



Get Out of the Way!

How to set structures to foster innovation and creativity, then step back.

It's no secret that innovation requires senior managers with backbone and brains. Often forgotten, however, is the fact that most of the heavy lifting of innovation is done in highly collaborative team settings. The success or failure of these teams ultimately determines the fate of the big-picture thinking coming out of the C-suite.

With so much at stake, it seems natural for upper management to attempt to impose structure – strict protocols, procedures, and an approvals regime – on team activities at an organisational level. How else to keep teams from losing focus or, worse, going rogue?

But managers' seemingly sensible efforts to keep teams on track can backfire, says Henrik Bresman, INSEAD Associate Professor of Organisational Behaviour. To get the most out of their teams, according to Bresman, it's often best to do something many leaders find frightening: Stop leading for a bit. Give teams autonomy over an assigned task, then get out of the way.

Stifled by Structure

Organisational teams are Bresman's research specialty, and his investigations into the subject culminated in the 2007 book *X-Teams: How to Build Teams That Lead, Innovate, and Succeed* (co-authored with Deborah Ancona of MIT

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Sloan School of Management), where he argued the most successful teams were also the most externally oriented and network-minded. "Teams need to work hard to understand others' expectations; to know where critical information and experience reside; to take stock of how the world has changed," Bresman wrote.

Even the most intrepid of X-teams, however, can be tripped up by its environment. That's why Bresman, after the publication of *X-Teams*, became interested in how team activity is affected by a corporation's larger structure. Specifically, his recent paper "The Structural Context of Team Learning: Effects of Organizational and Team Structure on Internal and External Learning," co-authored with Mary Zellmer-Bruhn of Carlson School of Management at the University of Minnesota, presents findings from a study of how pharmaceutical R&D teams learn, in relation to the degree of structure imposed on the teams from above.

In an interview with INSEAD Knowledge, Bresman said he was interested in "how teams obtain and process knowledge – of course, by definition any innovation team will have to do that."

For the study, Bresman surveyed 62 teams from licensing units across six large pharmaceutical firms. The teams were responsible for identifying and researching externally sourced molecules, with

an eye towards potentially acquiring them for development. To assess these unfamiliar molecules accurately, teams had to draw on all available resources both among themselves and in their wider networks – a learning curve that made them an ideal sample pool for Bresman.

The results confirmed Bresman's initial suspicions and built upon what previous researchers have found: On average, teams operating under more rigorous organisational constraints exhibited less learning, while teams given less structure from above learned more.

Create a Safe Space

Bresman says the problem with imposed structure is that it chips away at a team's ability to tackle tasks independently. "We see basically two stylised models – one is where you have the C-suite saying, 'here is the structure in which you're going to work,' and that impacts 100 teams. Because of how dynamic the environment is, it is very unlikely that that structure will be ideal for any of these 100 teams. To have something imposed on them from above is not a good idea in a fast-moving environment," he says.

Managers would generally be better off allowing teams more or less to make their own rules, as long as it is within the context of clear strategic direction. "The intuition here is that innovation teams operate in a very fast-moving environment, and they are the ones that have the information to make the best decisions, including decisions about how to structure themselves," Bresman says.

Self-generated structure allows for optimal learning by fostering a sense of psychological safety - a climate that is safe for interpersonal risk-taking. "Team structure underpins psychological safety, and psychological safety leads to learning. Goals are clear, and roles are clear, and processes are clear. And that makes people feel safe, because they know the rules of the game. If your structure isn't clear, people might be reluctant to say certain things because they're not sure it's something they should talk about at all."

A solid self-generated structure, Bresman suggests, allows teams to run on their own steam, without the need for too much intervention from on high. And once that happens, wise managers can comfortably step away and let the team do its work.

Substitute Structures

Bresman says that while combining minimal organisational interference with self-structured teams is a good rule of thumb, setting boundaries at the company level isn't always a bad thing. The study found that in some cases more controls from

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above aided the learning of less structured teams. For Bresman, this suggests a "substitutability principle" when it comes to structure. Organisational teams appear to abhor a structural vacuum, and may take whatever clarity they can from the larger organisation when their internal supports are shaky.

And the opposite may also hold true: Companies in need of a shakeup can draw energy from high-performing teams within the organisation. "Teams have the opportunity to be vehicles for strategic leadership. That's a very important implication," he says.



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