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Team Dynamics

Teamwork at HFT Investment Management Co.

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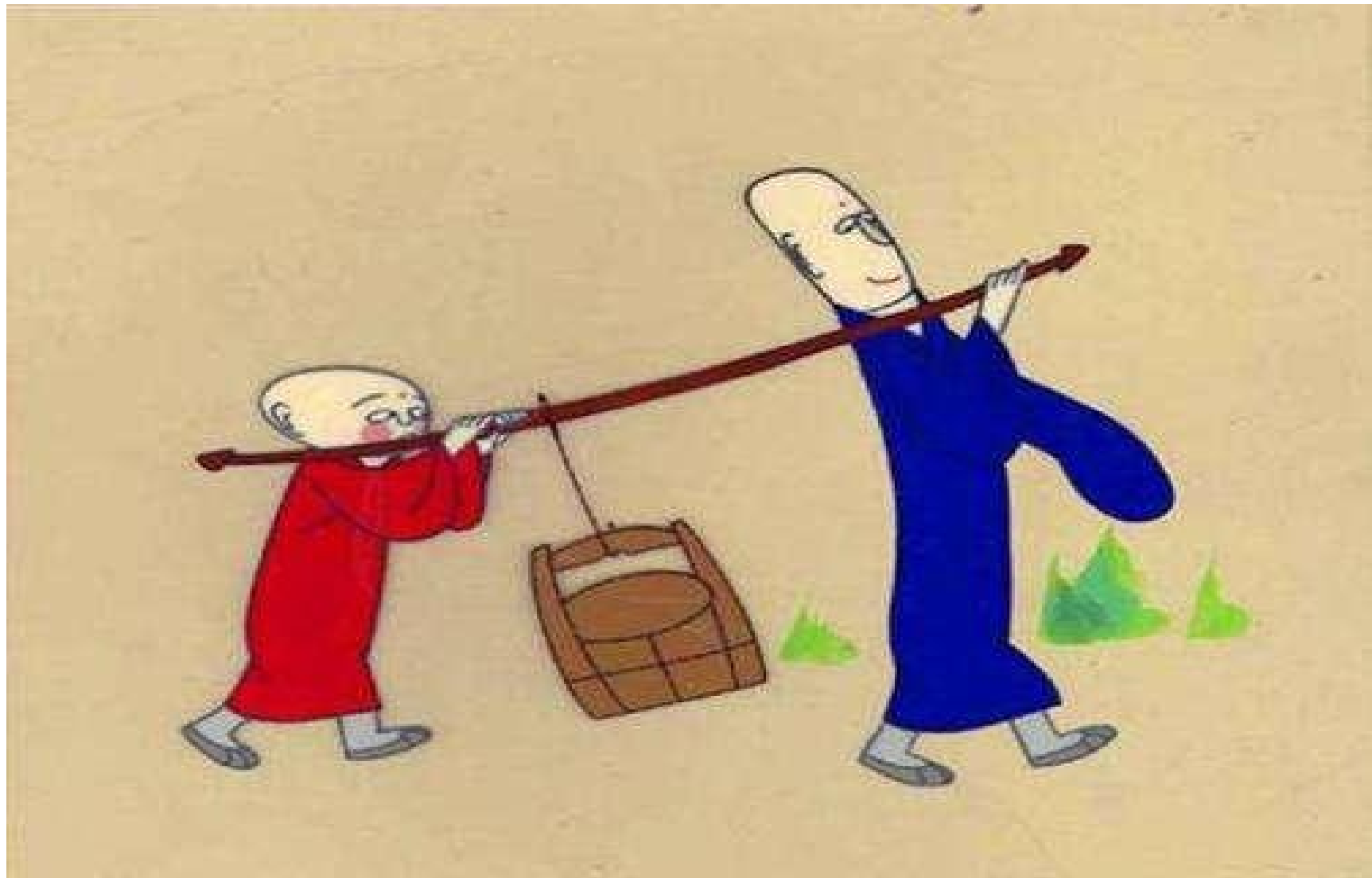


HFT Investment Management Co. Ltd. believes in the “value derived from teamwork.” The Shanghai-based investment fund company makes all investment decisions in teams.

One monk carries water



Two monks carry water together



Three monks have no water?



Two heads are better than one?

**TWO HEADS ARE
BETTER THAN ONE**



What are Teams?



- Groups of two or more people
- Exist to fulfill a purpose
- Interdependent – interact and collaborate
- Mutually accountable for achieving common goals – influence each other
- Perceive themselves to be a team

Many Types of Teams



- Permanence
 - How long that type of team usually exists
- Skill differentiation
 - Degree of skill/knowledge diversity in the team
- Authority differentiation
 - Degree that decision-making responsibility is distributed throughout the team or centralized

Informal Groups



- Groups that exist primarily for the benefit of their members
- Reasons why informal groups exist:
 - Innate drive to bond
 - Social identity -- we define ourselves by group memberships
 - Goal accomplishment
 - Emotional support

Team Advantages/Challenges



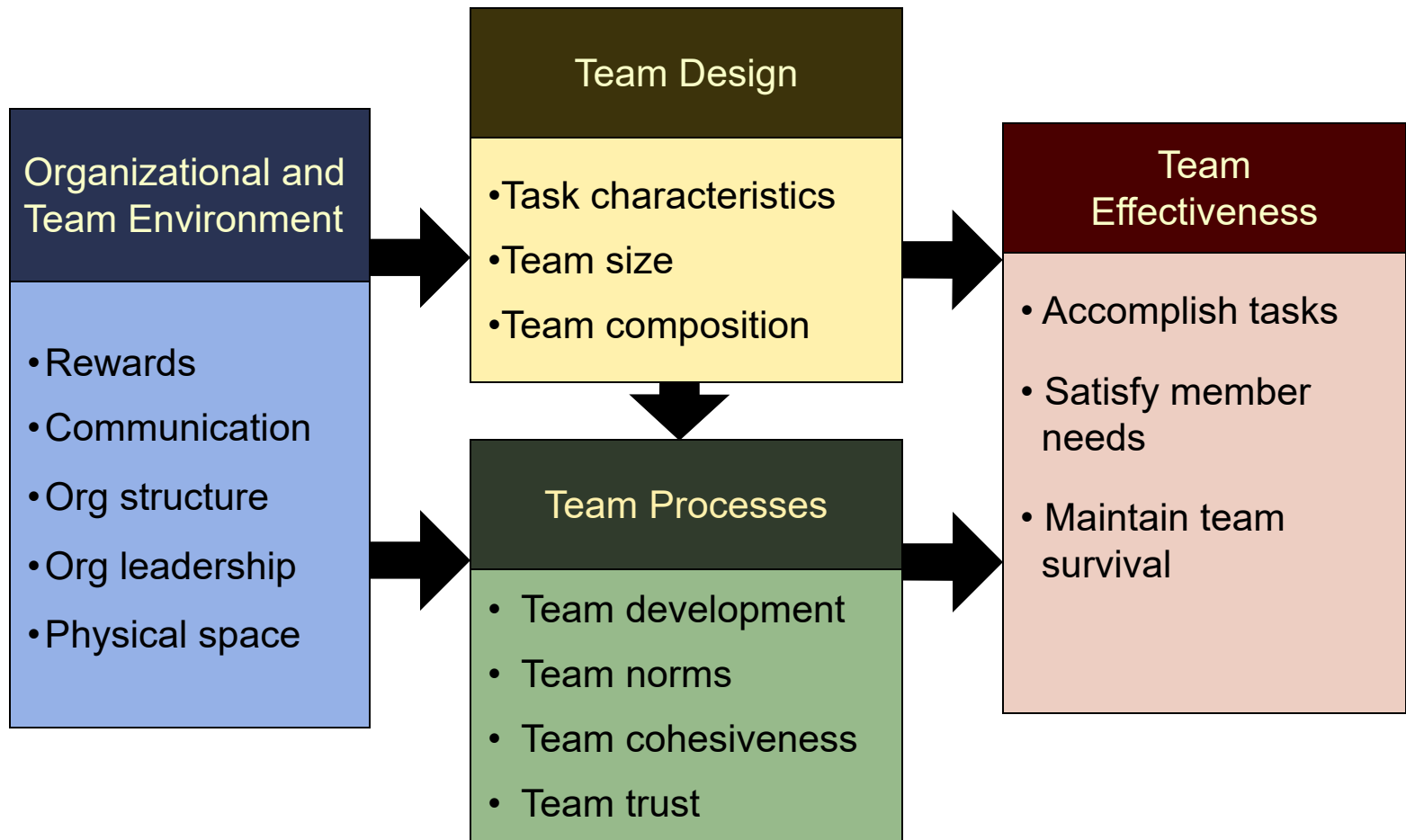
■ Advantages

1. Make better decisions, products/services
2. Better information sharing
3. Increase employee motivation/engagement

■ Challenges

1. Process losses – resources needed for team maintenance
2. Social loafing – members potentially exert less effort in teams than alone

Team Effectiveness Model



Organization/Team Environment

- Reward systems
- Communication systems
- Organizational structure
- Organizational leadership
- Physical space



Best Tasks for Teams



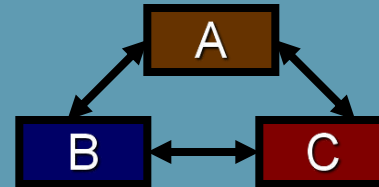
1. Complex tasks divisible into specialized roles
2. Well-structured tasks – easier to coordinate
3. Higher task interdependence
 - Team members must share materials, information, or expertise to perform their jobs
 - Teams usually better because high interdependence (a) requires better communication/coordination and (b) motivates team membership
 - But teams less effective if task goals differ (e.g. serving different clients) – use other coordinating mechanisms

Levels of Task Interdependence



High

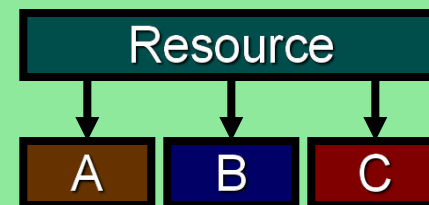
Reciprocal



Sequential



Pooled



Low

Team Size



- Smaller teams are better because:
 - less process loss -- need less time to coordinate roles and resolve differences
 - require less time to develop
 - more engaged with team – know members, more influence on the team
 - feel more responsible for team's success
- But team must be large enough to accomplish task

Team Player Selection at Menlo Innovations

Ann Arbor, Michigan software company Menlo Innovations identifies job applicants with the best team skills through a group selection process in which applicants are paired with each other to complete software tasks.



Team Composition

- Effective team members must be willing and able to work on the team
- Effective team members possess specific competencies (5 C's in diagram)



Team Composition: Diversity



- Team members have diverse knowledge, skills, perspectives, values, etc.
- Advantages
 - view problems/alternatives from different perspectives
 - broader knowledge base
 - better representation of team's constituents
- Disadvantages
 - take longer to become a high-performing team
 - susceptible to “faultlines” – less motivation to coordinate

Stages of Team Development



- Forming
 - learn about each other; evaluate membership.
- Storming
 - conflict; members proactive, compete for roles.
- Norming
 - roles established; consensus around team objectives and team mental model.
- Performing
 - efficient coordination; highly cooperative; high trust; commitment to team objectives; identify with the team.
- Adjourning
 - disbanding; shift from task to relationship focus.

Team Development: Forming Identities and Mental Models



1. Developing team identity

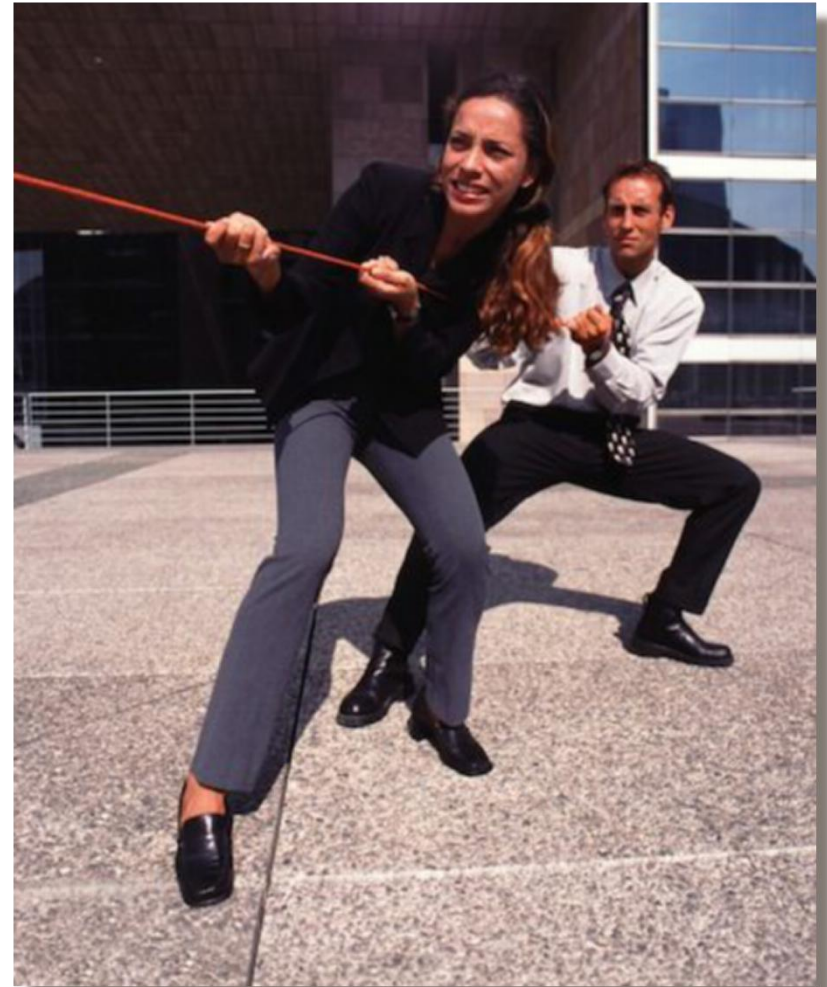
- Viewing team as “us” rather than “them”
- Team becomes part of the person’s social identity

2. Developing team mental models and coordinating routines

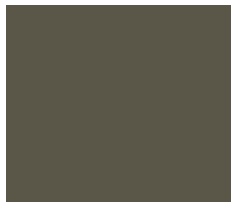
- Forming habitual routines with team members
- Forming shared/complementary mental models

Team Building

- Formal activities intended to improve the team's development and functioning
- Types of team building
 1. Clarify team's performance goals
 2. Improve team's problem-solving skills
 3. Improve role definitions
 4. Improve relations

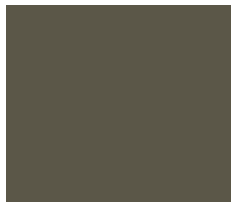


Team Norms



- Informal rules and shared expectations team establishes to regulate member behaviors
- Norms develop through:
 - Initial team experiences
 - Critical events in team's history
 - Experience/values members bring to the team
- Preventing/Changing Dysfunctional Team Norms
 - State desired norms when forming teams
 - Select members with preferred values
 - Discuss counter-productive norms
 - Introduce team-based rewards that counter dysfunctional norms
 - Disband teams with dysfunctional norms

Team Cohesion



- Team cohesion
 - The degree of attraction people feel toward the team and their motivation to remain members
- Team cohesion is stronger/occurs faster with:
 - Higher member similarity
 - Smaller team size
 - Regular/frequent member interaction
 - Somewhat difficult team entry (membership)
 - Higher team success
 - More external competition/challenges

Team Cohesion and Performance



- High cohesion teams usually perform better because:
 - Motivated to maintain membership and achieve team objectives
 - Share information more frequently
 - Higher coworker satisfaction
 - Better social support (minimizes stress)
 - Resolve conflict more swiftly and effectively

Contingencies of cohesion and performance

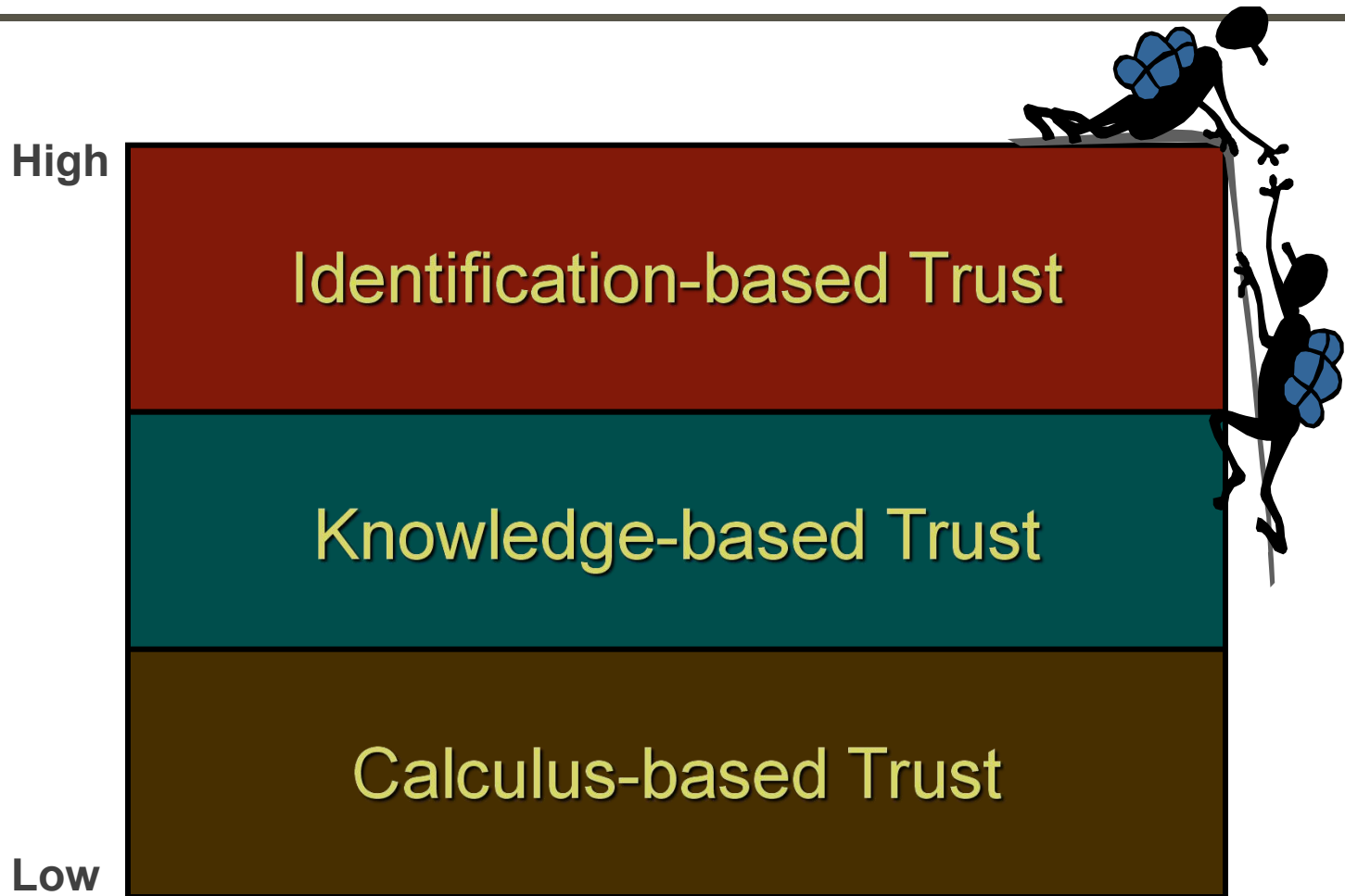
1. Task interdependence

- Cohesion motivates cooperation; less important with low interdependence

2. Team norms consistent with organizational objectives

- Cohesion motivates conformity to team norms
- Cohesion motivates LOWER performance if norms oppose company objectives

Three Levels of Trust



Self-Directed Teams



- Self-directed teams defined
 - Cross-functional groups
 - organized around work processes
 - complete an entire piece of work requiring several interdependent tasks,
 - have substantial autonomy over task decisions
- Success factors
 1. Responsible for entire work process
 2. High interdependence within the team
 3. Low interdependence with other teams
 4. Autonomy to organize and coordinate work
 5. Work site/technology support team communication/coordination

Virtual Teams



- Members operate across space, time, and organizational boundaries -- linked through information technologies
- Virtual Team Success Factors
 1. Virtual team member characteristics
 2. Toolkit of communication channels and freedom to choose channels that work best for them
 3. Fairly high task structure
 4. Opportunities to meet face-to-face

Team Decision Making Constraints



- Time constraints
 - Time to organize/coordinate
 - Production blocking
- Evaluation apprehension
 - Reluctance to mention ideas that seem silly because of belief of evaluation by other team members
- Peer pressure to conform
 - Suppressing opinions that oppose team norms
- Overconfidence (inflated team efficacy)
 - Team efficacy usually beneficial (motivates performance)
 - Inflated team efficacy
 - Outcomes: false sense of invulnerability, less vigilant decisions, less task conflict
 - Caused by: collective self-enhancement, high cohesion, external threats

General Guidelines for Team Decisions



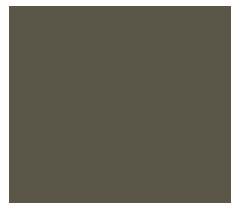
- Team norms should encourage critical thinking
- Sufficient team diversity
- Checks/balances to avoid dominant participants
- Maintain optimal team size
- Introduce effective team structures

Brainstorming



- Participants think up as many ideas as possible
- Four brainstorming rules
 - Speak freely
 - Don't criticize
 - Provide as many ideas as possible
 - Build on others' ideas
- Dismissed by lab research, but supported in field research and by leading creative firms
- Brainstorming limitations
 - Production blocking
 - Conformity effect (fixation)

Other Team Structures for Creative Decision Making



- Brainwriting -- brainstorming without conversation
 - Individuals write down/distribute their ideas to others, who develop further ideas
 - Less production blocking than brainstorming
- Electronic Brainstorming – variation of brainwriting
 - Relies on computer technology
 - Document/distribute ideas anonymously to other participants
 - Anonymously vote on ideas, followed by discussion
 - Strengths: less production blocking, evaluation apprehension, conformity
 - Limitations: considered too structured and technology-bound
- Nominal Group Technique – variation of brainwriting
 1. Problem is described, then participants privately write down solutions
 2. Participants describe their solutions – no criticism or debate
 3. Participants privately rank-order or vote on solutions
 - Problems of production blocking and evaluation apprehension

Individual Assignment



- Read the Chinese story of “Lan yu chong shu” carefully, and then identify and describe the reasons why Mr Nanguo could succeed under the reign of King Xuan of Qi but encountered failure under the reign of King Min of Qi, and how can this phenomenon be minimized in group management?
- Accounted for 20% of the course assessment