



The Five Dysfunctions of a Team

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“Not finance. Not strategy. Not technology. It is teamwork that remains the ultimate competitive advantage, both because it is so powerful and so rare.” With that recognition, Patrick Lencioni identifies the five dysfunctions of a team, and by corollary, the five characteristics of a highly effective team. Lencioni utilizes a fictional business metaphor to communicate his team building paradigm. He illustrates the team building model through the business challenges being faced at Decision Tech, Inc. The Decision Tech team experiences a dramatic turnaround as the team morphs from dysfunction to health. In the end, he concludes the book with a summary of the team work principles illustrated in the story.

Section One – Underachievement

Central to the story is Kathryn Peterson, the surprising selection as the new CEO of Decision Tech. Decision Tech, a typical technology company located just outside of San Francisco, launched with incredible fanfare – a talented executive team, a surplus of capital, and talented engineers. However, the company experienced a number of early disappointments. As morale declined, key employees began to move on to other opportunities. In spite of decided advantages, the company was not making adequate progress and Jeff Shanley, the young founding CEO, was asked to step down from the top job to lead the business development effort. No one was surprised by this move. Under his leadership “the atmosphere within the company had become increasingly troubling.” Though initially encouraged, a collective shock settled on the organization when Kathryn was named to the senior leadership post.

What was wrong with Kathryn? She was too old. She was blue collar, not Silicon Valley. Her MBA from Cal State Hayward was hardly prestigious. Though her resume was suspect, Decision Tech was in a compromised position and higher profile executives were not interested in the position. Kathryn was equally surprised to be offered the position. But in his personal interactions with Kathryn, the chairman learned that she had what Decision Tech desperately needed – she was an effective team builder.

Her first days on the job included informal interactions with people all around the organization, attending and observing meetings, and scheduling a series of two-day offsite meetings for the executive team. These early days exposed the fact that she had inherited a truly dysfunctional team. The executive team was referred to by the employees as “The Staff.” Meetings of The Staff had no open conflict, but were characterized by a low grade tension. Though most were well-intentioned individuals, The Staff was not an effective team.

The Staff

Jeff Shanley – former CEO, now head of business development, a natural networker who was effective at raising money and recruiting talent, but management was a different story.

Michele “Mikey” Bebe – head of marketing, known as a brand building genius, but the least popular person on the Decision Tech team.

Martin Gilmore – head of engineering and the designer of the Decision Tech flagship product. His lack of engagement had become an irritation to the others on the team.

Jeff Rollins (JR) – a prototypical sales person who rarely followed through on commitments.

Carlos Amador – a very engaged, thoughtful contributor. Though his customer support role was not “fully developed,” he took responsibility for product quality.

Jan Mersino – as CFO, she was a key player at Decision Tech – a company with plans to go public.

Nick Farrell – his undefined role didn’t match his impressive title – COO. Given the company’s slow start, he had little meaningful day to day work. He saw himself as the only executive on the team with the ability to take over the CEO role.

Section Two – Lighting the Fire

Kathryn’s first leadership opportunity came in the form of an e-mail. Martin’s note to the entire executive team communicated that a customer opportunity would keep he and JR from being able to attend the upcoming off-site. Resisting the temptation to hit the “reply all” button, Kathryn walked immediately to Martin’s office and congratulated him on the new customer opportunity. She continued by saying that he would need to reschedule the meeting so that it would not conflict with the off-site. Martin challenged her priorities, but she assured him that this was an important use of their time.

Martin continued his attempts to excuse himself from the off-site by getting Jeff to confront Kathryn on his behalf. She anticipated the maneuver and was prepared to assure Jeff that both he and Martin needed to be at the off-site and that the customer opportunity would still be there after the meeting.

Jeff employed a familiar tactic when he appealed to the Chairman of the Board for support in his interactions with Kathryn. The chairman challenged her to build bridges before starting fires. She assured him that her actions were thoughtful and intentional. The process to fix Decision Tech would be painful for everyone involved. If the board needed her help, then they needed to give her the space necessary to do her job. Though surprised by her direct manner, the chairman assured her that she had the board’s support.

Once everyone arrived in Napa for the off-site, Martin being the last to enter the conference room, Kathryn set the stage for their time together. “We have a more experienced and talented executive team than any of our competitors. We have more cash than they do. Thanks to Martin and his team, we have better core technology. And we have a more powerful board of directors. Yet in spite of all that, we are behind two of our competitors in terms of both revenue and customer growth. Can anyone tell me why that is?” For Kathryn, the answer was simple – “we are not functioning as a team.” The off-site had one ultimate purpose – to build a team that achieves results.

Kathryn utilized a simple tool for diagnosing the functionality of the team. The first thing that must be dealt with is the “absence of trust.” To cultivate greater trust, she had everyone tell their “personal histories” – five personal questions. Hometown? Number of kids in the family? Interesting childhood hobbies? Biggest challenge growing up? First job? In less than an hour, the team became much more cohesive and at ease. The next team building tool utilized by Kathryn was the Myers-Briggs Type Indicator.

Later that evening over pizza and beer, Nick observed that the personality assessments were very accurate. Mikey, who had been somewhat removed from the conversation, rolled her eyes. Normally this would have been ignored by the team, but a new candor was emerging. Kathryn didn’t want to bring an artificial conclusion to the conflict that ensued. Eventually, Mikey exposed her overall disgust with the “psychobabble” that had been the focus of the day. “While we are talking about personalities, our competitors are out there kicking our asses.” Clearly, Mikey’s inability to trust her teammates has been and will continue to be a problem.

Day two of the off-site began with the framing comments that Kathryn had shared on day one – “we have experience, talent, cash and technology and yet we are trailing at least two of our competitors. Our job is to produce results.” After a lengthy review of the day one material, Kathryn introduced an important step in the trust building process. They would demonstrate vulnerability by sharing their greatest strength and weakness in terms of their contribution to the future success of Decision Tech. Almost everyone made a meaningful contribution to the conversation, even Martin. Only Mikey continued to be disconnected from the process.

When the group returned from a break, Kathryn introduced a new concept. The ultimate problem with dysfunctional teams is an “inattention to results.” Poorly functioning teams are populated by individuals who seek recognition and attention at the expense of corporate results. Great teams work together for the greater purpose of winning. Team work is a competitive advantage given the fact that most teams are collections of individual performers. Effective teams find ways to work together to accomplish the results that lead to outstanding profits.

Kathryn led the team in a brainstorming session to determine the kinds of actionable results that lead to the ultimate outcome, profitability. They identified a list of seven monthly

measures that would move them in the direction of greater profitability. The market awareness or PR measure came under particular scrutiny. Mikey defended the performance of her department suggesting that marketing was performing at a high level. Carlos wanted to say that “if the company is failing, then we are all failing.” Instead, Mikey’s defensiveness brought the conversation to an abrupt halt.

Kathryn revived the meeting by clarifying the meaning of focusing on results – “I’m talking about everyone adopting a common set of goals and measurements and then actually using them to make collective decisions on a daily basis.” Though surprised she had to work through such basic information, Kathryn reminded the team that they were each responsible for product development, customer service, and finance. She also decided to expose the political nature of the executive team. Many bristled at the use of the “P” word. Mikey, sensing an opportunity to take the new boss down a notch, jumped into the political debate. “To make that kind of assessment so soon after joining the team is careless.” Kathryn clarified the meaning of politics – an environment where people choose their words and actions based on how they want others to react rather than based on what they really think. Martin summarized everyone’s thinking, “OK, we’re definitely political.”

JR, becoming defensive in the process that was exposing everyone’s accountability in the poor performance of Decision Tech, asked, “Why don’t you just give us the remaining three dysfunctions so we can get on with it?” This was an attack on the process, not curiosity about the model. Kathryn responded to the attack with maturity and communicated the remainder of her team model.

The model evaluates a team on the basis of trust, conflict, commitment, accountability and results. An “absence of trust” causes the team to operate from self-protecting invulnerability. This leads to a “fear of conflict” which results in artificial harmony. Artificial harmony is evidenced by a “lack of commitment” to team decisions. This creates an atmosphere of ambiguity which enables the team to “avoid accountability.” A lack of accountability gives birth to low standards. The bottom-line is that a dysfunctional team is “inattentive to results.” Individuals are more concerned with status and ego than producing outstanding results as a team. Remarkably, Mikey’s resistance diminished as Kathryn unpacked the model. Just before the final break, she shocked everyone by stating, “This actually makes sense.”

To make the most of the final two hours of the off-site, Kathryn asked, “which would you rather do – attend a meeting or watch a movie?” No one opted for the meeting. Why are movies preferred over meetings? Everyone agreed - meetings are boring. Movies are interesting. “What do movies have that meetings don’t?” Movies have plot, characters and conflict. Kathryn assured the team that they would have to learn how to make constructive conflict part of their team meetings.

To assist them in the process, she invited them to finish the off-site by identifying an overarching goal for the year. Everyone put their personal focus on the table. Carlos attempted

to end the conflict by suggesting that they have more than one over-arching goal. Kathryn responded, “If everything is important, then nothing is.” After a vigorous, effective debate, the team determined that the most important common goal for the next few months would be the acquisition of new customers – 18 by December 31. With that, Kathryn ended the off-site. Much had been accomplished, but there was heavy lifting yet to be done.

Section Three – Heavy Lifting

An uncomfortable atmosphere rested on the office following the off-site. To Kathryn it seemed as if people wanted to pretend the openness of the time in Napa had never happened. Inevitably, real world issues will work to undue or embed the new team behaviors that were learned at the off-site. The issue came in the form of a called meeting – Nick called a meeting to discuss a potential acquisition. “We need to acquire Green Banana, a technology firm in Boston. We would get their 20 customers, their 75 employees and their product line.” When Kathryn questioned the timing of the move, Nick shot back that this decision has nothing to do with team building and that she should leave it to the people who understand the technology industry. This public contempt was met by a kind, but strong response from Kathryn. “Would you like to have this conversation with everyone present or one-on-one?” Nick opted for a private meeting in which he exposed his true motive. He needed something to do. His career was being jeopardized by his association with Decision Tech. This is exactly what Kathryn had confronted in her team training. “The team’s success must take priority over your personal success and if it can’t, then perhaps...” “What? I should move on. Maybe I will.”

At the regular staff meeting later that day, Nick surprised everyone by apologizing for his outburst in the morning meeting. He transparently communicated that he was bored and felt underutilized. “But,” he continued, “I am not ready to move on. I am ready to do whatever I need to do to make this team successful.” With that, Kathryn communicated that J.R. had resigned. He said the reason was his dislike for the time being wasted at meetings like the one in Napa. However, it was widely known that he did not sell effectively without the support of an established brand. In the conversation that followed, Nick stepped up into the vacated sales leadership position. Maybe this team would become effective after all.

Computer problems led to Kathryn’s next big issue with her team. It was obvious that Jan had violated the confidentiality of the off-site discussions in her communications with her IT team. Kathryn wasn’t concerned about the communication with the IT team as much as she was about the lack of loyalty to the leadership team. She began the second off-site with her now infamous speech – “We have more talent, money, technology than our competitors and yet we lag behind in the market place. This team must work together to produce results consistent with our potential.” The next thing she communicated was a question – “to which team do you feel the greatest loyalty – this team or the team with your direct reports?” Everyone immediately recognized that they were more loyal to their direct report teams than the executive team. “This has to change if we are going to build an effective team – this is your *first* team.”

Carlos remarked that we may be making progress, but big issues were being unattended. Why is Decision Tech so “engineering heavy?” Martin immediately responded with frustration and exposed his personal desire to protect his reputation. Everyone on the team recognized that personal reputation often became more important than producing results. Surprisingly, Martin set the pace and put his organization on the board, literally. The team was impressed with the structure of his group and the work they were accomplishing. After an energetic give and take, one in which no one was bored, something amazing happened. A solution emerged, and everyone had weighed in on and had bought in to the plan.

After a break, Kathryn asked Nick to lead the team in a review of the issues that will enable them to commit 18 new customers. Martin had everything in place for product demos. Carlos had been very helpful in accomplishing Martin’s goals, but simply had not been effective in accomplishing his own priority – to put together an analysis of the competitive landscape. Carlos commented that he had been hindered by the fact that others were unavailable. This time the team did not let him off the hook. Kathryn assured them that a team built on trust would hold teammates accountable, even teammates that are helpful and likeable.

Nick wanted everyone to attend sales training. Mikey rolled her eyes, again. Mikey then gave everyone a look at the new marketing material. Nick was frustrated that his sales team had not been consulted. Mikey, enjoying the way people were impressed with her work, condescended to Nick by saying that his team could give their opinions, but she knew what she was doing and her work did not need to be questioned. With that Kathryn knew she had to take action. Everyone but Mikey was dismissed for an extended break.

Kathryn went straight to the point with Mikey – “You are not making the changes needed to be an effective part of this team. You are more concerned about your individual reputation and individual contribution than you are the effectiveness of this team.” Mikey was shocked, then angry. Eventually, she made a severance demand. Kathryn was glad to accommodate her demands, but responded wisely by saying “I will see what I can work out.” When the team returned, they were shocked to learn that Mikey was gone, but recognized that they could continue their work more effectively without her. Yet, the departure of an employee always caused a degree of mourning and self-doubt for the rest of the team. Kathryn, a seasoned leader, created an opportunity for people to communicate their feelings and concerns. Kathryn assured them that she had asked Mikey to leave precisely because she didn’t want to lose anyone else on the team. If she continued to tolerate the behavior that undercut the team, she would eventually lose those who were ready to work hard to accomplish results together.

Section Four – Harvest

At the final off-site, Kathryn asked for everyone to review the team building model:

- Absence of Trust leading to Lack of Vulnerability

- Fear of Conflict leading to Artificial Harmony
- Lack of Commitment leading to Ambiguity
- Avoidance of Accountability and Low Standards
- Inattention to Team Results

“How are we doing?” The team felt good about their progress. The biggest challenge in the future would be accountability. Would they do the difficult work of holding each other accountable to the team goals and desired results? Kathryn assured them that much work was still ahead, but that they were headed in the right direction.

THE MODEL

Patrick Lencioni illustrates his model with a pyramid. A dysfunctional team is built on an unstable foundation – lack of trust – and is ultimately exposed by its inattention to results.



An absence of trust undermines the team’s ability to engage in constructive conflict. Without healthy conflict, teams don’t make solid commitments to plans and decisions. Where there is ambiguous commitment, there will also be unclear accountability. No accountability leads to an inattention to results. Therefore a healthy team is built on a commitment to deliver results and each person on the team is ready to be part of a network of accountability for those results. Knowing that they will be held accountable, they make sure they are committed to the decisions that are made by the team. That commitment is the by-product of healthy,

vigorous debate and conflict. Conflict comes as a result of a carefully cultivated environment of trust.

At this point, you may be asking, “is my team dysfunctional or healthy?” The Team Health Checklist below will help you diagnose the relative health of your team.

| Dysfunctional Team | Healthy Team |
|---|---|
| Absence of Trust: <ul style="list-style-type: none"> ○ Conceal weaknesses and mistakes ○ Hesitate to ask for help or offer constructive criticism ○ Hold grudges ○ Dread meetings ○ Find reasons to avoid spending time together | Trusting Teams: <ul style="list-style-type: none"> ○ Admit weaknesses and mistakes ○ Ask for help ○ Accept questions and input about their areas of responsibilities ○ Give the benefit of the doubt ○ Focus on results, not politics ○ Offer and accept apologies without hesitation ○ Look forward to meetings and other opportunities to work together |
| Fear of Conflict: <ul style="list-style-type: none"> ○ Team meetings are boring ○ Back channel politics and personal attacks are permitted ○ Ignore controversial topics ○ Waste time posturing and managing personal risk | Healthy Conflict: <ul style="list-style-type: none"> ○ Have lively, interesting meetings ○ Extract and exploit the ideals of all team members ○ Solve real problems quickly ○ Minimize politics ○ Put critical topics on the table for discussion |
| Failure to Commit: <ul style="list-style-type: none"> ○ Creates ambiguity among the team about direction and priorities ○ Watches windows of opportunity close due to excessive analysis and unnecessary delay ○ Breeds lack of confidence and fear of failure ○ Revisits discussions and decisions again and again ○ Encourages second-guessing among team members | Strong Commitments: <ul style="list-style-type: none"> ○ Creates clarity around direction and priorities ○ Aligns the entire team around common objectives ○ Develops an ability to learn from mistakes ○ Takes advantage of opportunities before competitors do ○ Moves forward without hesitation ○ Changes direction without hesitation or guilt |
| Avoiding Accountability: <ul style="list-style-type: none"> ○ Creates resentment among team members who have different standards of performance ○ Encourages mediocrity ○ Misses deadlines ○ Places an undue burden on the team leader as the sole source of discipline | Effective Accountability: <ul style="list-style-type: none"> ○ Ensures that poor performers feel pressure to improve ○ Identifies potential problems quickly by questioning one another’s approaches without hesitation ○ Establishes respect among team members who are held to the same high standards ○ Avoids excessive bureaucracy around performance management and corrosive action |
| Not Focused on Results: <ul style="list-style-type: none"> ○ Stagnates/fails to grow ○ Rarely defeats competitors ○ Loses achievement-oriented employees ○ Encourages team members to focus on their own careers and individual goals ○ Is easily distracted | Collective Results: <ul style="list-style-type: none"> ○ Retains achievement-oriented employees ○ Minimizes individualistic behavior ○ Enjoys success and suffers failures acutely ○ Benefits from individuals who subjugate their own goals/interests for the good of the team ○ Avoids distractions |

According to Lencioni, “Teamwork ultimately comes down to practicing a small set of principles over a long period of time. Members of functional teams overcome the natural tendencies that make trust, conflict, commitment, accountability, and a focus on results so elusive.”

Facilitated Discussion Questions:

1. What did you like best about this book?
2. What questions or concerns were raised by the book?
3. What did you find most surprising by Kathryn’s leadership of the Decision Tech team?
4. Read through the “Team Health Checklist.” Put a check by the statements that best describe your team. How many “healthy team” characteristics did you identify? How many “dysfunctional team” characteristics did you identify?
5. Build trust by having everyone share the greatest strengths and weaknesses that they bring to the team.
6. What is one specific step that you can take in building a healthy, functional team?