



EXECUTIVE BRIEF

# The Team Network Effect™

*How Precision Collaboration Unleashes Productivity*



## FOREWORD

For the past 25 years, I have studied collaboration and teaming across over 300 organizations. One thing stands out to me from this work: if you ask people about the times in their careers when they were thriving, you will undoubtedly hear them say—in one way or another—*it was the team I was on.*

These teams created highly energized contexts of work in which people felt purpose in their lives, not just from the work, but from the way they worked together. These stretches also often entailed substantial points of professional and personal growth. And they frequently produced significant accomplishments people were proud of and that also launched them on successful career trajectories.

In contrast, ask the same people about the worst stretches in their careers—times when they dreaded engaging in work, stretches in which they were overworked with back-to-back meetings and unending emails that left them highly stressed and burned out, points when they felt deenergized with little sense of purpose in the work—guess what they tell you? Very often the answer is: *it was the team I was on.*

This dichotomy of experiences is driven in part by conventional approaches to forming and building teams that do not serve us well in today's hyper-connected world of work.

But what is also clear is that many teams thrive, and they do so not through heroic leadership, but through working together differently. They are far more intentional about ways they are collaborating, and this generates networks inside and outside of these teams that are the true source of performance and engagement.

The Institute for Corporate Productivity's (i4cp) research on teams was undertaken to aid i4cp members in addressing the need to improve team effectiveness. As we will show, the results attained from practices that enable teams to collaborate more precisely are more than worth the effort economically. These practices will also create workplaces in which employees thrive.

And the good news is that obtaining these results does not require a massive investment of time or money. Rather, it is accomplished by helping teams work and collaborate differently in today's hybrid world of work. We hope you enjoy reading this report as much as we have enjoyed producing it for you and look forward to your feedback and refining these ideas together.



**Rob Cross**

Edward A. Madden Professor  
of Global Leadership, Babson College  
SVP of Research, i4cp

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## INTRODUCTION

# The Team Network Effect™

### *How Precision Collaboration Unleashes Productivity*

When it comes to the subject of teams, one basic tenet is true: teams are the primary vehicle through which most organizations create value.

This is not a new revelation. Corporations have long recognized the incredible power of effective teamwork in the success of their organizations—the first studies on the concept of workplace teams occurred in the 1920s. The research was led by Elton Mayo, an organizational theorist and pioneer of social experiments dealing with employee behavior. Among Mayo's findings was that workers are motivated by social and relational forces (Anteby & Khurana, n.d.).

EXECUTIVE BRIEF: Learn more about the full report at [i4cp.com](https://www.i4cp.com)

But what Mayo overlooked was the critical role of external connections (within the organization) in enabling teams to scale. In today's more agile ways of working, these external interactions are what provide the more successful teams with a multiplier effect.

Yet, despite a century of recognition of the role and importance of teams in organizational success, most still underperform. This simple fact is responsible for significant productivity and performance loss in organizations worldwide, even though most leaders understand that improving team performance can have dramatic impact. According to our research, the average team could increase productivity by an astonishing 39% if they improved collaboration.

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Part of the problem is how workforce performance is typically managed. Most organizations focus on recognizing and rewarding performance at the individual level as opposed to the team level, even though employees work mostly in teams.

Compounding the issue, most leaders are not trained on how to manage and optimize team effectiveness and are much more comfortable providing individual feedback rather than focusing on understanding and improving team dynamics.

However, one thing is clear. The few that get it right reap huge rewards. For example:

- A global professional services firm studied by i4cp found that improving collaborative practices in certain revenue-generating teams propelled them from the lowest quartile of performance to the middle of the pack. That change alone resulted in an estimated 54% improvement in profit per partner.
- Roche, a Swiss multinational healthcare company, found that efforts to increase geographic and cross-functional collaboration across teams in 89 countries reaped a direct revenue impact of \$500 million in less than two years—a figure that's likely underestimated because it only included teams for which financial impact could be measured.

These examples and countless others demonstrate the rapid impact improving team effectiveness can have on organizations' financial performance.

Most leaders are not trained on how to manage and optimize team effectiveness.

We define *precision collaboration* as intentional behaviors that create high-quality connections that generate efficiencies and energy. These behaviors improve team effectiveness and ultimately the organization's market performance.

**Next Practice Definition:**

A *next practice* is defined by i4cp as one that analysis shows strong positive correlation to bottom-line business impact, but is not yet widely adopted .

## Root Cause: Collaborative Dysfunction

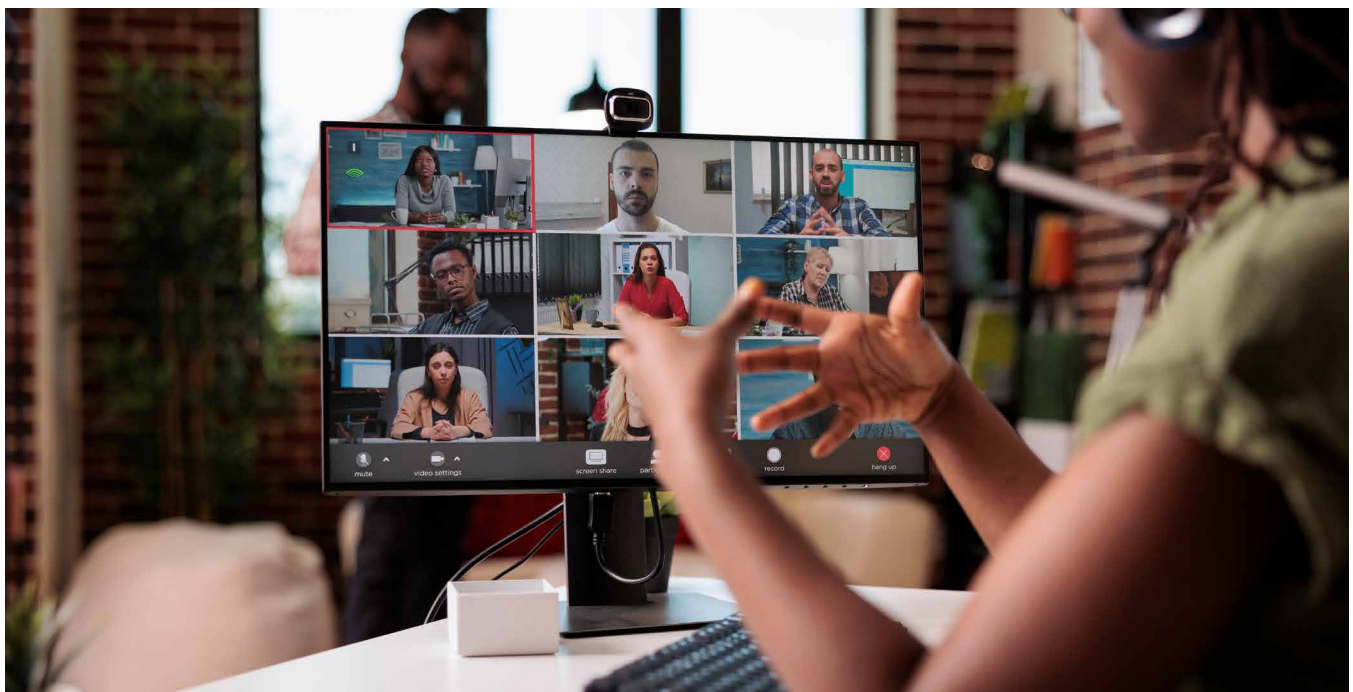
A major finding of this study on team effectiveness is that most underperforming teams suffer from a common ailment: collaborative dysfunction. In fact, our research showed that eight in 10 teams fell into one or more of six dysfunctional patterns of collaboration that dramatically impacted performance (see page 12).

Regardless of whether they meet in-person, in a hybrid environment, or virtually, the most effective teams employ precise collaborative practices to improve their relationships within the team and across the enterprise via their networks.

Our research shows that the effect is quite clear: the relationships within and across teams have the power to ameliorate collaborative dysfunctions, improve productivity, and have positive overall impact on organizational performance.

We are calling this discovery the **Team Network Effect™**—the employment of *precision collaboration*—intentional behaviors that create high-quality connections that generate efficiencies and energy. These behaviors improve team effectiveness and ultimately the organization's market performance.

Based on more than 200 interviews, a series of in-depth case studies, and a global survey of 1,506 individual participants, this report explores precision collaboration, and best and **Next Practices** (see sidebar definition) that drive optimal team effectiveness and high market performance.







## SAMPLE KEY FINDING FROM THE FULL REPORT

# Eight in 10 Teams Underperform Due to Collaborative Dysfunctions

Astonishingly, i4cp's research found that 80% of teams fall short of reaching their full productivity potential due to collaborative dysfunctions. Generally, these challenges are two-fold and are related to internal team dysfunction as well as resistance or constraints to collaborating with others outside the team. For example:

- One leader i4cp interviewed said that their organization recognized redundancies in processes across different regions only to realize that this occurred because its various teams were geographically isolated and not learning from one another.
- An HR leader—this one in the financial industry—described struggling against a pervasive culture that rewarded individual achievement, often promoting so-called brilliant jerks, ultimately hindering team trust, cohesion, and success.
- A healthcare company leader recounted that their organization recognized that if they found ways to improve the way new staff members were integrated into healthcare teams in which nurses and physicians continually rotate through, patient care would in turn improve.

Understanding and recognizing the underlying factors behind these dysfunctions can help empower leaders to take decisive steps toward enhancing team dynamics.

Years of organizational network analysis have pinpointed six critical dysfunctions that stifle team performance.

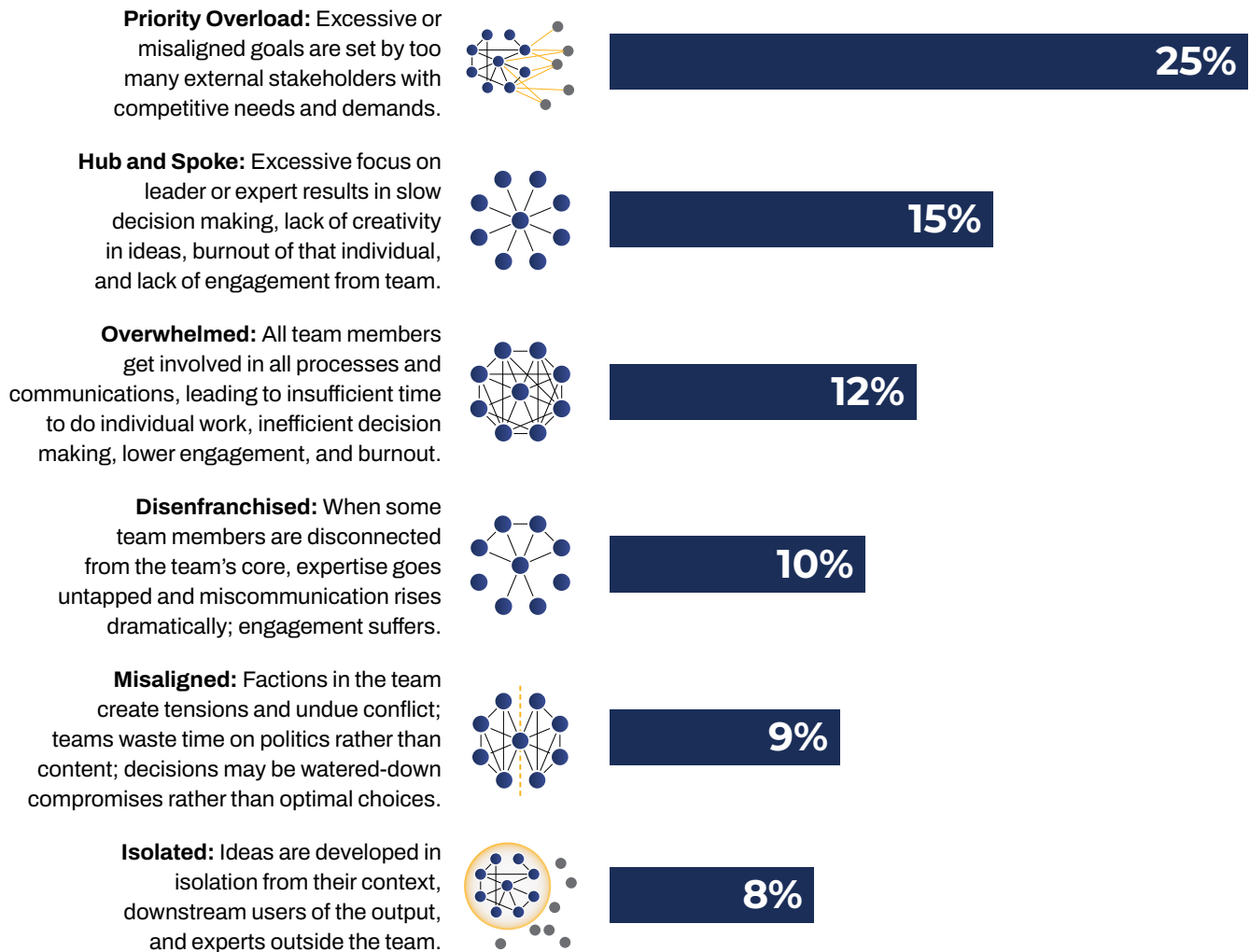
While these dysfunctions are often complex and multifaceted, our work led us to identify six common pitfalls.

## The Six Snares: Unraveling Team Dysfunctions

Years of organizational network analysis have pinpointed six critical dysfunctions that stifle team performance (Cross & Carboni, 2020).

Contrary to the common belief that leadership flaws are the sole culprits of team failures, our research sheds light on a variety of underlying causes, including talent, workflow, cultural, and structural inadequacies. Understanding and recognizing these factors can help empower leaders to take decisive steps toward enhancing team dynamics.

Which of the following patterns best describe your team?



Data represents those from organizations employing >1000 people.  
 Source: *The Team Network Effect™* (2024), i4cp.



## The Most Common Dysfunction: **Priority Overload**

Priority overload is the most frequent dysfunction to negatively impact team productivity. Characterized by a barrage of conflicting demands from external stakeholders (i.e., those outside of the team, but inside the organization), this dysfunction is primarily fueled by uncoordinated requests from influential figures.

## The Most Toxic Dysfunction: **Misalignment**

While any dysfunction contributes to holding back team potential, misalignment stands out as the most detrimental. Our analysis found it had the most significant impact on team effectiveness compared to any other dysfunction. Underperforming teams are often plagued by internal discord and conflicting factions. A lack of trust among team members, competitive posturing over collaborative problem-solving, and insufficient leadership in structuring team tasks often serve as root causes.

While any of the six can derail a team, our survey found that a mere 21% of respondents reported that teams in their organizations stand out for their remarkable immunity to these common collaborative dysfunctions. What distinguishes this small group is precision collaboration—intentional strategies and behaviors leveraged by teams that allow them to capitalize on the Team Network Effect™ to increase team effectiveness and ultimately the organization's market performance.

Doing so proved to be an important focus for Switzerland-based pharmaceutical company, Novartis, which as an organization has invested significantly in technology, organizational development, and agile work methodologies with the intent of accelerating the drug development processes and ensuring high quality standards.

They achieved success across a range of functions, locations, and expertise domains. Yet at the same time, the shift to a more networked enterprise created collaboration pinch-points related to roles, processes—and sometimes people—that could slow innovation, hurt engagement, and drive inefficiency.

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The company's leaders recognized the criticality of these relationships, and their story is a happy example of an organization that successfully diagnosed and addressed the pain points of teams. They saw more than a group of individuals with a shared purpose. They saw networks of relationships.

"Focusing on these critical points in the team enabled me to be far more specific in making improvements than other models of teaming," said a senior leader on Novartis' Neglected Tropical Diseases. "We are of course not done with the work. But the network perspective enabled rapid progress."

The network analysis of this leader's team, which had more than 50 members at one point in the development process, reaped a variety of successful interventions, one of which focused on speeding up inclusion of new colleagues brought onto the team. Newcomers received tools and coaching to help them more rapidly earn trust from the rest of their team in their expertise and learn ways to partner with teammates, who could pull them into important work. In select cases, paired staffing projects also helped to pull new teammates into the fold.

"We are trying to create a network of colleagues to deliver this highly complex medicine. So, being able to visualize gave us hints on what we were doing right, and what needed to change. The network analysis showed me and the team individuals who were outside the network whom we had to bring back as well as areas where overlap in people and team responsibilities made things inefficient," the leader said.

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# The Team Network Effect™

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Full report available exclusively to i4cp members, featuring:

- In-depth analysis of additional study findings and real-world success stories featuring i4cp member case studies
- **Top 5 Toxic Leadership Traits** that hinder performance and easily adopted practices to efficiently improve team performance
- Recommendations to identify and heal collaborative dysfunctions that unleash teams' effectiveness
- Plus, more exciting research and resources from i4cp



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