Working In Contemporary Teams

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Lecture - 08

Introduction to start-up teams

Welcome back to our course on working in contemporary teams and virtual teams. We are in the second chapter. I am Dr. M.P. Ganesh.

I am from IIT Hyderabad. I will quickly summarize the section we spoke about on cross-cultural teams. So, we looked at some of the important challenges working in cross-cultural teams. We also looked at the definition of culture.

Culture is nothing but the way people in the group believe and convince each other on certain norms. So, we also looked at the impact of culture on individuals. We saw culture can be of different levels. It can be at an organizational level, it can be at a national or regional level, it can also be at a professional level, which means certain professions, certain professional groups can have a very common kind of belief systems and assumptions. So, that determines the culture of that particular group.

We also looked at how different cultures can be classified depending on certain dimensions. We looked at these five important dimensions. We also spoke about high and low context cultures. So, this is relevant mostly in communication kind of a scenario. So, when people communicate from different cultures, in some cultures, lot of importance is given to the background information or the background context.

So, those cultures are called high context cultures. In some cultures, people are very straightforward and they do not really pay much attention to the background information. So, those are called low context cultures. When people meet from different context, like high context or low context, the way they communicate, the way they give feedback, the way they accept feedback vary. So, that can create conflicts in the team and miscommunication in the team.

So, countries can be classified into low and high context cultures. So, this continuum

shows how different countries fall in this continuum. So, we looked at how culture can play a very important role in influencing communication of team members. So, when you say communication, it can be both verbal and non-verbal communication. So, we looked at how each of the dimensions within verbal communication and how they are influenced by culture.

We spent a good amount of time on how culture influence non-verbal communication, especially Eastern and Western cultures, there is a significant difference in terms of how they understand and how they perceive personal space, physical contact, gestures, silence and turn-taking. So, I have spent quite an amount of time in the previous lecture on personal space and physical contact. I have not touched upon gestures and silence and turn-taking. So, I will briefly talk about that now. So, when you say gestures, gestures are nothing but hand signals or the way we nod or the way we use our eye contact to communicate certain things.

Especially greeting, we use different gestures. For example, in India, we use Namaste or Namaskaram. In certain cultures, they bow to each other. For example, if you have to convey good, we use certain kind of hand gestures like thumbs up or thumbs down or things like that. But some of these gestures, meaning of these gestures may change from one culture to another culture.

In one culture, a certain gesture could be considered as something which is positive. On the other hand, some cultures may perceive the same gesture as something derogatory or something which is undesirable. So, we have to be very careful, especially in a group context, how gestures are understood in different cultures and cultural context. Because some gestures can be used in some context and some gestures cannot be used in a different context. So, we have to be very sensitive about usage of gestures in cultural context.

Another important element in nonverbal communication is silence and turn-taking. So, how silence is interpreted vary from one culture to another culture. For example, in the eastern context, if you are silent in a conversation, it will be perceived as you are in a thoughtful mood or you are waiting to talk about it or you are listening. But in some contexts, in some cultures, silence, being silent in a conversation is seen as indifference or it may be perceived as you are not accepting what is communicated. On the other hand, some cultures if you are silent, then it means you are accepting what is said or you are thinking about what is said.

In a group context, in a cross-cultural group context, when people from different cultures communicate, there might be some members who are silent. So, how do you

interpret that silence as an acceptance or as being thoughtful or as being rejection of the idea or being indifferent plays a very important role because that decides how the group conversation proceeds or how decision making proceeds. Another important aspect of nonverbal communication is turn-taking. Turn-taking means, let us say if one person talks, in a group one person talks. In some cultures, people wait for the person to stop or complete the communication and then they will start.

So, if you are talking in between when somebody is talking, it is seen as disruption of the communication or it is seen as you are insulting the person or you are disrespecting the person. But in some cultures, it is okay to intervene. If somebody is talking, it is okay to in between talk. If you see some of the countries like even India, in a group there will be multiple people talking at the same time. So, even though they are talking about one idea, even though they are talking about one scenario where they have to make decision, there will be like different people who will be talking simultaneously.

But in some cultures like western cultures, people will wait. They feel very, very apologetic if they have to intervene when somebody is talking because intervening is considered to be very, very impolite. Unless and until it is very important, they will not intervene. And also the tone people use. In some cultures, it is okay to be louder when you are talking.

It is not disrespect. It is like you are actively participating. If you are loud in the conversation, then it means you are active, you are getting engaged. But in some other cultures, when you are talking loud, it means you are upset, you are angry, you are aggressive and things like that. So, we have to be very careful in using the tone in a group, in a cross-cultural group communication. It is not just about face-to-face communication.

Even in email communication, certain colors of the fonts or choosing certain fonts can be considered to be undesirable. You may not know, as a person from a different culture, I cannot choose certain colors in certain kind of communication. Or for example, if you are using bold letters when you are writing, then it may be perceived as you are shouting at someone or if you are using underlining, if you are underlining certain text. In some cultures, it means you are insisting on what you are saying.

You are very particular. In some cultures, it is about seeking attention of others to that point. So, even in email communication, we have to be very careful. Another area where even in media usage in communication, cross-culture can play a role is usage of emoticons, like smileys or certain symbols which we use in email communication or chat communication. You may think this means a good positive emotion, but in some other

cultures, they may perceive it as being aggressive or being impolite and things like that. So, things like gestures, silence, turn-taking, even though they are not very openly evaluated, people may not know them openly like verbal communication, like vocabulary or usage of certain phrases.

These non-verbal aspects like silence, turn-taking can play a very important role in how people perceive each other's behavior in a group or perceive each other's intention in group discussion. So, non-verbal communication is something which we have to be very sensitive in a cross-cultural context. We also looked at how physical contact can have different meanings in different cultures and how feedback process can be influenced strongly by cultural differences. So, we looked at how in different scenarios, when people from different cultures, different contexts, when they give positive feedback, negative feedback, how it is perceived, how that can create a certain kind of challenge. So, these are some of the issues we saw in the previous lecture and we also looked at how to handle cultural differences.

A very important rule of thumb is, we should not assume and we should not overgeneralize. If there is doubt, it is better to clarify with the other person. So, this is where we stopped in the previous lecture. So, now we are going to talk about another kind of a contemporary team, which is a startup team. Why startup team is a unique kind of a team? Because startup team is also a small organization by itself and also it is a team.

So, the scope of startup team is similar to a scope of an organization, which means the kind of stakeholder it handles, the magnitude of decisions involved, the kind of timelines they work on are similar to an organization. On the other hand, because of their size and because of the nature of the interactions within them, they behave like teams. So, this is like a paradox. You are expected to do things which an organization does, but at a dynamics level, at a group dynamics level or interpersonal dynamics level, people behave as if they are interacting within a team. This creates a very different set of challenges for team members and also for the leader.

Especially now more and more individuals are coming up with their startup ideas, more and more entrepreneurial ventures have been started and there are more number of startup teams which are existing nowadays. And something which is very interesting about startup teams or the startup scenario is, out of 100 startups, only maximum of 5 to 10 percent will survive. They become bigger organizations. Most of the startups fail within three years. The major reason being, there can be many reasons.

One important reason could be how people manage interpersonal relationships, how

people handle human resource related issues in a startup team. A very important aspect of a startup team in the context of team behavior or contemporary team is startup teams are like young children. They are like babies. They grow very fast. So the nature of the growth and also the rate of growth is like very different from any other team or even any other stages of an organization.

So the initial stages, since they grow very fast and also the kind of growth they show at the earlier stages. One rate of growth and also the kind of growth. It involves a lot of changes and that requires a lot of resources, both within the team and also from outside the startup context. So they need support from mentors. They need support from investors as a startup team.

So these are support or resources they require from outside. Within the startup team, they need resources in terms of understanding each other, being able to work together as a team, ability to manage the change, the rapid change which happens. So all those things are also resources which are required within the team. So if you have to look at startup teams, they need a lot of capital, not just financial capital, not just economic capital, not just money.

They need social capital. They need human capital. They also need cultural capital. So we know what is financial capital or economic capital, that is money. Purely like you get financial support. But what is human capital? Human capital is the kind of skill set within the team.

So as a startup team, like I said, you grow very fast. You need a lot of people, especially when you are at 3 years or 4 years. Initial stage will be like 10-15 members in a startup. When they grow after 3 years, they may grow exponentially. The organization may grow, the startup may grow like 50 people, 100 people.

And every year they might be like doubling the strength. So the kind of people they choose, the kind of human resources they nurture, how they create a certain kind of a culture within the startup, all those things play a very very important role. So that is human capital. Social capital is the kind of networks the startup team establishes. When I say network, what kind of support system they can access to? What kind of people or organizations they have connections to as a startup? So the kind of connections they establish with outside the team also plays a very very important role for the success of a startup team.

For a startup team to survive, you need human capital, you need social capital. I also spoke about cultural capital. Cultural capital means, again it is related to social capital,

what kind of environment and the social norms which you are creating both within and outside the organization, which gives that strength for the startup to grow beyond 3 years, which involves facing challenges, which involves perseverance and not giving hope, which involves creating an environment within the organization which helps people to help each other and support each other. So creating a culture and being able to influence the stakeholders outside the organization and get their support and establish those networks are also important.

They are called cultural capital. There is another capital which is at an individual level which is very important for team members in a startup which is called psychological capital. Psychological capital means, especially when you are a young organization, like I said the failure rate is very high. As team members, you should have the capacity to withstand failures, the capacity to face challenges and not give up. So it is called perseverance.

There is something called resilience. Resilience means in failure, even if there are failures, you should be able to get up and move forward. And the third thing which is very important as psychological capital is self-efficacy, which means confidence in yourself as a team member and also confidence in others in the team, in the startup team. So for any startups to grow, to survive, you need human capital, you need social capital, you need cultural capital, you need psychological capital. So these are some of the unique aspects of startup teams. Even though some of these aspects are relevant in other forms of teams, for a startup team this is very very important.

So like I said earlier, a startup is like a small child. It grows very fast. So when it grows fast, you need a lot of support, a lot of resources. Like I said, both within and also from outside. And some of the ways in which startup teams are different from any other team is, in a startup team, team members have high levels of energy and they are very cohesive.

If you see, many of these startups, which the first one or two years, will have team members who are friends. Many of these startups are started by group of friends and they are very supportive to each other and they are very committed to their idea. They are very ambitious, they are very motivated, they are driven by the idea. More than the money they have been driven by creating something new. So that gives a lot of energy for the team members and also that creates a lot of affection and support within the team.

And also like I said, because these are group of friends or people who know each other very well, people with similar interest and world view and they are driven by the ideas they are working for, they might be very committed and also they will be very focused

because they are willing to put extra effort because they know that this idea is a unique idea and they want to make this idea successful. So this is like, they know that this organization is their baby. They feel that it is their responsibility, each one of the team members' responsibility for making this startup idea into a big business or a big organization. So that creates focus, commitment and people are willing to put more effort than what they receive in terms of reward. So many of these startups, people may not get revenues, they may not even break even, they may not, in fact, many a times they will put money from their own pocket, each of the team members.

But on the other hand, because they believe in the idea, they will work for long hours, they will stretch themselves. So that creates that uniqueness of a startup team. And in long run, sustaining that is a major challenge. And that is one of the key challenges of a startup team because when you grow, after three years, there are new members joining. As a startup, you will be exponentially growing after a certain point.

So how do you manage or sustain that motivation, commitment, energy within that organization? Small organization is a key challenge. I mean, I say you have from 50 people, you become 100 people in the organization. 100 is also a small size, but it is not as small as a 10-member startup team. So exponential growth, managing that growth in terms of maintaining commitment and focus becomes a major challenge. Because startup team is small, committed, cohesive, there is a lot of focus on creativity.

When I say creativity, it means there is no rigid structure in the organization. So that flexibility gives openness for people to think more freely. And there is no hierarchy also because it's a small team. All of them are friends. There is no, I'm the boss, you are my subordinate kind of structure.

There are no rules. There are no clear cut written rules. There are no rigid rules. There is no hierarchy. There is no preset conditions. So there are very few constraining factors. And that gives a lot of flexibility to a startup team and that encourages creativity.

So that's a very key strength of a startup. But what can happen in long run is it becomes important to sustain the creativity and flexibility, like commitment and focus. But when you grow rapidly, you need structures in place. You need some level of rules and regulations in place.

And that helps the organization grow. It brings an order. At the same time, it can also become a challenge because it may put some barrier on existing creativity and flexibility. So how, as a team or a team leader, manage all these challenges, all these, we'll talk about paradoxes, all these paradoxes in long run. That's a very, very important skill for the

founder of the startup or the founding team of the startup. Because this is what will ensure whether you will live beyond three years and will become a big organization.

From a startup, you become a big, successful organization. Depends on how well you manage these challenges. Another important aspect of a startup team is growth mindset, which means everybody in the team, because of the fact that they are highly committed and focused, they're very creative, there's less rigidity, there's a lot of freedom. They always look for challenges and try to solve those challenges. This is what we call growth mindset. Growth mindset means looking at a barrier as an opportunity, looking at a challenge as something which should be solved or should be handled and make the most out of it instead of looking at it as a barrier.

So this is like, there is a challenge, you don't give up. Instead of looking at it as a barrier, you try to solve it and prove yourself and also take advantage of your learning from handling the challenge or resolving that problem. So positive mindset. So this is what we call growth mindset. And also everybody in the team will have the intention of an entrepreneur.

They won't see themselves as an employee in a small startup team. They'll never see themselves as an employee. They'll see each other as entrepreneurs, equal ownership, not just in terms of what they get, but also what they contribute to the team. So these unique characteristics make a startup team a very interesting place to work. On the other hand, like I said, since there's rapid growth, rapid change which happens, it also makes it difficult to handle or sustain these qualities.

So the same qualities can become a challenge. At the same time, it also fuels the growth of the startup. So you have to understand how to use these qualities in the long run without them becoming a problem. Like I said, flexibility is a good thing, but beyond a point when organization grows, too much flexibility will create chaos in the organization or can create inefficiency in the organization because you need structure, you need rigidity to create efficiency, to help efficiency. So these are some of the paradoxes which we'll see in the later slides. So some of the important aspects of a startup team which we have to be cognizant of, which you need to be aware of is diversity in the startup team, so the team composition.

Like I said earlier, most of the startup teams, the initial stages, it will be of people who are very close to each other. They are friends, they know each other very well, they have similar values, similar mindset, similar objective, so they are very homogenous. But what can happen is beyond a point, this homogeneity can itself become a challenge for the team. So you need to bring in diversity because homogeneity will create some kind

of biases, decisions, when the team makes decisions, the startup team makes decisions, when all of them are same, they are similar to each other, then the decisions cannot be looked at from different perspectives.

So that is where diversity becomes very important. If the team has diverse members, the same problem or the same situation will be looked at from different perspectives and the solution would be more realistic and more robust. But when the team members are similar to each other, they are very homogenous, decisions can become very one-sided. They will not be someone in the team who will tell you the other aspect or the different side of the same story. So that can become a major barrier to the team. And also creativity being a very important fueling aspect of growth of a startup team, when people are homogenous, it can lead to less creativity.

You need diversity to fuel creativity. On the other hand, diversity can bring in differences of opinion and it can be perceived as conflict. So we have to be very careful to strike the balance of diversity and homogeneity. So homogeneity in terms of what they believe as the vision of the organization. There there should be homogeneity. Diversity in terms of different perspectives, diversity in terms of different functional backgrounds, varied interests, different experiences, identities, that will help creativity.

But homogeneity in terms of the vision of or the culture of the organization for the startup team is important. So in some areas, there should be homogeneity, in some areas, there should be diversity. And another aspect of a startup team is emotional contagion, which we have to be very careful. Because startup team is a small team, small organization, where people are very cohesive. Emotions, people exhibit in the team, in the startup team can play a very important role in taking the team forward and making the team grow as a big organization.

Especially when the team faces failures, if the team members who are very positive, they use humor to handle failures, that can help the other team members feel positive or helping them not give up or helping them look at challenges in a very sportive way, look at failures in a very positive manner. That requires team members who are very emotionally mature, who are very positive, who are very balanced or even using humor to handle challenges. So emotional contagion means like virus, if somebody has cold, the other person gets cold. Similarly, in a team, when people are close to each other, one person is sad or one person is aggressive or negative.

It creates an environment where others also become negative or depressed or aggressive. So in a startup team, understanding the emotional climate and understanding the team members who can be drivers of influences of emotional climate in the team is

very important. Sometimes what can happen is some of the team members might undergo personal hardships. So when they are sad, when they are depressed, because of other reasons, that can affect other team members. And if you see some of these startup teams, especially from first year to second year and they move on, if some team members leave, very important team members leave, let's say there are a group of five friends, they came up with a startup idea, they have been working for one year, steadily they are growing. But if one person leaves, it may break the entire team also and that may lead to the death of the startup.

This one person leaving could be for personal reasons. I have seen a lot of the startup teams, because one person has left the startup because of personal problems that may affect all the others in the team and they may give up. Because it is a shared responsibility, because it is shared ownership, if one person leaves, they feel okay, I will take care of my own life, I will get a job and join that, I will take care of my profession. Why should I worry about this common shared belief which we are owning ? This can happen because of emotional problems or disturbances some team members face. As a startup founder or team members, these elements like emotional contagion, emotional climate, or influence of one team member on other team members in terms of emotions, it cannot be taken very easily. That is where we need coaches, startup coaches or startup mentors they can help the team sail through these difficult situations which involve lot of emotional aspects.

So I will stop here. We will talk about some of the other challenges in terms of startup teams in the next chapter.