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# X-Teams: Three Principles to Guide Today's Leaders



By INSEAD Knowledge with Henrik Bresman , INSEAD

**In a VUCA world that's gone on steroids, mere internal alignment won't cut it.**

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In the ever-evolving business landscape, adapting to change is not just a skill; it's a necessity. In addition to thinking about internal alignment, teams must reach out to the wider ecosystem to include the widest diversity of thought.

In this INSEAD Knowledge podcast, [Henrik Bresman](#), Associate Professor of Organisational Behaviour at INSEAD, sheds light on the second edition of his book, [X-Teams: How to Build Teams That Lead, Innovate, and Succeed](#), co-authored with [Deborah Ancona](#) from the MIT Sloan School of Management.

The premise of X-Teams, first introduced in 2007, is that we need to reimagine how we build and lead teams. While acknowledging the importance of internal cohesion in teams, the authors argue that it's no

longer sufficient.

## **Reigniting excitement to run better teams**

The decision to write a second edition was spurred by a shift Bresman and Ancona observed. Not only is the business environment more volatile, uncertain, complex and ambiguous than ever, it's also become increasingly asynchronous since the pandemic. "We now live in a VUCA world on steroids," says Bresman.

"We still found people clinging to the old, internally focused traditional model", he adds, "even though it kept failing them." The second edition aims to reignite leaders' excitement about running better teams. At the same time, the book is a celebration of those teams that made the ideas in the first edition work, says Bresman.

In a landscape that's exponentially harder to navigate, X-Teams operate based on three broad principles.

### **1. Out before in: External engagement matters**

Teams need to relentlessly go out there to write and rewrite their maps. What does the world look like? Every business variable – e.g. customers, competition, technologies – keeps changing. Most teams know they should keep probing their environment, but they fail to do so because it's exhausting.

Teams must also continually analyse where the power lies. Where are the resources? Where are the lines of resistance? Lastly, teams must know their stakeholders well enough to understand what language to use and how the various pieces of the puzzle fit together in terms of task coordination.

### **2. In matters too: Building a robust internal environment**

While external engagement is crucial, teams must still ensure that all is well within their own confines. The cornerstone of this is **psychological safety**. Bresman explains that psychological safety is nurtured through a shared understanding of uncertainty levels. Just how much failure should we expect and are we willing to accept?

Teams also need inclusive and empathic leadership. For instance, leaders need to lower the cost of speaking up and be proactive in eliciting diverse

ideas. They need the humility to **acknowledge their incomplete knowledge** and leverage the strengths of their team members.

### **3. Pulse: The art of timely transitions**

X-Teams introduce a temporal dimension to team dynamics. After venturing to the external world, team members must return home to reflect and learn. Bresman compares this to experiential learning, emphasising that the true value of experiences lies in the reflection and learning that follows. The ability to pulse – alternating nimbly between inward and outward focus – is critical for teams to adapt, pivot and navigate the complexities of the modern business landscape.

#### **Getting practical**

The podcast also touched on some of the tactics laid out in the book to implement X-teams. Bresman shared the story of how a junior staff having coffee with a college professor helped a pharmaceutical drug development team score a major win. While the junior staff was inexperienced, his professor had the exact expertise the team needed to make a breakthrough. The link is not always so direct. Sometimes bright ideas can come from exposure to peripheral ideas and industries.

No matter the industry, the knowledge today's managers need keeps growing at a furious pace. The power structure within firms is also changing. People used to be able to look at an organisational chart and know where the power was. As Bresman points out, this is no longer true, as formal authority is less and less of a currency.

The bottom line is that we are now far more interdependent than we used to be. We need to work with others, both inside and outside of our own team and organisation. Firms need teams with diverse knowledge and technical skills. But when their members go out in the wide world, they need a safe base to return to in order to debrief and regroup. This is the way of the X-teams.

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#### **About the author(s)**

**INSEAD Knowledge** is the expert opinion and management insights portal of INSEAD, The Business School for the World.

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