

Talent can be scarce:
there is only one
Lionel Messi





Playing for the *WINNING TEAM*

What are the constituents of a winning team? Research by **Torun Dewan** and **David P Myatt** provides a unique perspective



As the football season unfolds, pundits and fans throughout the world look speculatively to the future. Which teams will challenge for the Premier League, La Liga, Ligue 1 and Serie A titles? Who will fill the all-important Champions League places and who will fall from contention? This prediction game is not only a sport for onlookers. The players themselves also wonder whether they will play for a winning or losing team.

One determinant of a team's performance is, of course, the composition of its squad. This evolves via a process of retirement and replenishment. Central to this is a team's transfer success: can it recruit the talent it needs? This is complemented by a second component: if talent is to translate into results then the recruits must devote themselves to their team's cause.

These components are, of course, influenced by the financial muscle that it takes to sign the best and to motivate them. But this is only part of the story. Chelsea took several years to reach the summit of the English Premier League and several more before winning the Champions League, despite the financial clout provided by its billionaire owner Roman Abramovich. Manchester City and Paris St Germain have yet to make a Champions

League impact, despite their oil wealth.

To attract, motivate and retain the top players requires more than money. It also requires the promise of sustained team success. A winning team needs the best players, in turn the best players desire to play for winning teams. Ashley Cole stated the burning desire for trophies and medals as his motivation when he joined Chelsea in 2006. Similarly, Sami Nasri and Robin van Persie left Arsenal in search of teams more likely, in their judgment, to win trophies. Other players have failed to play ball when dissatisfied with their current team's prospects.

As in other walks of life, footballers want to reach the top and stay there. They are eager to join and to perform for a team that promises success, and can be quick to leave if their ambitions are unfulfilled. Their choices then sustain the long-lived success of the team that attracts them. A self-fulfilling prophecy is sustained by a virtuous circle of expectations >

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and expectation fulfillment: talented players join teams that they believe will succeed, and such teams succeed when they attract such players.

However, that circle can also be vicious: in a crisis of confidence, players can expect a team to decline, and the haemorrhage of talent can make a fall inevitable. It is notable that after a disastrous season Manchester United has struggled to make the marquee signings its supporters crave. Players are less willing to join an underperforming club, even if that club is one of the most famous in the world.

Messi business

Football provides a metaphor for organisations that depend upon the recruitment and commitment of talent, but rely on the promise of sustained success to attract, retain, and motivate such talent.

This is true in business, academia, government and elsewhere. The first two groups coincide in the world of business schools. Ambitious thinkers aspire to join a world-class school. A deep faculty talent pool helps to attract the academics that a leading business school needs to sustain its research, teaching and outreach.

Talent can be scarce. There is only one Lionel Messi. Consider the world of politics. In the United Kingdom, ministerial recruits are drawn from members of parliament. During John Major's administration in the 1990s, his whip Tristan Garel-Jones lamented: "If you include all the various ranks of ministers, you have to find maybe 90 people to form a government. You have perhaps 350 or so people to choose from. Once you've eliminated the bad, mad, drunk and over-the-hill, you've got rid of 100. You then have to pick 90 people out of a pool of 250... Is it any wonder that the calibre is so low?" Even when it came to running a nation, the depth of the talent pool was shallow.

Shallows are dangerous. If an organisation is unable to recruit from a sufficiently deep talent pool to replenish its membership, then its quality declines and it may fail: poorly performing governments lose elections, and failing sports teams are relegated to a lower league. The ongoing success and long-term survival of such organisations depend upon the recruitment of talent.

Complementary therapy

Central to these scenarios are what are labelled strategic complementarities: the participation of a talented member of a team encourages (or strategically complements) others to do so in turn. What counts is the coordination of expectations.

One of our research programmes explores

this topic. We have built and analysed dynamic models of an organisation's evolving performance. Our research initially focused on governments, but is now shifting back to the world of business.

In one of our articles ('Dynamic Government Performance: Honeymoons and Crises of Confidence'), we studied team members' commitment as team performance evolves over time; and in our latest research ('Playing for the Winning Team: Selection, Performance, and the Longevity of Organisations'), we explore the interrelationship between the talent pool of those willing to serve an organisation and the expectations of the team's longevity. In this new model, talented recruits enjoy better outside options, and so the team's prospects need to be stronger if they are to join it.

A general feature of our dynamic models is that we see clearly the emergence of multiple self-fulfilling prophecies. The key indicator is the current state of the organisation. This state may be the quality of an executive team, the popularity of a government in the opinion polls, or the position of a sports team in a league. Crucially, a threshold level of status — a line in the sand for a government's popularity, or a critical ranking for a sports team — separates the worlds of optimistic and pessimistic expectations. Above that threshold, expectations flip into an optimistic mode and a winning team enjoys self-reinforcing success. However, a fall below that threshold sparks a crisis of confidence that results in the team's rapid collapse.

Noisy neighbours

Our analysis pins down the threshold that separates a winning from a losing team, and shows how this threshold responds to different characteristics of a team's environment. Much of what we find is not surprising. For example, this threshold falls (and so a team finds it easier to win) whenever talented recruits have more to gain from the team and whenever their talent is greater so that a team enjoys runaway success once such recruits are tempted to join.

More nuanced, however, are the implications of noise in the process of recruitment and replenishment. Recruitment is never perfect: even if the best players are willing to serve, a skilled football scout is not always able to find them. Similarly, an excellent prospect may turn out to be a poor match with the team's culture: a star player may flop, a rising academic falter, or a promising government backbencher may be hit by scandal once in the cabinet.

Crucially, different kinds of noise can raise or lower the critical threshold dividing the optimistic and pessimistic worlds. In a winning team, the default expectation is that the



Recruitment is never perfect: even if the best players want to serve, a skilled football scout can't always find them



Investing in recruitment: Arsenal players lifting the FA Cup in 2014 include Mesut Özil, signed by Arsene Wenger (above right) the previous year



GOVERNMENT IS A TEAM GAME

Pundits offer endless opinions about what makes a winning football team. But what explains the differences in the performances of governments? The qualities of the ministers available and the actions they take during their time in office are clearly factors.

For example, the UK's Liberal government of 1908–14 benefited greatly from the combination of talent in the cabinet of Herbert Asquith (below) which included David Lloyd George and Winston Churchill. Similarly, George Washington's first cabinet, and that of Abraham Lincoln, were also blessed with a number of talented individuals.

Yet to consider government performance only in the light of the talents of office-holders is to miss a critical piece of the puzzle; it is important to recognise the circumstances we create that affect their work. Performance is likely to be higher when talented individuals use their skills to pursue the collective goals of the government, rather than their private ambitions. Ergo, it is the role of the political leader (as much as the football manager) to harness the ambitions of his or her team and focus their energies. Government, it turns out, should be a team game, too.



organisation will prosper. Any noise increases the risk that a sequence of bad results will push the team below the threshold; hence, noise is bad for the prospects of the team. In a losing team, however, the default expectations are pessimistic. If nothing disturbs the status quo then the team declines. Here, noise is welcome; a sequence of lucky draws could resurrect the team by pushing it above the win-vs-lose threshold.

Our research reports an explicit formula that shows how the relative noise in the recruitment processes of winning and losing teams can determine the prophecies that are fulfilled.

Our findings have implications for the leaders of organisations. The recruitment strategy of a prime minister, of a Premier League club manager or of a chief executive can help to rescue a failing team or sustain the success of winning team. For a winning team, noise is unwelcome and so the leader can benefit from playing it safe, even if this lowers the average quality of recruits. This maintains confidence that the team will not fall below the crucial line in the sand.

For a failing team, however, playing it safe cannot help. Under pessimistic expectations, the team declines. Here, then, the right recruitment strategy is to gamble for resurrection: more risk is valuable, even if it is in exchange for a lower-than-average

quality of recruits.

Rejoining the soccer pitch, consider the survival of Swansea City in the premier flight. Its first-season success exploited uncovered gems – the lucky draws – such as star striker Michu.

At Chelsea, its coach José Mourinho has played it safe by looking to last season's Champions League finalists Atlético Madrid for able replacements.

The balance changes. In the summer of 2013, Arsenal failed to land a number of signings. Starved of trophies and the big name additions they believed the team needed, the supporters were unhappy. A defeat in the first home game of the season prompted voluble disquiet with the team and manager. Soon after the club invested heavily in a star player — buying the German international Mesut Özil for £42.5m from Real Madrid on transfer deadline day — and ended the season by securing another year in the Champions League and winning the FA Cup.

In summer 2014, with the prospect of long-term resurrection, Arsenal found it easier to recruit high-quality new players. Football, politics, academia and business can all be beautiful games in which the shared expectations of success and failure can be fulfilled; leaders can help to coordinate those expectations. ■

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Torun Dewan and David P Myatt, 'The Declining Talent Pool of Government', *American Journal of Political Science*, 54(2), pp267–286 (2010); Torun Dewan and David P Myatt, 'Dynamic Government Performance: Honeymoons and Crises of Confidence', *American Political Science Review*, 106(1), pp123–145 (2012); Torun Dewan and David P Myatt, 'Playing for the Winning Team: Selection, Performance, and the Longevity of Organisations', working paper, London School of Economics and London Business School (2014)