RESEARCH

How to Kill a Team's Creativity

Diversity, cohesiveness, and autonomy might seem critical to group innovation. But don't take them too far.

by Rajesh Sethi, Daniel C. Smith, and C. Whan Park

The story is all too familiar: A team that's been batting a thousand suddenly strikes out. Consider the hypothetical case of CerealCo. The company secures a foothold in the breakfast foods niche with a plain but profitable line of low-sugar products and a commitment to continuous improvement. Now, senior executives want to duplicate their success in snack foods. Realizing that CerealCo lacks the marketing muscle to squeeze a copycat product into the crowded snack food market, senior management reassembles the cross-functional product development team responsible for its previous brand-extension initiatives. The task: Innovate. Devise a unique snack food that will seize market share by sheer distinctiveness and appeal.

The development team is made up of experts from marketing, market research, manufacturing, product development, sales, purchasing, and finance, all of whom have worked well together before and have formed close relationships. Once senior managers bring the team together, they consciously and conspicuously back off, allowing the group to get to work.

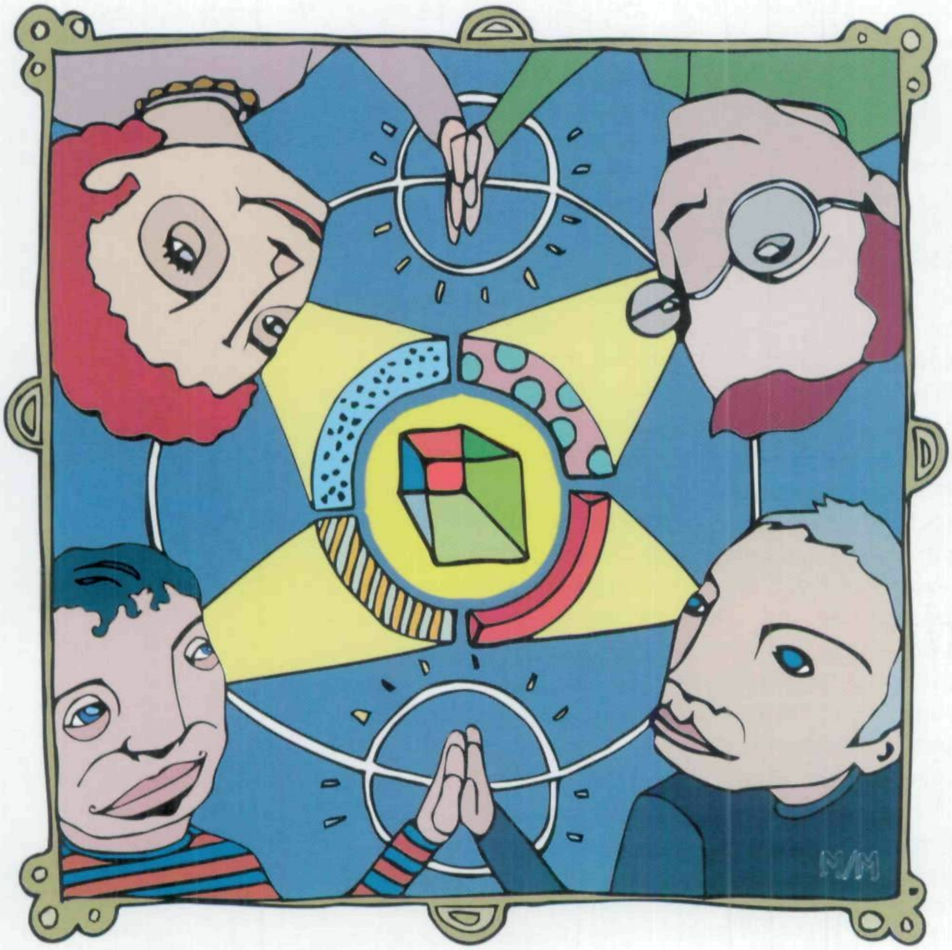

ILLUSTRATION: MICHAEL MILLER

Six months later, beset by false starts and dead ends, the team has little to show for its efforts. The development methods that had proved so effective in cereal brand extensions aren't working. Frustrated by the group's failure to break new ground, management decides to pull the plug and start from scratch. What went wrong?

Kindling Innovation

Our recent study of what makes cross-functional teams innovate well suggests some answers. We surveyed 141 project managers who had led major new-product initiatives in a diverse array of consumer products industries. What we found challenges some closely held notions about the roots of creative teamwork.

Many managers, for instance, believe that cross-functional diversity provides the variety of perspectives and ideas essential to creative thinking. But we found that merely including people from a large number of functional areas on a team doesn't improve its innovativeness. In fact, we saw no significant differences in innovativeness between teams with as few as two functional areas represented and those with as many as 11. While more ideas may come to the table as diversity increases, team problem solving gets harder. Information overload can bog down the process, canceling out the benefit of having more perspectives and ideas to work with.

Another reason that high functional diversity doesn't translate into increased innovativeness is that team members often hold deep-rooted functional allegiances that can compromise their ability to identify with a new team. Having a strong "superordinate identity" – a sense of belonging to the team and having a stake in its success – encourages team members to find novel connections among their diverse perspectives. And this is the grist for innovation.

The strength of interpersonal ties among team members also influences innovativeness – but not in the way that many managers think. Candid debate is critical to the process of innovation. Yet high social cohesion among team members can actually suppress the forthright exchange of opinions. Highly cohesive groups focus more on maintaining relationships and, thus, tend to seek concurrence. Our study found that as social ties among members of a cross-functional team intensify, the innovativeness of its new product diminishes.

We also found that management has an important role to play in promoting the innovation of teams. In our study, teams encouraged by management to be venturesome came up with the most innovative products. These teams were invited to deviate from routine problem-solving approaches and pursue untried ideas – in contrast to teams expected to embrace continuous improvement practices that build incrementally on established product development strategies.

Finally, our study challenged an article of faith about management oversight. Conventional wisdom promotes hands-off management, presuming that a team under the magnifying glass will be inhibited, but we found the opposite. Within limits, close monitoring by senior management signals to team members and the rest of the company that their project is important. This is a powerful motivator, enhancing the team's creativity. It also makes organizational resources more available to the team because it's hard not to cooperate with a team that is visibly on management's radar.

Risky Business

Returning to our stalled snack food team, what could management have done differently to get the innovative output it was after? For starters, it might have cut back on the number of functional areas represented to minimize information overload and help the team crystallize its own identity. Managers also should have salted the group with some unfamiliar faces, to lower the social cohesion that can inhibit creative work. Finally, management should have made it clear that it expected to see experimentation and risk taking – not continuous improvement – and then should have publicly followed the team's progress, to keep it in the spotlight.

As the social ties among members of a cross-functional team intensify, the innovativeness of its new product diminishes.

While our research suggests some general principles for fostering innovation in cross-functional teams, the adage "All things in moderation" applies. Clearly, too little social cohesion can be as inhibiting as too much, managerial oversight must strike a balance between neglect and excessive control, and so on. But our research shows that managers do need to challenge some dearly held assumptions about what makes for the most creative teams and perhaps take more risks themselves.

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