted members. When it finally came time to write the report, the group literally fell apart. There were repeated delays and postponements. One member, asked about missed deadlines, responded: "I think there were six. I'm sure there were at least three."

Process difficulties came to a head with the editing and production of the final report, when just about everything that could go wrong in a group did. Some members did not write what they said they would write, and withheld that fact from their colleagues. Individuals lobbied directly with Justin for their position on how the report should be presented after they had failed to convince fellow team members. Some members redid work of others in a way that the original author found wholly unsatisfactory. One member went away for the weekend and came back to discover that the team had changed its recommendations at the last minute in a way that removed him from a responsibility he coveted.

Finally, with first formal presentation of the report scheduled for a Monday, Karen and Andrea stayed up all night Sunday to try to put the report together. They did not finish it, and cancelled the presentation--to the dismay of some of their teammates. The first presentation finally was made Wednesday by Ivan and Harry, but the written document still was not available: while they were presenting, Andrea was at home dictating the final revisions to Karen, who was typing them on the office word processor. Ivan and Harry were supposed to get the names of the people who attended their session so the written report could be mailed to them later. But they forgot to do so.

Although the report itself was generally well-received in the company, the group was literally incapable of further work as a team. As a result, implementation of the group's recommendations stalled. Tom recounts that period as follows:

"The structure group went through a crisis work effort [during that time], they really worked hard and well. They came up with this pretty long and amazing document--the 20 to 30 page communication document. I think that it is a pretty interesting document from lots of points of view; there was a lot of hard work in it. They produced that and once they produced the baby, they all had a case of post-partum blues. They all just stopped working and I don't know whether I consciously allowed that to be the case, or if I was busy on other matters, or whether I thought it was natural for them to have a rest, or whether I felt that it was interesting to see what would happen in implementation. But regardless of the reasons they didn't do anything much and the implementation of the whole structure fell flat on its face....

So I got them together and said, you know, you haven't implemented very much. You've done a great job of putting together a conceptual outline...but you have not been able to organize yourselves or anyone else to implement this stuff effectively.... There has been no transition of leadership from the directors to another leadership group in the company, there has been no real sharing. So you guys have to get back in and really force the process, you have to implement it, teach it, make it clear, follow up on it. So they attempted to get back together again, but they didn't get back together very good."

When members reassembled for the feedback session recounted at the beginning of this chapter, some two months after the structure report had been distributed, they reported that they had met in the interim only a couple of times and had not accomplished much in those meetings. At the end of our feedback process, the group was asked to complete a brief form summarizing how they, as a team, felt about the session and what, if anything, they had learned from it. The structure team was unable to complete the form. In part, it was because of the press of other business. Yet one member declared that even if the group had had a full hour to complete the form, members at that point would not have been able to agree upon a team response.

Conclusion:
The Power of Performance Conditions

Eventually, the new management structure for Omega Systems was implemented. A new level of management was installed, and team advisors were selected and trained to fill the new positions. Work in many functional areas was

redesigned and improved. Justin himself took over leadership of the structure team, added two new members, and subsequently relied heavily upon the group as a sounding board for his ideas about the continuing development of the company. But the group never really recovered from what transpired in the months after the Newport Beach meeting.

What actually happened to the structure team? What accounts for the transformation from such an upbeat beginning to such a disastrous end? It seemed that everyone in the Omega management structure had an explanation. Some blamed individuals, notably Andrea (either for being too strong a leader, or for not being strong enough) or Harry (either for not working hard enough to help bring the final report together, or for working too hard to make sure "his" people were taken care of). Others focussed on group process to explain what happened. Behavior in the team simply ran amok, they said, when the pressure got too intense. Still others said that it was just that members were too busy, that the senior management of the company was trying simultaneously to run and to reorganize a young, fast-growing enterprise, and that was too much for any group of human beings to handle.

All these explanations may have some validity. There is, surely, no single "cause" of the problems the structure team encountered. My own analysis, however, suggests that the root of the difficulties was not the motives or talents of individuals, or the hectic pace of work in the firm, or even the relatively uncontrolled group processes. Instead, the key factor may have been the changes in performance conditions that the team encountered following the Newport Beach retreat. In this analysis, individual and interpersonal behavior are viewed not so much as causes of what happened, but as perhaps-inevitable consequences of it.

Performance conditions changed in two major ways after the retreat. First,

the task of the group changed. Previously, the work had been conceptual and integrative, without special regard for the future roles of individual managers. When the group returned from the Newport Beach, however, members agreed with Tom that they would "get into personalities" (as one member put it). This change reoriented the group: whereas previously individual, group, and organizational goals were nicely aligned (i.e., what was good for one was also good for the others), now there were conflicts between what was best for individual team members and what was best for the collective. What began as an organizational design task became highly politicized when the group's mandate expanded to include recommending changes in senior management roles.

Specific task requirements also shifted as the implementation date approached. The organizing and writing required to produce a comprehensive final report differed significantly from the conceptual work members did in developing their initial framework. In this fast-paced, entrepreneurial organization, senior managers rarely sat down long enough to write anything, let alone a group report. Preparation of a team report is difficult enough when members agree about its content; when they do not, as was the case for the structure team, it can become nearly impossible. And it surely was not accidental that it was the female members of the structure team who finally picked up the pieces--although with considerable resentment that their colleagues' failure to meet their commitments had made that necessary.

The second change in performance conditions was in the relation between the team and the chairman. Once he had given the team its initial mandate, Justin left the team alone to get on with its work. But then, after the Newport Beach retreat, he increasingly involved himself in the team's day-to-day work. Here, in an interview conducted about three months after the structure team's report was finished, is how he described his pattern of involvement:

"It's been benign neglect throughout much of the history of the task force until very recently, when I decided it needed to be a little less benign. I was distant from the task force in the early days. I got closer to it in Newport Beach, and then I dropped out again from then through the completion of the study work which gave rise to the document.... Large amounts of benign neglect were healthy and useful as long as they knew that their direction was in developing stuff--but I had to be careful about when it was appropriate for me to come back in and learn what they learned because I had some new perspectives for them.... Now I am feeling the tactics or the strategy needs more hand holding. More time and attention on my part. I am doing that now. I don't know, six months from now I may say "Boy, they are really in pretty good shape."

Following the retreat, Justin was neither a full member of the group nor an outside authority. Moreover, his degree of involvement waxed and waned, and in ways that could not be predicted--or, sometimes, comprehended, by team members. This kept the group off balance, and tempted members to lobby directly with him about matters they were not able to negotiate successfully within the team. This temptation was impossible for some members to resist, given the enormously high personal and political stakes.

Some of Justin's time with individual team members was spent discussing their own leadership abilities, or exchanging views about the strengths and weaknesses of other senior managers. While he did not fully delegate the task of making recommendations about leadership assignments to the team, neither did he explicitly assume this responsibility himself. His behavior on this matter was somewhat erratic which, given the sensitivity of the topic, intensified conflicts and political dynamics within the team. Most importantly, however, the change in Justin's role tended to undermine members' feeling of authority, responsibility, and accountability for their own work. As Joe reflected:

"It wasn't our task to make the decisions, the way I saw it.... In practically all cases, there was a lot of dialogue with Tom and I think that was his intention. The task force was not put together to resolve a problem, [with him getting only] a broad brush overview, and then let it get implemented and evaluate us on how it worked out. Ultimately, he takes responsibility for the whole process because he is the final arbiter of all decisions. I think

it was more of a training session for us, he would let us go away for a week at a time to see what we could do on our own, without him being there."

Thus, Justin initially used his authority to specify desired ends or objectives, leaving decisions about the means that the team would use to achieve those objectives almost entirely up to the members. Early on, Justin provided the team with some leeway to interpret its objectives, as long as the team's recommendations remained aligned with his vision for the company. He used his authority to make sure that team deliberations fit the strategic direction and values of Omega Systems. Late in the life of the team, however, Justin also began to exercise authority about means--the details of what the team was doing and how it was doing it. As he intervened more actively in the day-to-day decision-making of the team, members viewed their own inputs as less critical, and took their own roles on the team less seriously. As would be expected from the research literature on team empowerment and self-management (e.g., Cohen, 1988; Hackman, 1986), team members' feelings of collective responsibility for the work diminished, and they no longer felt quite so urgently that the ultimate fate of the restructuring activity was in their hands. And this, of course, made it possible for other pressing business to take priority over structure team work, and for undisciplined behavior to spread in the group at precisely the time in the team's life when discipline was most needed.

The problems the Omega Systems structure team encountered did not have to be as destructive as they were to the team, its work, and its members. If, for example, members had invested in building the team into a cohesive unit with strong, shared norms early in its life, they might have been able to handle the tensions that accompanied the subsequent expansion of the team's mandate. And they might have been able to deal more coherently and competently with Justin's

powerful interventions following the management retreat. But such investments were not made. Members never took time to tend to the development of the team as a performing unit. Such matters did not seem to them pressing early in the group's life when they most effectively could have been addressed. Things were, after all, going relatively smoothly back then. Developing the team as a performing unit was always deferred until "later." When "later" finally did arrive, it was by then too late for team to recover.

Footnotes

[1] The names of the organization and the team members have been changed, as have certain other details, to protect the anonymity of the participants.

[2] Richard Hackman participated with me in the research and the feedback session.

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