The power of effective teamwork can result in amazing innovation, brilliant strategy, and saved lives. For example, new product development teams navigate disciplinary boundaries to develop breakthrough technologies, surgery teams learn new lifesaving techniques, and executive teams candidly share crucial strategic information with implications for improving market performance. Ineffective teamwork, in contrast, can lead to bankruptcy (consider Enron), accidents, and missed opportunities. For example, dysfunctional top management teams can let politics and disagreements consume their attention, leaving their organizations floundering in a competitive marketplace; poorly coordinated mountain expedition teams can allow a team member’s death; and misaligned product development teams can waste money and time, missing crucial market windows. Teams that have developed wisdom are more likely to avoid these negative outcomes and achieve their goals.

This chapter focuses on wisdom manifested in work teams, defined here as groups of interdependent individuals who share responsibility for specific outcomes for their organizations (Sundstrom, DeMeuse, & Futrell, 1990). Understanding how wisdom applies in teams has particular urgency considering their ubiquity in today’s organizations—at every level from executive teams to customer service and production teams, across disciplines from health care to engineering, in a seemingly endless variety of specific
applications such as surgery, intercontinental flights, and emergency rescue (Edmondson, 2002, 2003; Nielsen, Sundstrom, & Halhill, 2002).

As described in previous sources and in other chapters of this volume, *wisdom* has been defined in varied ways. It entails perspectives and practices that promote effectiveness in challenging contexts such as articulating and questioning assumptions (Weick, 1993), applying accumulated knowledge and experience (Sutton & Hargadon, 1996), recognizing and acting in synchrony with the larger context (Csikszentmihalyi & Rathunde, 1990), balancing tensions among conflicting priorities (Sternberg, 1990), and managing trade-offs among multiple goals (Weick, 1993).

In exploring how wisdom applies to work teams, we begin by offering a definition of *team wisdom* that involves recognizing and managing the tensions inherent in teamwork. We then offer a framework outlining the dynamics of team wisdom. Subsequent sections apply the framework, starting with using it as a basis for organizing a review of current research relevant to team wisdom. Second, we apply our framework to identify how tensions inherent in teamwork affect six types of teams. Third, we identify potential ways of developing team wisdom. We conclude with a discussion of potential implications for current theory and research about work teams.

Wisdom may represent an essential quality in effective teams, particularly when teams face challenging tasks or contexts. This inference follows from a logical analysis that draws from the extensive literature of empirical studies, cases, and theories on many facets of teamwork that provides a solid foundation. Our analysis integrates previous research on teams with our own experience working in teams. We hope this integration contributes to the clarity with which we develop our ideas and to the ability of others to build on our work in the future.

**Toward a Definition of Team Wisdom and Its Dynamics**

**Defining Team Wisdom**

Team wisdom represents the capacity to recognize and effectively manage inherent tensions faced by teams in organizations. Tensions refer to the relationship between conflicting or competing demands. In this section, we identify three tensions in the team experience related to team boundaries, temporal scope, and multiple priorities and propose that team wisdom involves managing these tensions effectively.

In addition to recognizing tensions inherent in the effective execution of their work, teams and their members must make choices, sometimes facing thorny dilemmas in which two options at first seem equally undesirable. Thus, we conceptualize teams with wisdom as teams that are able to conceptually understand—and discuss—the tensions they face as well as to make
difficult choices between competing options. Team wisdom is manifested as attitudes and actions through which team members make difficult choices to benefit the whole (team or organization). Benefiting the whole is about serving the greater good, whether that means the longer term interests of the individual members, team, or organization, or the longer term interests of customers or beneficiaries of the team’s work. We discuss each tension in turn along with the ways in which wisdom can enhance team effectiveness.

**Team Boundaries**

Boundaries refer to discontinuities of behavior or environment that distinguish or separate a social system from its environment (Katz & Kahn, 1978). Team boundaries can take the form of physical space, membership, or even time. Some boundaries are temporary, such as those during a meeting in a conference room that ends with the team dispersing back to its other work locations. Boundaries may exist when a project team works from physically separated locations and communicates via e-mail and video conference. An important source of tension stems from what Katz and Kahn (1978) called “partial inclusion” in social systems; individuals who belong to a team usually also belong to other social entities—often including other teams in the same organization. Any one team claims only a share of each member’s time and attention. Individuals generally face demands from multiple roles in the organization, community, and family. To address its mission, a team occasionally must achieve shared collective focus of its members’ attention and effort toward the team’s mission. This requires team members to suspend other interests and memberships and to focus on the team’s work. In this instance, the team can be said to establish temporary boundaries from its surrounding social systems—boundaries that are of sufficient integrity to enable the team to perform but do not place excessive demands on team members.

Addressing the integrity of team boundaries requires that teams acknowledge and actively manage a tension between individual and team interests. This tension involves team members considering what is best for them versus what is best for the team and often needing to choose one over the other. For example, many team members face the dilemma of balancing work against family commitments. Wise teams understand the need for team members to balance their commitments and so provide a safe forum for discussing associated challenges (Edmondson & Detert, 2005).

In addition to membership and physical boundaries, teams exist as small social systems within a larger social system—the organization (itself a social system within an industry, within society, etc.). Teams with wisdom conduct fruitful and appropriate exchanges with external counterparts (Balkundi & Harrison, 2006; Sundstrom, 1999). For example, a management team demonstrates wisdom when its members exhibit awareness of the expectations of specific individual organizational constituents outside of the team.
while also serving the interests of the organization as a whole. This can create challenging relationship dynamics within the management team (Edmondson, Roberto, & Watkins, 2003). Thus, there is a tension between the organization's needs and individual constituents' needs, introducing very real trade-offs that must be managed in difficult decisions regarding the allocation of time and other resources. Moreover, the team must decide how much time and attention to focus on internal team relationships compared with maintaining necessary external contacts. Teams with wisdom understand the need to integrate with their contexts while investing in relationships inside the team.

**Temporal Scope**

Teams must also balance the allocation of members' focus and efforts between short-term tactical goals and longer term strategic purposes and capacity. A team that spends too much time addressing urgent, immediate pressures can lose sight of its ultimate mission, whereas a team that dwells too long on its strategy might miss important short-term deadlines (Nielsen & Halfhill, 2006).

Managing the inherent tension of temporal scope requires teams to make decisions and take action based on a short- or long-term approach. One fundamental dilemma resulting from this tension is a constant challenge for management teams—satisfying stakeholders with higher stock prices while also making strategic decisions that ensure long-term performance and viability. Wise teams concentrate on short-term results, but never at the expense of long-term performance and viability.

**Multiple Priorities**

A third tension inherent in teamwork is created by multiple priorities, such as delivering on speed and quality while also developing members' skills and knowledge. Setting priorities inevitably means making trade-offs in the team’s time and effort. Most teams face pressures to produce output by a certain time, to meet standards of quality, to innovate, and to maintain or improve the team’s ability to perform effectively into the future. Covey (1989), among others, pointed out the difficulty and importance of maintaining balance between production and capacity.

Teams can manage multiple demands by carefully choosing which attributes of performance or personal development matter to them most. For example, many new product development teams face competing demands from manufacturing, marketing, sales, and finance. Wise new product development teams prioritize these multiple aims by concentrating on the most appropriate issue given their context and circumstances. Some projects are best used to focus on developing state-of-the-art technologies, whereas others are better off getting to market quickly. But how do teams gain the wisdom necessary to manage these tensions successfully?
Dynamics of Team Wisdom: Proposed Model

Teams do not develop wisdom overnight. The process of developing wisdom is likely to be enabled by a strong foundation of sharing an overarching purpose or goal. Although it helps to have enabling conditions in place for a team, such as a compelling direction or a well-designed interdependent task (Hackman, 2002), wise teams can overcome difficulties. Managers who form, guide, support, and sometimes eventually disband a team can help teams and their leaders to develop wisdom. We propose that manager actions and an appropriate mix of team member attributes promote the development of team wisdom (Figure 2.1).

Appropriate manager actions coupled with certain team member attributes contribute to the ability of teams to establish effective norms related to exercising wisdom. This subsequently leads to teams that conduct better discussions, manage boundaries, perform effectively in the short term, and develop the capacity for excellence well into the future. Team member attributes, in turn, are influenced by manager actions that help to develop productive team norms. This framework occurs within, and is influenced by, the context of the organization within which the team operates. Multiple factors in an organization’s context may impede or facilitate each component of this model. In the following subsections, we describe the model’s specific components to elaborate our proposed explanation of how teams develop wisdom.

Manager Actions

Managers must define team boundaries and specify a team’s role within its context. Defining boundaries helps to identify the team’s role and facilitates the specification of life span and deliverables. Once a team’s deadlines and deliverables are identified, specific priorities can be established in precise terms. Each of these manager actions contributes to managing the inherent tensions of teamwork. That is, when a manager defines a team’s boundaries by establishing the reward structure, he or she is establishing parameters that will help the team to openly discuss individual issues relative to the team and successfully manage the integrity of team boundaries. One example of this at the individual level is managing individual and team interests simultaneously. Another precursor to developing team wisdom involves the attributes of team members.

Team Member Attributes

Individuals with self-awareness who know how to communicate effectively with others, how to recognize important needs in their environment, and how to think strategically and tactically will contribute to establishing team norms necessary for developing and sustaining team wisdom. As we do with manager actions, we identify team member attributes at four levels to link to inherent tensions in teamwork. For example, teams whose members
Figure 2.1 Model of Team Wisdom
can think strategically and tactically will be better able to discuss the trade-offs of different approaches and to more effectively manage the constant tension of balancing short- and long-term strategies. The proper mix of team member attributes and manager actions sets the stage for the development of effective team norms and wisdom.

**Team Norms**

We suggest that certain norms help teams to act with wisdom. Specifically, norms that support open discussion of individual and team issues, awareness of external constituents of the team, and explicit discussion of priorities are consistent with team wisdom. Such norms facilitate a team’s ability to exercise wisdom by making difficult choices and acting consistently with those choices.

**Team Wisdom**

Management teams in particular must struggle with temporal scope—balancing a focus on short- and long-term results. Norms supporting the open discussion of performance trade-offs associated with different action options help teams to manage this tension more effectively. When teams discuss the trade-offs associated with specific strategies, they are better positioned to act on the most important shared priorities—a fundamental element of wisdom. Discussing and establishing priorities manifests wisdom by coping explicitly with the challenge of facing multiple priorities. Our model suggests that the relationship between norms and wisdom is bidirectional. Appropriate team norms promote the development of wisdom, which in turn helps to build and reinforce the norms.

The enablers, manager actions, attributes, and norms described above are not new but are reframed here using wisdom as a mechanism or lens that helps to explain why these factors translate into team effectiveness. Managers and researchers have identified these factors as predictors of team effectiveness previously, and here we build on this foundation by calling attention to the inherent tensions of teamwork and the difficult choices that teams frequently must face. Our intention is to focus researcher and practitioner attention on this central, but little discussed, aspect of organizational work teams and to suggest that wisdom is needed to help teams sort out their tensions, make difficult choices and take appropriate actions to act on their most important priorities.

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**Choice and Action**

We propose that understanding the tensions of teamwork is a first step toward developing team wisdom. Having achieved understanding, however, teams then must make difficult choices, drawing on members’ skills and backgrounds to do so, and using open and frank discussion to sort out criteria and trade-offs (Figure 2.2).
Figure 2.2 Model of Individual, Team, and Cross-Level Tensions
In some cases, the inherent tensions of teamwork give rise to tough choices between two, often equally undesirable options such as letting one's family down or letting the team down. We discuss four manifestations of the inherent tensions of teamwork: one at the individual level, two at the team level, and one that crosses levels. In each case, wisdom requires deliberate decisions, leading to action that serves one aim or constituent while ignoring another.

At the individual level, team members need to choose between their own interests and those of the team. Teams share responsibility for balancing a focus on internal and external demands and to balance short- and long-term approaches when pursuing goals and making decisions. Team members and teams must also have the ability to make difficult choices in order to manage their multiple priorities. We posit that teams with greater levels of wisdom will manage these tensions more effectively. In the following section, we apply the team wisdom framework, review related research, and provide case study examples that illustrate wisdom in action.

Choosing Between Self and Team

Prior research has shown that individual team members who develop teamwork skills are more effective in a team context (Stevens & Campion, 1994). For example, researchers have studied the importance of members’ ability to manage interpersonal relationships successfully and the ability to manage conflict effectively (Hackman & Morris, 1975; Perkins & Abramis, 1990). It makes sense that these abilities are important individual elements contributing to more effective teams, but less is known about the conditions under which individuals are willing to put team goals ahead of individual goals.

Individuals who are members of work teams belong to other groups as well. Team members may have kids, spouses, partners, and friends who compete for their time. This contributes to the challenge of maintaining the integrity of the team boundary. In some cases, individual team members must sacrifice their own needs and goals for the good of the team, and individuals who recognize what is best for the team and willingly behave in a manner that supports the team are invaluable (Hackman, 1987). However, sacrificing individual goals for those of the team goes against core psychological drivers motivating self-preservation and promotion (Kramer, 1989). Thus, in many cases, self-interest takes priority over group interest. Simple examples include a team member leaving work at the normal time when his or her team has an important deadline approaching, an individual taking credit for work done by the team, and a team member pursuing a promotion with the knowledge that his or her team is in the middle of an important project. More complex examples might involve a top management team member arguing vehemently for resources for his or her part of the organization (e.g., marketing) when in fact those resources would be better used by another part of the company (e.g., operations), resulting in greater benefit for the organization as a whole, and a professional athlete rejecting a slight
decrease in salary so that his or her team can hire more talent. Teams in individualistic societies such as the United States and Australia are likely to have more difficulty in managing this tension than are teams in more collectivistic societies such as Japan and Korea (Sosik & Jung, 2002). Individualistic organizational cultures place a premium on self-interest and thus can make team-work difficult (Chatman & Spataro, 2005; Early, 1994).

Case Study

A minimally invasive technique for performing cardiac surgery (MICS) was introduced and adopted by the Mountain Medical Center, a pseudonym (Edmondson, 2002). The Mountain Medical Center’s team leader was a young ambitious surgeon eager to establish his reputation. Despite his individualistic orientation, he also recognized that MICS represented a paradigm shift for the operating room team, such that the surgeon needed to become more of a “partner” and less of a “boss” if the team was to learn to use the new technology. Thus, the surgeon made an effort to change his own behavior from that of order giver to that of team member and worked to empower and inspire other team members. His effort worked. Other team members were enthusiastic and willing to invest in the effort of learning a new technique. Other team members noted that communication was “much more intensive” and that “there’s a free and open environment with input from everybody.” Beyond the operating room, nurses began to reframe their roles from those of skilled technicians who used their hands to support surgeons’ work to those of involved thinkers who read the medical literature. The Mountain Medical Center went on to become one of the most successful implementers of MICS among all customers of the new technology.

The surgical team at the Mountain Medical Center demonstrates several elements of wisdom. First, due to the safe and open environment partially created by the team leader, team members were able to balance their own personal interests with those of the team. Team members were able to put some of their own needs on hold temporarily and fully commit to team goals during the transition phase. Second, the team recognized the pressure and desire to get results immediately and decided explicitly to remain patient with the need to learn all of the necessary techniques and information. They moved forward very methodically with learning as their initial measure of success. The Mountain Medical Center surgical team concentrated on key short-term goals that enabled long-term success.

Choosing Between Internal and External Demands

Many teams of varying types must balance their focus on internal versus external demands (Ancona, 1990; Ancona & Caldwell, 1992). In particular, management and project teams provide good examples of teams facing this tension on a regular basis. Management team members have significant responsibilities outside of their teams such as leading their respective parts of the company and dealing with business partners outside of the organization (e.g., suppliers, customers, stock analysts) (Edmondson et al., 2003). These teams must manage these external relationships to stay effectively integrated with their external context. Project team members also may
operate as representatives of different functional areas, perhaps working as liaisons between the project team and their functional area. Both management and project team members must balance the goals of integrating with the external context and fostering internal relationships and communication. This is a collective or team-level challenge that the team, rather than individual members, must face.

**Case Study**

In 1981, Fannie Mae was losing $1 million every business day, with underwater mortgage loans totaling $56 billion. The company was in serious trouble, putting a significant amount of pressure on David Maxwell and his top management team (Collins, 2001). Many outside the company believed there was nothing that could be done to save the company short of government intervention to freeze interest rates. However, Maxwell and his team were confident that they could turn things around. They decided to lessen their exposure to interest rates by creating sophisticated mortgage finance instruments (Collins, 2001). Analysts criticized this approach: “When you’ve got $56 billion worth of loans in place and underwater, talking about new programs is a joke” (p. 82). But even in the face of unrelenting external pressure, Maxwell and his team remained motivated and focused on their game plan. Thus, in this case, they chose an internal focus over external events—a display of wisdom driven by the team’s confidence that its focused actions would pay off. Over time, the Fannie Mae team created a high-performance culture and generated stock returns nearly eight times the market average over 15 years.

Another example from the healthcare industry involves a surgical team from a small community hospital located between two large cities. This team also decided to adopt the new cardiac surgery technology discussed earlier in this chapter (see also Edmondson, 2002). Despite having many of the same enabling conditions in place as did the Mountain Medical Center team (talented team members and necessary resources), this team proved to be unsuccessful at implementing the new technology. The team leader presented the goal of learning the new technology as driven by an effort to maintain the hospital’s image and ability to compete with hospitals in large cities nearby. The team members did not find this a compelling goal, and their department’s use of the new technology eventually became nonexistent (Edmondson, 2002). In this example, the team leader’s external focus was not helpful to the goal of motivating internal effort on learning. The focus on how the hospital and team would be perceived by the medical community, with little energy being spent on internal functional and relationship issues, represented a poor choice and an unwise allocation of effort.

**Choosing Between Short- and Long-Term Goals**

We propose that teams that consciously determine which outcomes are most critical to their success are displaying wisdom and are more likely to succeed than are those that fail to consider and make such decisions. Consider a project team tasked with producing a report on the training progress of safety personnel. This team could decide that the short-term outcome of delivering the report as quickly as possible is most critical.
Conversely, this team could decide that the long-term outcome of quality, comprehensiveness, and accuracy is most important, thereby increasing the timeline for delivery. Deciding which outcome best serves the organization will influence the team’s ability to determine how it will accomplish its task. In this case, if half of the team is short-term focused and the other half is long-term focused, results are likely to be poor for the entire team.

In another example, management teams often struggle to decide whether to deliver on short- or long-term results. A short-term approach might yield modest positive results and boost an organization’s stock price, whereas a long-term strategy might hurt the stock price in the short term but result in more significant financial gains in the future. Managing this tension by determining the most appropriate strategy collectively based on current conditions is essential for management teams to be effective. Teams with wisdom wrestle with these trade-offs explicitly with careful consideration given to the current context of the business.

**Case Study**

General Electric’s (GE’s) top management team experienced a period of significant transition when Jack Welch stepped down as chief executive officer (CEO) in 2001 and handed the reins to Jeff Immelt. This transition was watched carefully by the business community, with much prognostication about how Immelt would perform compared with the legendary Welch. The pressure to perform was intense. Nevertheless, Immelt and his team decided to pursue a strategy focusing on long-term performance over short-term results. They made many decisions designed to improve and support GE’s performance for years to come. Performance results declined initially but improved significantly during subsequent years. GE’s top management team was able to avoid external pressures and pursue a long-term focus through decisions it thought would improve GE’s results well into the future. The Immelt/GE story demonstrates the kind of deliberate choice and action that constitute team wisdom in a challenging environment.

**Choosing Among Multiple Priorities**

The need to balance speed with quality is just one dimension of the multiple priorities tension. Teams face a variety of demands and must be able to prioritize which ones merit their time. This work is done at both the individual and team levels and requires coordination to ensure that priorities are aligned. Deciding the issues that are most critical to the success of the team and organization is challenging and, if not done effectively, can have debilitating effects on team effectiveness.

The need to manage multiple priorities is common to many work teams. New product development teams (NPDTs) are responsible for coming up with a viable product and then developing, designing, manufacturing, marketing, and selling it. Each of these demands may seem urgent, but teams
must be able to step back, reflect, discuss, and determine what area should be their top priority at any given time. Wise NPDTs consider strategic organizational priorities and other issues central to their success to help them decide how to allocate their time and resources.

Management teams also face multiple demands such as satisfying shareholders, maintaining company morale, maximizing profitability, and improving their organization’s reputation. Teams lacking wisdom will often focus on what is urgent but not necessarily important. For example, choosing a short-term strategy to increase stock price in an effort to satisfy shareholders is often considered urgent but could hurt long-term performance. Wise management teams candidly discuss the implications of each option to sort out trade-offs and goals. Another challenge for management teams is putting aside the time necessary for their own development. The importance of individual and team development is often overshadowed by the urgency of day-to-day problems. Wise management teams understand the importance of development, choose to make it a priority, and willingly sacrifice attention to other priorities.

**Case Study**

Mount Everest is the tallest mountain on Earth, and reaching its peak is the ultimate goal of many mountaineers and nonmountaineers alike. The margin for error when attempting to summit the world’s tallest mountains is perilously thin. Staying alive requires adhering strictly to preset guidelines and often requires making excruciating choices. In 1996, two Mount Everest climbing expeditions were led by a pair of the top mountaineers in the world, Rob Hall and Scott Fischer. During their attempt on the summit, both Hall and Fischer failed to emphasize and enforce a time limit for aborting summit attempts. This partially contributed to the continuation of the climb well past the designated turnaround time. Hall, Fischer, and several of their clients lost their lives that day and the next day. Considering the amount of time and effort invested, there is little doubt that the choice between possibly reaching the summit and turning back is incredibly tough. Wise teams, however, understand that such a dilemma is possible and prepare for it by discussing trade-offs and deciding what their most important priorities should be. If Hall’s and Fischer’s teams had explicitly discussed and identified returning safely as their first priority, it is likely that they would have made different decisions that would have increased their chances of survival (Kayes, 2004; Roberto, 2002).

These examples demonstrate the benefits of having wisdom and the costs when it is lacking. Teams should understand the tensions involved with teamwork and should be prepared to make the tough choices that will contribute most to their effectiveness. However, some teams, due to their tasks and responsibilities, will be more prone to specific tensions. In the following section, we focus on which tensions deserve the most consideration from specific types of teams.
Difficult Choices and Team Type

The classification of different types of work groups aids in understanding team effectiveness in various contexts. Sundstrom, McIntyre, Halfhill, and Richards (2000), building on earlier typologies, identified six types of work teams: (a) action teams, (b) advisory teams, (c) management teams, (d) production teams, (e) project teams, and (f) service teams. We suggest that certain teams, based on their primary tasks and responsibilities, will experience certain tensions more consistently and face the difficult choices that follow (Table 2.1). We highlight those dynamics in the following subsections.

Table 2.1 Relevant Individual, Team, and Cross-Level Tensions Based on Team Type

<table>
<thead>
<tr>
<th>Team Type</th>
<th>Action</th>
<th>Advisory</th>
<th>Management</th>
<th>Production</th>
<th>Project</th>
<th>Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual-level tension</td>
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<tr>
<td>Self vs. team</td>
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<tr>
<td>Team-level tensions</td>
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<tr>
<td>Internal vs. external</td>
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<td>**</td>
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<tr>
<td>Short- vs. long-term</td>
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<td>*</td>
<td>**</td>
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<td>**</td>
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</tr>
<tr>
<td>Cross-level tension</td>
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<td></td>
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<td></td>
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<tr>
<td>Multiple demands</td>
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<td>**</td>
<td>*</td>
</tr>
</tbody>
</table>

NOTE: * = minor for specific team type; ** = significant for specific team type.

Action Teams

These teams (e.g., search-and-rescue teams, terrorist response units, surgery teams) have complex tasks and varying degrees of autonomy in how they do their work. They consist of individual experts and support staff who conduct complex, time-limited performance events involving audiences, adversaries, and/or challenging environments. Action teams must focus on the multiple priorities tension because during any given performance event they are faced with many important tasks. They are forced to make difficult choices between tasks that seem equally urgent. For example, a terrorist response unit is called to a subway bombing in a large city. After assessing the scene, team members learn that there are many seriously injured passengers, the terrorists may still be nearby, and additional unexploded devices exist. This team must decide what to do first, knowing that each option has attendant undesirable consequences.

Advisory Teams

These teams (e.g., task forces) have tasks of varying complexity and have varying degrees of autonomy regarding how they do their work. They
Interpersonal Logic

consist of different employees, sometimes from multiple levels within the organization, who solve problems and recommend solutions. Advisory team members come from different organizational units and are often part of more than one team. This highlights the relevance of the team boundary tension. Consider an advisory team formed to create a vision statement that best represents the organization. Should team members represent the part of the organization for which they usually work, or should they ignore those ties and focus on the goals of the advisory team? A wise team recognizes this tension and openly discusses its impact on the task at hand. This better enables advisory team members to collectively choose to engage in the work of the team while not feeling as if they are being disloyal.

**Management Teams**

These teams (e.g., senior leadership) complete complex tasks and have a high degree of autonomy regarding how they do their work. They consist of senior managers who coordinate work units through joint planning, policymaking, budgeting, staffing, and logistics. Management teams face each of the three tensions we have discussed so far. Because they engage in complex work and have a high degree of autonomy, it is essential for management teams to determine collectively whether they will implement short- or long-term strategies or some combination. If not, they may focus on work that is not aligned with an overarching outcome. The wisdom of Immelt and his senior team at GE was their understanding and discussion of the significant trade-offs associated with a long-term strategy (e.g., criticism, decrease in stock price) and their willingness to make the tough choices necessary to make that strategy successful. Just as it is essential for management teams to concentrate on the temporal scope tension, it is also vital to collectively prioritize the multiple demands on their time. Management teams must prioritize issues requiring their time and must determine, based on benefits to the organization, what course to pursue. A third tension frequently faced by management teams involves balancing their focus on internal issues (e.g., relationships) and external issues (e.g., managing their part of the business). Executives on these teams experience a constant tug-of-war between issues inside and outside their teams. The wisdom of Maxwell and his team at Fannie Mae manifested in understanding this tension and remaining willing to ignore external forces outside the team so as to concentrate on executing their strategy.

**Production Teams**

These teams (e.g., car assembly teams, paper mill work crews) complete relatively simple tasks and have minimal autonomy in deciding how they do their work. They consist of frontline employees who repeatedly produce tangible outputs for their organization. Production team members regularly face choices between their own interests and those of the team. Each team
member is responsible for a particular function and is prone to making decisions based on his or her own interests. However, these choices are somewhat constrained by the fact that production teams are typically involved in additive tasks and are less able to highlight or manipulate their contributions without hurting team performance.

Project Teams. These teams (e.g., new product development teams) engage in tasks of varying complexity and usually have a high degree of autonomy in how they approach their work. They consist of members who tend to come from different departments and/or functional areas. Collectively prioritizing key objectives for project teams can be difficult because each member may have his or her own focus depending on the member’s functional area. Project teams are often responsible for designing, engineering, manufacturing, marketing, and staying on budget. Similar to management teams, project team members must often choose whether to focus on the work of the project team (i.e., internal) or on their normal work responsibilities (i.e., external).

Service Teams. These teams (e.g., airline attendant teams, retail sales teams) have a relatively lower degree of task complexity (due to repetition) and a low degree of control over how they do their work. They consist of employees who cooperate to conduct repeated transactions with customers. Service teams frequently face choices related to internal and external issues. For example, most retail sales teams are very focused on their customers and concentrate much of their effort in this direction. However, if this comes at the expense of paying attention to internal issues such as communicating and maintaining relationships, their effectiveness will suffer.

The inherent tensions of teamwork may manifest in ways that affect teams differently depending on the unique dynamics of their task. Teams with wisdom will understand these tensions and will deliberately choose to focus on one aim or deliverable at the expense of another. But what steps can teams take to increase their chances of developing wisdom and increasing their overall effectiveness? Wisdom is not acquired overnight; it is the result of accumulated experience and specific effort. In the next section, we discuss methods that may help a team to develop wisdom.

Developing Team Wisdom: Practical Guidelines

Fostering team wisdom requires attention to key steps at multiple stages of a team’s maturation. We suggest a series of manager actions that directly and indirectly support and enforce norms related to increased levels of team wisdom. These actions focus on formation, support, development, and disbandment.
**Forming.** The formation of a team obviously is a key first step but is often given little attention regarding future performance. There are three key areas on which managers must focus when forming teams: (a) creating “real teams”; (b) focusing on including members with appropriate knowledge, skills, and abilities (KSAs); and (c) establishing a charter defining purpose, deliverables, resources, timeline, and the leader’s role. First, to create real teams, clear boundaries that distinguish members from nonmembers must be established, team members must be interdependent and share responsibility for a common outcome (Sundstrom et al., 1990), and membership must be moderately stable so that members learn how to work together (Hackman, 2002). Teams that are formed in name only will quickly dissolve into groups of individuals working toward unique goals. Second, selecting people for work in teams is different from hiring people for individual work because team members share responsibility for the completion of team tasks, with each member having specific roles and responsibilities. Team members depend on each other to make unique contributions according to their specific mix of KSAs. Managers must focus on creating teams with individuals who will perform well collectively (Borman, Hanson, & Hedge, 1997). Focusing on composition will contribute to developing norms of active communication and open discussion of individual and team issues—key to the development of wisdom (Halfhill, Nielsen, Sundstrom, & Weilbaecher, 2005). Third, managers should focus on creating a team charter that clearly identifies the team’s purpose, deliverables, current resources, and timeline as well as the expectations of its leader. Teams with effective charters are better at identifying key priorities, more able to discuss the trade-offs associated with multiple priorities, and better at making tough choices that improve effectiveness. Even when teams are formed with these elements in mind, they require support from the organization.

**Supporting.** Once a team is formed, it must be appropriately supported to be successful and enhance its ability to develop wisdom (Sundstrom, 1999). Training, measurement and feedback, reward systems, information systems, and physical facilities are five essential types of support necessary for promoting the development of team wisdom. These support systems are necessary for achieving sustained success but are also directly related to the formation of important team norms. The ability to discuss tactical and strategic goals—a key team norm related to wisdom—is difficult when a team does not have in place measurement systems that provide important feedback about performance. Moreover, tough choices are made more difficult without quality information. Another important support mechanism involves reward and information systems that help to identify and define key boundary conditions. For example, the ability for team members to consciously prioritize team goals over individual ones—a key choice frequently faced by team members—is related to the reward structure and its inclusion of team-based rewards.
Support systems such as training are related to sustaining the development of teams and their members. In addition to implementing support mechanisms, managers must emphasize individual and team development.

**Developing.** To develop the norms related to wisdom, teams must be focused squarely on their own development. This can occur through coaching, facilitation, training, and exposure to developmental experiences (Nielsen & Halfhill, 2006). Managers who provide and support these activities contribute indirectly to the formation of developmental norms. For example, the ability to give and receive feedback effectively contributes to establishing feedback loops. Feedback loops facilitate candid team discussion—necessary for determining priorities and making subsequent choices. Managers who concentrate on implementing and reinforcing peer and leader coaching instill the importance and maintenance of feedback loops. This type of environment enables team members to share their perspectives on team goals more effectively, improving the ability of teams to analyze multiple options and determine the attendant trade-offs. There are situations where teams clearly are not performing effectively. These situations call for managers to consider reforming or disbanding the teams.

**Disbanding.** When teams are not performing well and appear unlikely to perform at even moderate levels of effectiveness, the development of wisdom is beyond reach. Situations of this ilk require managers to take more drastic action such as disbanding the team. This creates options of reforming a new team with a different mix of member traits or developing specific organizational support systems prior to reformation. The possibility of disbanding may also serve as a key motivator for team members. A manager’s decision to reform a team should depend on his or her ability to fix or resolve the root cause of the team’s problem(s). For example, if key organizational support systems are not in place, reforming a team—even with highly skilled members—will likely be futile. Disbanding is a topic not often discussed in research on teams, but it is one option that may contribute to the development of team wisdom.

**Conclusions**

Our review and exploration of team wisdom suggest one broad conclusion and six narrower ones. The broad conclusion concerns our application of a logic model of wisdom to teams as an instance of its application to interpersonal relationships, as seen in other chapters of this volume (e.g., see the chapters by Jordan and Sternberg [Chapter 1], Lawrence [Chapter 3], and Bierly and Kolodinsky [Chapter 4]). Consistent with those chapters, we arrived at
the same general conclusion: A logical approach to wisdom in teams offers both a perspective for understanding why teams succeed or fail and a practical framework to guide actions likely to promote their success. Applying the logic model suggests the following conclusions about team wisdom.

1. **Team wisdom is easier to recognize than to practice.** Our first specific conclusion echoes those of chapters in this volume on other forms of wisdom: Recognizing team wisdom comes much more easily than does demonstrating it in practice. Like other forms of expertise, team wisdom has many deep inherent complexities that make it difficult to carry out or even to fully understand from seeing others practice it.

   Both the difficulty and complexity of team wisdom stem from the dynamic interplay among its three components—boundaries, temporal scope, and multiple priorities—all of which can change over time. Team wisdom calls, first, for recognizing the complexities of teamwork and, second, for making choices among multiple opposing influences that present a continuing series of interrelated tensions. Demonstrating team wisdom means navigating the tension through a series of wise choices involving trade-offs among desirable and undesirable alternatives. Like other delicate balancing acts, team wisdom is harder than it looks—and unfortunately, its best practitioners make it appear most deceptively simple.

   The inherent difficulty of team wisdom suggests a priority for future research: Identify the specific knowledge and skills required for its practice. As outlined in our model in this chapter, the knowledge and skill inherent in team wisdom go far beyond the basic interpersonal skills of teamwork (e.g., Stevens & Campion, 1994) and call for gathering and synthesizing information about the team’s performance in context, assessing members’ individual capabilities, analyzing the resulting interdependencies, and so on (Kozlowski & Ilgen, 2006). Current research has only begun to address the wide range of knowledge and skills potentially required for team wisdom among managers, leaders, and team members.

2. **Team wisdom is contingent on context.** A second specific conclusion reinforces a point that is repeated more often than it is heeded in the literature on work team effectiveness: A team’s success depends critically on how it manages relationships with the context in which it is embedded (Kozlowski & Ilgen, 2006; Nielsen, Sundstrom, & Halfhill, 2005; Sundstrom, 1999). As described in this chapter, many of a team’s inherent tensions involve relationships with the host organization and/or external counterparts. Prior research points to differences among kinds of teams in the features of context most critical to their success. We hope that future research places a high priority on analyzing and characterizing the interplay between teams and their contexts.
3. **Team wisdom requires managers to play a key role.** A third conclusion concerns the role of team managers, largely invisible in empirical research on team effectiveness yet described in management books as essential to the success of team-based organizations (e.g., Collins, 2001). We conclude that team effectiveness depends on the extent to which managers apply team wisdom as they form, develop, support, and disband teams. Managers arguably have the primary role. A team often begins with a manager’s decision to form, or not to form, a team in the first place—rarely examined in the existing research on teams. It continues with the necessity of meshing each team with its organizational context over its life span—also rarely examined in research.

4. **Team wisdom requires a longitudinal perspective.** A fourth conclusion echoes an often-repeated mantra of team research: Team wisdom depends on a longitudinal perspective that takes account of development over time (Nielsen et al., 2005). Research on team effectiveness has only occasionally adopted a longitudinal approach and instead has generally used a cross-sectional approach, sometimes addressing teams at only one point in time or for just a brief period. Longitudinal research, of course, takes longer and costs more. Hackman’s (1990) case studies helped to steer research toward the temporal perspective inherent in team wisdom.

5. **Team wisdom is rare and sporadic.** The difficult, complex, manager-driven, context-embedded, temporal nature of team effectiveness implies a fifth conclusion: Team wisdom occurs only rarely and sporadically when the necessary ingredients converge. Unfortunately, a team that fails to navigate any one of the inherent tensions of teamwork will likely flounder. Only a few rare teams succeed in managing all of their critical dilemmas. Uncommon sporadic success at demonstrating team wisdom could help to explain why empirical research has found such a variety of weak, situation-specific correlates of team effectiveness.

6. **Team wisdom is amenable to development.** A sixth conclusion reflects optimism: Available evidence suggests that those involved with teams—managers, leaders, and members—can learn and develop the knowledge and skills required for team wisdom and can use them to foster team effectiveness in today’s organizations, in particular when forming, developing, supporting, and disbanding teams. In doing this, they may face a steep learning curve involving a complex array of factors, including those outlined in our model. But with careful attention to these factors, team leaders and members can help their teams to develop wisdom.

**References**


