

Episode intro:

The best way I know to measure is if people want to be a part of it, people like it. I don't mean everybody, but the people who are staying, who are consistently a part of that team, enjoy being a part of the time, want to be a part of the team, like performing as a part of that team. That's functionality.

Welcome to the Art of Accomplishment where we explore how deepening connection with ourselves, and others leads to creating the life we want with enjoyment and ease. I am Brett Kistler here today with my co-host Joe Hudson.

Brett: Good morning, Joe.

Joe: Good morning, Brett. Good to see you.

Brett: You, too. We have been talking a lot about teams lately, and it has just come up that perhaps this would be a really good series to do.

Joe: Yeah, I mean I spent a lot of time there. The twelve or so executives that I coach, I spend a lot of time with their teams. I am totally fascinated and love creating functional teams. I am really excited to talk about it.

Brett: Let's dive right into the meat. We are going to have a couple of different episodes on teams in general, but let's just start with the core. What is a functional team? How do we build a functional team? What does that even mean?

Joe: It is super simple and super complicated at the same time. What is a functional team is not an answerable question. I don't think there is such a thing. The reason I say that is because a functional team that is a crypto currency hedge fund is going to look different than a functional team that is an elite Navy Seal group, which would be different than a functional team of a canned tomato processing house. Functional is context dependent on some level. There is some way in which that is the case.

On some level, it is the case that all teams that are functional have some shared qualities. Mostly that quality is trust. There are a lot of ways to take apart what that means, what trust means, but generally that's the main thing is the functional team has trust for each other.

Brett: You can also have different kinds of teams. What are we referring to as a team? There might be the team within your company, but there also might be the team that forms when you are in a relationship with a client and their team or producers in your movie or investors or your family.

Joe: Or your family, exactly. What's amazing often is that you see executives who can run really super functional teams at work, but they don't apply some of those

learnings to their own family. They are very interested in hearing the wisdom of all the people on the team at work, but they are not interested in hearing all the wisdom or they don't make a point to hear all of the wisdom of the family team, the husband or the teenage kids.

Brett: Or they run their family the way they run their military unit.

Joe: I've seen that. Yeah, that doesn't work so well. That's a great example of different teams. A military unit is going to run differently than a family. Both are teams, and the way to get to functionality is the same. Both of them need trust. That's what I would say.

Brett: It sounds like there are things that are specific to the context of any team, any group, things that will be specific to how they build trust and also specific to whether or not they are functional, what their definition of functional even is. What are some different examples of a definition of functional that might highlight why it is different in a family versus in a company?

Joe: Recently I've been working with a whole bunch of AI engineers, and one of the things they need to do to stay functional is to agree on the context which they are speaking about. You will see this happen in families sometimes, too. Somebody comes in and uses an example to articulate a point and then they argue over the example. In a family situation, for instance, somebody is trying to explain they feel unheard. Then they said remember with the dishes the other day. I felt like I was unheard with the dishes, and then the other person goes you should have done the dishes. There is an argument over the dishes instead of the fact that the person felt unheard.

If you are doing complex engineering, one of the things you have to do to stay functional is to not go down rabbit holes that are meant for examples. You need to be able to agree on the context, but if you are doing a sports team, that's not really required so much to understand the context. What exact example you are using when you are talking about throwing the pass more exactly, the context is so agreed upon. It is uniform for their team activity, so you don't have to do that.

That would be an example of how different teams have to create different functionality to be effective. The engineers don't need physical prowess to be functional, but a soccer team sure as heck does.

Brett: You might trust a soccer player to be in flow physically with their body and to be intuitive, and you might not trust them to be the most thoughtful planner of a date. There might be a different way you trust them if you understand the way that person is. They may also be great at dates, too. I'm just thinking there are different things.

Joe: All soccer players suck at dates. Let's just publish.

Brett: We have got these ways that are ubiquitous across teams and that all teams need to be functional. The core one you have mentioned here is trust. There are all kinds of measurements. You could get lost in the details around how you measure your functional team and argue about the measurements while not addressing the functional team. How can you tell how functional your team is for the context you are in? What does that look like?

Joe: There are two possibilities there, generally speaking. The first one is: Are you meeting your goals or are you achieving results better than other teams in that place, in that field, in that market? That's one way to say am I functional, and that's somewhat limited because if you are playing in a field where everybody is dysfunctional, you can be dysfunctional and not know it because you are the best at the dysfunctional.

Also, it is limited because there is a quote in venture capital. In strong enough winds even turkeys can fly, which is a weird quote because turkeys fly actually but they don't fly for very long. It means the market forces are so strong, it is easy to be successful even though you shouldn't be successful. You don't have to be a great investor if you just happened to get into Bitcoin 10 years ago because you thought it was cool. That doesn't make you a great investor. You might think you are because you have had success. You don't have a long-term thing. Those are the two reasons why just meeting your numbers or meeting your goals or having your goals compared to other people's goals might not be successful. It is a good way to measure, but it is not the only way. It has some shortfalls.

The best way I know to measure is if people want to be a part of it, people like it. I don't mean everybody, but the people who are staying, who are consistently a part of that team, enjoy being a part of the time, want to be a part of the team, like performing as a part of that team. That's functionality. The reason I make that very particular thing about it is not for everybody, a functional team knows how to get rid of the wrong people quickly or get the wrong people into the right position, so to speak, or get the right person in the right position even if they are in the wrong position. It basically means that getting rid of people and attracting the right people is part of what makes a great team.

Brett: You have talked about trust a lot and I think also safety. Safety is something that makes people able to be efficient and to be successful in what they are doing. If they feel safe, which comes from trust, if they can trust their team to receive them and give them feedback on their work, and they trust their process and their system, then they will be able to do good work and they will be able to perform.

Joe: Safety is a weird one. Let's talk about that. I talk about trust. I steer away from safety a little bit, but it is a really important thing. It is kind of an interesting question. Football players get on a field, and they are not going to feel safe. They are not going to be like I feel like I am going to win. There is a lack of safety inherent in any challenge, or it is not a challenge. If you give too much safety, it is kind of like a string on a guitar. If there is too much safety, then it is strung too much and it is out of tune. And not enough safety, it is too loose, and it is out of tune.

It has to be really clear that these are the things that are inherently unsafe about the challenges we are undertaking or about this job, and then everything else should be safe. Everything else should be safe, meaning if you are climbing up Mount Everest with a team, you need to feel safe to say I don't feel right about this. This isn't working for me. I think this is going to happen. You need to feel safe to be able to express your opinion. You need to be able to feel safe to say I am having a hard time and I need some help. All of those things are necessary to feel safe, but you are not going to get the safety of the fact that you might not die on Mount Everest.

Brett: There is no way out of the inherent unsafety of existence in this reality, but you can feel more or less safe showing up as your full self to your team, bringing all of your wisdom, all of your fears and anxieties, all of your concerns, and then trusting that they will be included in such a way that brings functionality to the team. Trusting that the things you are afraid of in yourself are also signals that functionality to the team.

Joe: Yes, and the other thing that happens with safety is people, especially in the modern culture, use safety as a form of control. They say I don't feel safe, and then that means other people need to change their behavior. That's another level of dysfunction that can happen within that word of safety. Trust, however, is multifaceted. We work together, so I have trust for you. I have trust we will talk, we will listen to each other, and we will be true to ourselves. I have trust financially that you are not going to screw me and that I am not going to screw you. I have trust in you that we can have conflict and we can resolve that conflict and be stronger on the other side. I have trust you are going to do the things that are important to making the podcast successful and you are going to do the things you say you are going to do. I have trust in your capacity to perform on the podcast.

Trust is multi-faceted. There are lots of ways to get to it, but trust is a very key thing. It is very hard to control somebody out of trust. You need to be trustworthy by X, Y and Z. That is usually a pretty solid like you have stolen from me, and I can't trust you. This is going to end the relationship. You need to figure out how to

convince me to trust you again or whatever that is. It is harder to manipulate other people with trust.

Brett: Also, I think there is something valuable in recognizing where there is not trust because I think sometimes we can fall into the belief that we want to be on a team that trusts one another, so we lead by feigning trust that we don't actually have. Then we get either burned or we subtly defend ourselves in ways that we don't own.

Joe: There is no trust in that. If I can't tell you what's going on with me that might affect our relationship, there is no trust in that. You see that all the time, particularly with executives, particularly with CEOs. They don't share with their team how they are feeling because they have this idea they need to take care of everybody. They are responsible for everybody, so they have to handle it all on their own. They are not saying to their team, hey, I'm really scared about X, Y and Z, or the way you said that doesn't work for me or the way this team is functioning is off for me because they think they have to fix it. Therefore, their team can't trust them. The team is sitting there going when is the mad mood going to happen.

In that example, if you are sharing what's wrong for you, then you are not trustworthy. If you are not sharing what's happening for you, you are not trustworthy.

Brett: You are also not trusting the team. This brings me back to some of my experiences as CEO where I would take things on from a self-reliance perspective of this is mine to carry. This is my fear. I don't need all of this to trickle down through the team, and there is a way that that's not trusting them to handle the reality of a scary situation. Instead, what would happen if I owned it and said I have noticed I am not trusting you guys to hear the difficult information or the thing that's scaring me? I don't want to be on a team that doesn't have that trust, so I am going to try sharing this. What would it be like? How would that go? How much would they trust me after sharing that?

Joe: If it doesn't go well, then you really know what you have to fix.

Brett: Then you find out which people on your team aren't ready to hear difficult information.

Joe: Exactly. Trust is multi-faceted, and there are different things you have to trust each other for but they are built in really similar ways. Trust is built in similar ways. It is having the difficult conversations. It is not avoiding them.

If you are listening to this and you are a conflict avoidant manager, your team does not trust you. I guarantee it. I guarantee your team doesn't trust you. You think you are being nice, but what you are doing is you are destroying the trust between you

and your team. I forgot where we were. I just went on a tangent. I wanted to say that so badly.

Brett: That's great. How can somebody tell if they are a conflict avoidant manager? Let's say it is somebody who has conflict brought to them all the time. From their perspective, they feel like they are not avoiding conflict, or maybe they bring conflict up on their terms. What are some of the ways people might not be aware of their conflict avoidance?

Joe: If you have people bringing conflict to you all the time, then you are conflict avoidant. You are not dealing with the conflict, and so it just exacerbates and gets worse and worse.

Brett: That hits me in the chest. Looking back on life, wow.

Joe: Good question. Building trust is critical, and conflict avoidance is one of the ways to destroy that. Not doing what you say you are doing to do, allowing people to be in a non-accountable situation, not dealing with the dirty laundry, whether that is dirty laundry between two people, whether that's the fact that the product isn't selling, whether that is the fact that you want to have sex with people outside of your marriage. Not dealing with that, not talking about it, not bringing it up, that is a way to destroy trust.

Bringing it up is a way to create trust. It might be hard, but it is a way to create trust. Doing what you say you are going to do, that's how trust is built.

Brett: We've talked about ways of building trust, like doing what you say you are going to do, bringing up the difficult conversation, having difficult conversations, and I think there is also a level of trust that's built that you can trust that you can bring something difficult to somebody and it will turn into a productive, difficult conversation.

Joe: There is a great study Google did on that where they measured all their teams. The study is called "The Aristotle Project", I believe. We will put it in the show notes. They basically found that the teams that were most functional were functional even if they changed their goals. You are on Chrome. Now you are on YouTube. That might be a real-life example, but they could switch their things and that team would still be functional. They were like what makes those teams functional.

The things they came up with were people felt free to express themselves and everybody did express themselves. That's what they could measure that showed the functionality of the team. I think that there is a subtlety there that people don't get, which is that it works inside of teams, but it doesn't work outside of teams. I think people should all have their voice heard if they are willing to contribute and

put effort into trying to solve the problem, but if you are just standing on the outside and you think you have the right for your voice to be heard and you are not actually addressing the problem. It is not your thing to do. It might be great for someone to get your advice. You might have great stuff, but you shouldn't have power over the project.

It gets really dysfunctional on teams when people want their voices heard and think their voices should be heard, but they are not actually contributing to the solution.

Brett: It reminds me of that CIA document we have pointed to a couple times in the podcast that showed how to destroy an organization. It is to make sure it is board-controlled decisions with at least six people reaching consensus or something.

Joe: Then the other thing is the correct kind of safety, meaning a team needs to know what they need to know to be successful. That means clear goals, but it also means clear principles. It means behavioral norms. It means that they are not going to be hired and fired over their boss' whim. There is some sense of I know what I have to do here, and it is funny. One of the least safe professions is professional sports as an example. However, in professional sports, there is a way that people feel safer because they just know if I perform at this level, I stay. If I don't, I go. The hard part is people and organizations don't often know when they are going to get fired. If they know that, it is a far more secure feeling for them, and therefore, they can perform better.

Brett: Or at least their anxiety can be directed in the right direction. It directs their attention to the thing that is actually most valuable for them to perform instead of some other thing.

Joe: All politics in a team come from that. If you create a team where it is not clear, and cut and dry what will make them stay and what will make them leave, the team, what will make them successful and what will make them fail, in that team politics arise. If you are sitting in a company right now and it is a political company, it means that the success is based on relationships, not on performance.

Brett: Then that politics is just misdirected anxiety.

Joe: That's correct.

Brett: Perhaps correctly directed, but the system isn't properly defined.

Joe: That's what I mean by trust. That's the thing that's ubiquitous. Could you imagine how effective a soccer team would be if you weren't kept because of performance on the field or because of how well you played with others? But

instead it was how much the owner's wife liked you. They would not win very much.

Brett: Or an arbitrary number of goals scored by you that isn't flexible to the actual state of the game.

Joe: That's right.

Brett: So that brings up a good point here. How do you then set goals that are safely and accurately measurable so that people can understand what is expected of them to succeed in a way that is actually directly tied to the performance of the team and not to something arbitrary?

Joe: This is the specific thing. At the beginning, I said there is no such thing as a way to describe a team that's functional. It is because goals are different, and how to set them is different. The metrics that you run your business by are different or your family by are different. Even a family who is living in Sub-Saharan Africa is going to have a different set of goals to make them functional than a family that's living in Silicon Valley. I can't say how you do the goals or how you define the metrics of your business or of your team, but what I can say is the process to find them.

That is an experimental process. You have your thesis, and your thesis is your goals. Then you run the thesis. You see how performance happens through enjoyment, through the sustainability of your company, and in that process you also have this is how we operate, a set of principles. I would say that's how you do it. I remember when I was a venture capitalist, I was constantly thinking about what the metrics of the business were, which is a way to say what the goals were, what the leading indicators are. I am constantly thinking about how to refine them in a way that's more and more functional.

A great example of this is in a book. I think it is Good to Great. They talk about Walgreens when they are taking off, and all the other drugstores weren't. They were beating the market substantially, and they talked about how their main metric wasn't sales per store. Their main metric was sales per customer because they were measuring the customer experience. Did the customer buy nine dollars of things on average or eleven dollars of things on average? Their whole metric was based on customer experience rather than just revenue.

What you measure and how you measure it is an art form and a skill set, but the more you understand your business or your family, the more the metric is. For instance, for me, the way I measure the functionality of my family, the bottom line of my family is connection. Do we feel connected with one another? Do I come home and I feel connected with my kids? Do my kids come home and feel

connected to me? Do we feel connected with ourselves? That's the bottom line for me. That's what I am constantly monitoring, not constantly but I monitor it to see the health of the family.

It is different for different things, and so it is an experimental process. The two parts of the experiment are: How are we going to exist? I would call that principles. What are we measuring? That's what you do.

Brett: In that story, I think there is also something else about how the measurements we take are impacting our culture. You could set a goal and then measure how much that goal is being achieved, and you can also measure when we set this goal, how our team responds to the goal. What kind of stress does this create? What kind of performance does this produce? What kind of excitement does it bring? What impact does that goal itself have on the team?

Joe: It gets even more confusing than that because it is not just the goal that's on the team, it is how the goal was rolled out to the team. Did the team create the goal? Did you create the goal and give it to your team? Here's the thing I think people don't get. Everybody wants to do a good job. There is nobody. I am sure there is somebody, but there are very few people who are like I just want to do a shitty job. Everybody wants to be successful. I've never met anybody who was like I am going to try to be unsuccessful this year. Everyone wants to be successful.

The question is what the environment is doing to take away their desire to be successful. What's the environment doing that is allowing them to be victims to the machine rather than the creators of the machine? I think oftentimes people are worried about how the company is going to take this new thing, this new change that comes from management. That's the worry that you see with a lot of CEOs. I am going to make this move, and I wonder how the company is going to take it, instead of the company has all this wisdom, how do I harness it? How do I harness the wisdom to sharpen my own ideas of the company?

If you do that, then the first issue of how the company is going to take it is never particularly an issue. It is very similar to the wisdom that so many managers know who create product, which is if I am creating product, I don't say this would be a great product, build it and sell it. I go out to the world, and I say what's the product that you want. What are the features? If I built this, would you buy it? What would make you not buy it? Then you find the product the people would buy naturally. That's the idea that you don't even need to advertise for. That would be a great way to make a product. It is also a great way to run a company.

This has been done through the years through different things like management by walking around or there is a great example of the guy who ran Boeing whose name escapes me. When he went to Ford, he just waited until somebody gave him bad

news. I think it took months, and somebody gave him bad news. It was like okay, now you are COO. Everybody was showing up and saying everything is great. No, it is not great. The company is losing money. It is that kind of a thing.

Brett: Then how do you measure the measurements you are setting up? How do you prevent them from being an infinite, recursive loop?

Joe: I don't know if that's a great question. I don't think it is ever not an infinite, recursive. It doesn't have to be recursive, but it is an infinite loop, meaning evolution changes. You can get some things that stay for a long period of time. I don't think you are going to run a company and not be measuring your revenue. There are the typical measurements, which are on a balance sheet in a cash flow statement and an income statement you are probably going to want to measure no matter what. But what Apple measures today, I hope, is crazily different than what Apple measured in 1984.

I do think there is a constant wrestling with the measurement system, but the more important part is, and I think the part that escapes most folks is it is very much like the scientific method. For me, when I talk into companies, what is the thesis? How do we test it? What's the way of acting that we think will be right? What are the measurements that we test it with? Then we start running it. In that, the measurements get refined as does the thesis about how we want to act and be, what the principles are that we want to run by.

What most people seem to do is they either do it by default unconsciously. This is the way the CEO is, and therefore, this is how the CEO runs. What's amazing to me is, especially in Silicon Valley, you will see this all the time. You will see CEOs that will measure freaking everything, but they don't measure culture, or they measure culture, but they are not aware that basically the culture they want isn't the most effective culture. It is just the culture of their behavior patterns. They are just reflecting their behavior patterns into the company.

I can't tell you how many people I've spoken to who are like the company is run by trying to make the CEO happy, which is wholly ineffective. They are either that way or there is an assumption that this is the way that the culture should be based on some reading. It is either the culture should be this way because of who I am as a CEO or because of some reading, instead of if we tweaked this part of culture, what happens to performance? It is not iterative. It is not an interactive thing.

Brett: Linking the culture to the mission of the company rather than linking culture to the preferences of management.

Joe: Yes, exactly.

Brett: Another example that you have brought up before that can bring this experimental system down to something concrete we could talk about to close out the podcast. Something that you have said is when you walk into a team that you are working with and you watch them have a meeting, you can tell how functional the team is by, correct me if I am wrong, how many people speak up.

Joe: One of the ways, correct.

Brett: One of the ways, and of course, there are some nuances that you described earlier as to their speaking up to something that they are involved in and that's constructive. If we were to measure something as simple as that, somebody who is walking away from this podcast curious and they are thinking about their next meeting, and they are thinking about how it is in a meeting I am in. How much are people speaking up? How much is the wisdom of the company arising into the meeting?

How would you measure that? How would you start to create more trust in that team?

Joe: Bring up the difficult stuff with compassion and kindness, ask the person who is most quiet in the meeting what they are thinking. If people aren't speaking, ask them what's making them not speak. I remember I walked into a company once, and the CEO talked for about seven minutes to introduce me and then handed it over to me. The first thing that came out of my mouth was I just noticed he spoke for seven minutes and none of you were listening. I asked each person what made them not listen to the CEO. Then I asked the CEO what made him speak for seven minutes when he wasn't being listened to.

Brett: What came up from that after some jaws were picked up off the floor?

Joe: There was some discomfort, and there was also some "I was listening to them". I would have to be like I don't consider you typing on your phone listening. There was no eye contact. You were not involved. There had to be some argument. The first thing that happened was avoidance of the truth of the reality, and then the second thing was discomfort. Then the third thing was they were talking about the real stuff.

Then they were talking about what's really going on in the company. It got really good really quickly. It became really clear that the team felt like the CEO needed to be right rather than to get it right. The team had lost trust in the CEO. It became really clear that the team themselves were divided into different fiefdoms who had paired off. It all got out on the table inside of an hour.

It is intense, but what's funny is if you are listening to this and you are a CEO and you are like that would be scary, if I had a way for you to figure out the 10 reasons

your product doesn't work inside of an hour, would you hire me to do it? Yes. It is that, again, emotional thing people don't want to feel which prevents them from finding the truth about their company quickly.

Brett: Now I can imagine somebody walking away and thinking I am going to walk into my team tomorrow and be like I have noticed you are not paying attention to me. I can't trust you unless you are paying attention to me. Pay attention to me. I see that might not play out the way it did for you. I am curious what some of the nuances and differences are there in really speaking to the trust versus using it as a power move.

Joe: I was being brought in to help the team get to functionality. The context was different. When you are doing it for yourself, you just do what you want. I notice I want to hear you more, Lisa. I want to hear you more, Ben. I want to hear what you think about it. I notice that I want more trust in this group, and it seems like there are politics that get in the way.

I go into teams. One of the things I will do almost immediately on a team is I will ask everybody what they want from a team. They almost always agree on everything they say. If they don't agree, it is usually semantics. It is like one person will say I want a person that supports each other. I am like does anybody else want a team that supports each other, and everybody says yes. Everybody really wants the same thing.

If you start owning your wants and you start creating the vision of the way you want the team to be, whether you are the head of the team or not head of the team, it doesn't matter. Everybody wants it. Nobody is like I want a fucking political team. I want a team where I don't feel safe and there is backstabbing and no support. Nobody feels that way. There are people who feel like that's the way all teams are, and it is going to be that way, so I need to protect myself. I need to win that game, but there is nobody who actually wants that team. If you own your wants, you can be assured that it is what everybody else wants as far as trust.

Brett: Even if they don't want the same thing as you, you owning your wants helps them more clearly define and see the path to getting their needs met.

Joe: Yes, that's right. They might not want the same actions as you, but they definitely want the same kind of team as you do if you are on the same team. Everybody wants to be a part of a winning team. Everybody wants a supportive team. Everybody wants to be on a team that they can trust. Everybody wants a team where they know that people will tell them their problems instead of telling other people about the problems they are having with them. Everybody wants that.

Brett: For those who don't, tune into our next episode, which is on how to build a dysfunctional team, not joking. Coming right up. Thank you, Joe.

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