

Departmentalisation

- **Functional departmentalisation**

- Units are responsible for particular business functions

- **Product departmentalisation**

- Units are responsible for producing particular products or service

- **Geographic departmentalisation**

- Units are responsible for doing business in particular geographic areas

- **Customer departmentalisation**

- Units are responsible for particular kinds of customers

- **Matrix departmentalisation — Hybrid organisational structure**

- Simple matrix: Managers in different parts of the matrix negotiate conflicts and resources directly
- Complex matrix: Managers in different parts of the matrix report to matrix managers

Delegation

- **Delegation of authority:** Assignment of authority and responsibility to a subordinate to complete a manager's tasks
- Companies should:
 - **Centralise** where standardisation is important
 - **Decentralise** where standardisation is unimportant

***Standardisation** is solving problems by consistently applying the same rules, procedures, and processes.*

Organisational Designs

Mechanistic

- High specialization
- Rigid departmentalization
- Clear chain of command
- Narrow spans of control
- Centralization
- High formalization

Organic

- Cross-functional teams
- Cross-hierarchical teams
- Free flow of information
- Wide spans of control
- Decentralization
- Low formalization

•Mechanistic organisations

- Characterised by specialised jobs and responsibilities and follow centralised authority and vertical communication

•Organic organisations

- Characterised by broadly defined jobs and responsibilities and are concerned with *intraorganisational* process
- Decentralised authority and horizontal communication are based on task knowledge

Intraorganisational Processes

- Internal organisational processes: the collection of activities that take place *within an organisation* to transform inputs into outputs that customers value.
- Ways to **Redesign** Intraorganisational Processes:

- **Reengineering:**

Helps achieve dramatic improvements in critical measures of performance

Changes work by changing task interdependence

- **Empowering workers**

Passing decision-making authority and responsibility from managers to workers

Involves providing the required resources to make effective decisions

Interorganisational Processes

- An interorganisational process is a collection of activities that occur *among companies* to transform inputs into outputs that customers value.
- Types:
 - Modular organisations
 - Virtual organisations

Quiz

- Which of the following best defines an interorganisational process?
 - A. It is a collection of activities that take place among companies to transform inputs into outputs that customers value.
 - B. It is the vertical and horizontal configuration of departments, authority, and jobs within a company.
 - C. It is the process of periodically moving workers from one specialised job to another to give them more variety and the opportunity to use different skills.
 - D. It is a process of solving problems by consistently applying the same rules, procedures, and processes.

Quiz

- In the context of intraorganisational processes, which of the following statements is true of empowered employees?
 - A. They take passive roles in the work assigned to them.
 - B. They are closely monitored by their supervisors.
 - C. They have the autonomy to choose how best to do their work.
 - D. They are temporarily given the authority to make decisions by their managers.

S13. Managing work teams

Dr. Yuankun Luo

Outline

- **Work teams: basic concepts**
- Pros and cons of using teams
- Different types of teams
- Characteristics of teams
- Methods used to enhance work team effectiveness

Work teams

- Small number of people with *complementary skills* who are *mutually accountable* for:
 - Pursuing a common purpose
 - Achieving performance goals
 - Improving interdependent work processes
- Help firms respond to specific problems and challenges

Differences between Groups and Teams

Group

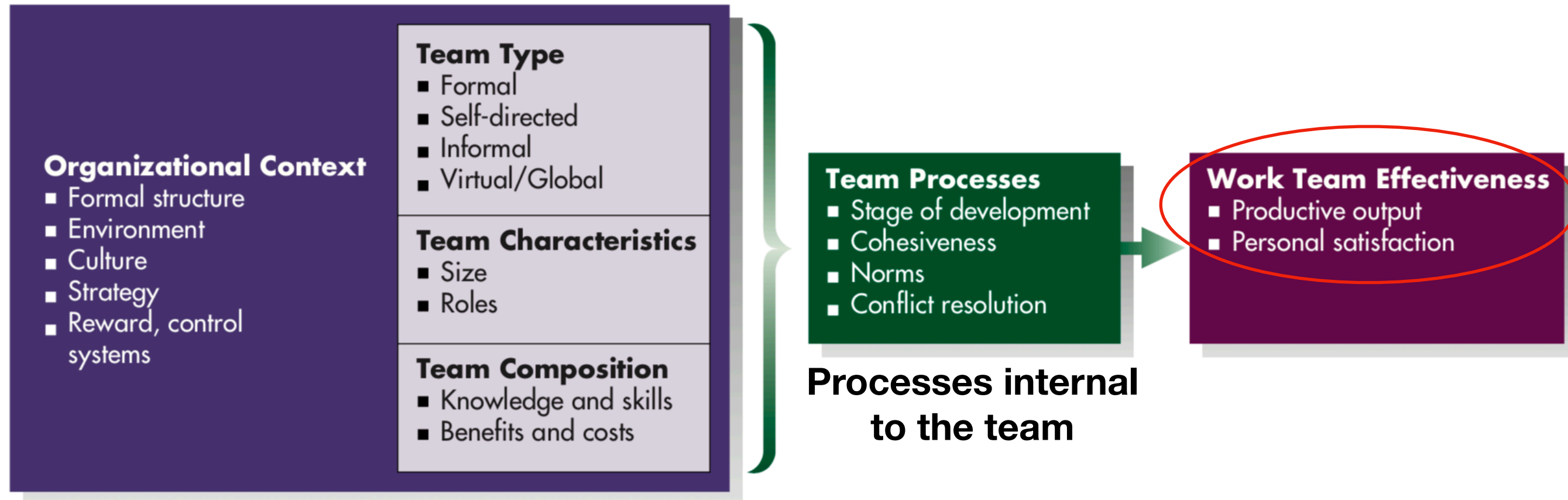
- Has a designated strong leader
- Individual accountability
- Identical purpose for group and organization
- Individual work products
- Runs efficient meetings
- Effectiveness measured indirectly by influence on business (such as financial performance)
- Discusses, decides, delegates work to individuals

Team

- Shares or rotates leadership roles
- Individual and mutual accountability (accountable to each other)
- Specific team vision or purpose
- Collective work products
- Meetings encourage open-ended discussion and problem solving
- Effectiveness measured directly by assessing collective work
- Discusses, decides, shares work

Source: Adapted from Jon R. Katzenbach and Douglas K. Smith, "The Discipline of Teams," Harvard Business Review (March–April 1995), 111–120.

Work team effectiveness model



Factors influence team effectiveness

THE CONDITIONS FOR A HIGH-PERFORMING TEAM



Outline

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Advantages of using teams

- Increase customer satisfaction
- Improve product and service quality
- Increase speed and efficiency in product development
- Increase job satisfaction
- Teamwork provides workers a chance to improve their skills through cross-training
- Share the benefits of group decision making (see S6)

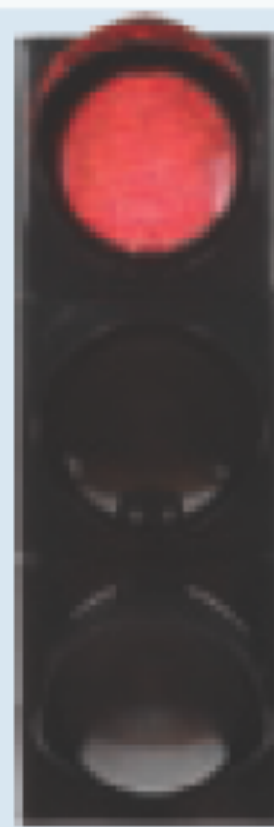
Disadvantages of using teams

- Initial high turnover
- Social loafing
- Team members withhold their efforts and fail to perform their share of the work
- Disadvantages of group decision making (see S6)
- Groupthink - Members feel the pressure not to disagree with each other
- Minority domination - One or two people dominate team discussions



Use Teams When . . .

- ✓ there is a clear, engaging reason or purpose.
- ✓ the job can't be done unless people work together.
- ✓ rewards can be provided for teamwork and team performance.
- ✓ ample resources are available.



Don't Use Teams When . . .

- ✗ there isn't a clear, engaging reason or purpose.
- ✗ the job can be done by people working independently.
- ✗ rewards are provided for individual effort and performance.
- ✗ the necessary resources are not available.

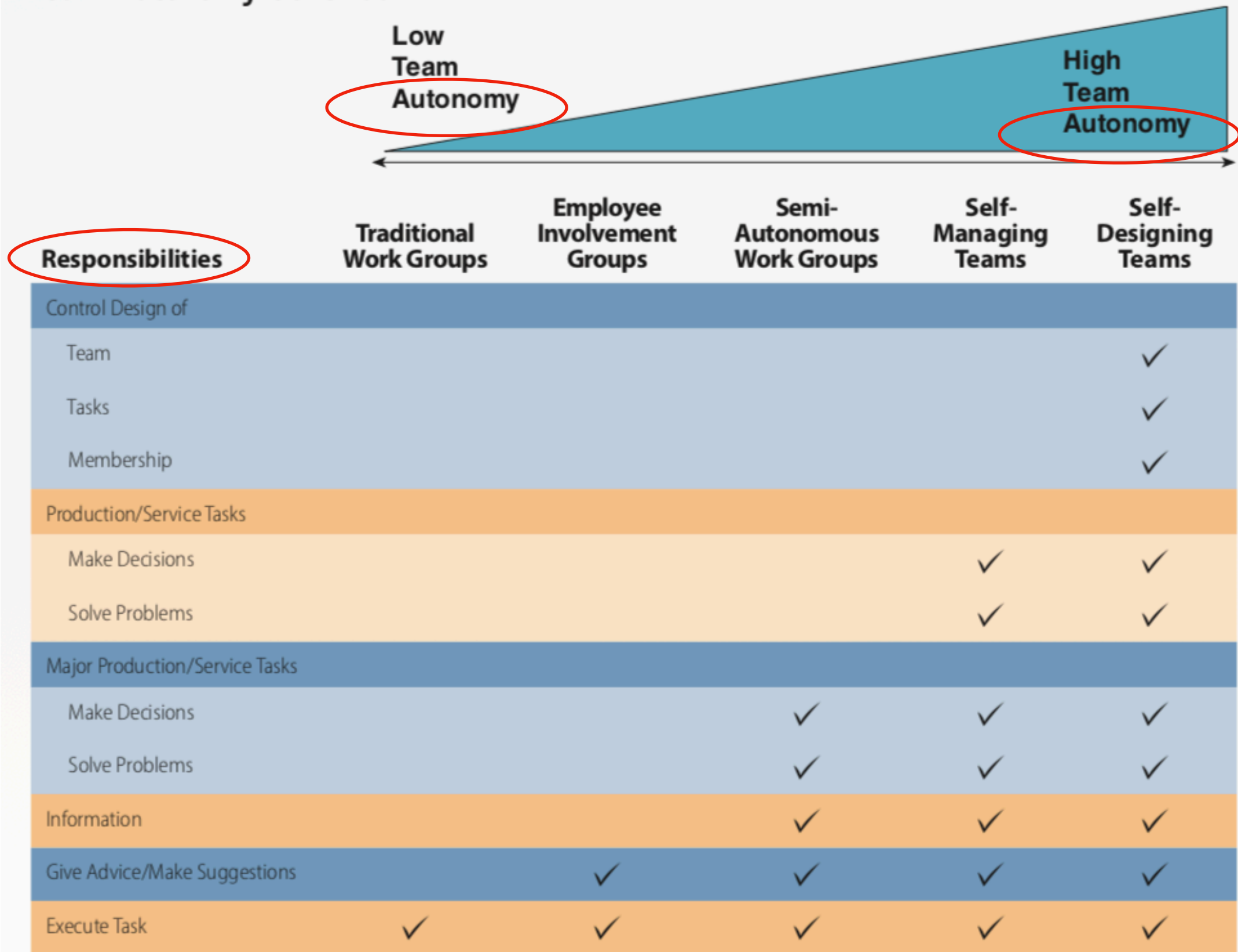
Source: R. Wageman, "Critical Success Factors for Creating Superb Self-Managing Teams," *Organizational Dynamics* 26, no. 1 (19 97): 49–61.



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Team Autonomy Continuum



Sources: R. D. Banker, J. M. Field, R. G. Schroeder, and K. K. Sinha, "Impact of Work Teams on Manufacturing Performance: A Longitudinal Field Study," *Academy of Management Journal* 39 (1996): 867–890; J. R. Hackman, "The Psychology of Self-Management in Organizations," in *Psychology and Work: Productivity, Change, and Employment*, ed. M. S. Pallak and R. Perlof (Washington, DC: American Psychological Association), 85–136.



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Traditional work groups

- Composed of two or more people who work together to achieve a shared goal.
- Workers are responsible for doing the work or executing the task, but without direct responsibility or control over their work.
- Managers/supervisors receive reports from workers and they are responsible for workers' performance and have the authority to hire and fire them, make job assignments, and control resources.

Employee involvement teams

- Provide advice or make suggestions to management about specific issues
- Although team members can offer advice and suggestions to managers, they do not have the authority to make decisions.
- Membership on these teams is often voluntary, but members may be selected because of their expertise.
- The logic behind employee involvement teams: the people closest to the problem or situation are best able to recommend solutions.

Semi-autonomous work groups

- Besides providing advice and suggestions to management, team members have the (limited) authority to make decisions and solve problems related to the major tasks required to produce a product or service.
- Members of semi-autonomous work groups are typically cross-trained in diversified skills and tasks.
- Managers still play a role but less dominant than in traditional work groups.

Self-managing teams

- Team members manage and control crucial tasks of producing a product or service without first getting the approval from management.
- Crucial tasks include: managing and controlling the acquisition of materials, making a product or providing a service, and ensuring timely delivery

Self designing teams

- Share characteristics of self-managing teams and control team design, work tasks, and team membership.
- Team members control and change the teams themselves by deciding who gets hired, fired, promoted, and what they get paid e.g. determined by peer rankings regarding contributions to team projects.

Special kinds of teams

Cross-functional teams

- *Composed of employees from different functional areas of the organization*

Project teams

- *Created to complete one-time projects within a limited time*

Virtual teams

- *Composed of geographically and/or organizationally dispersed coworkers who use telecommunication and information technology to accomplish an organizational task*

Global teams

Managing global teams (see S10):

- recognising team members' abilities, skills, knowledge, and personality
- be familiar with and clearly understand the cultural characteristics of the teams and members they manage
- be aware of the potential for stereotyping, which can lead to problems

Drawbacks

- Dislike of team members
- Mistrust of team members
- Stereotyping
- Communication problems
- Stress and tension

Benefits

- Greater diversity of ideas
- Limited groupthink
- Increased attention on understanding others' ideas, perspectives, etc.

Source: Based on N. Adler, *International Dimensions in Organizational Behavior*, 4th ed. (Cincinnati, OH: South-Western Publishing, 2002), pp. 141–147.

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Factors That Affect Work Team Characteristics

- Norms
- Cohesiveness
- Size
- Conflict



Team norms

- **Informally agreed-on standards that regulate team behaviour**
- Develop by observing nearby team members, develop early in the life of a team
- Regulate the everyday actions that allow teams to function effectively
- Associated with positive and negative outcomes
- Developed around quality and timeliness of job performance, absenteeism, safety, and honest expression of ideas and opinions
- Members of a team with negative norms are more likely to perform negative behaviours

Team cohesiveness

- **Extent to which members are attracted to a team and motivated to remain in it**
- Promoted by:
 - Ensuring that all team members are present at team activities and meetings
 - Creating additional opportunities for task interdependence
 - Engaging in non-work activities

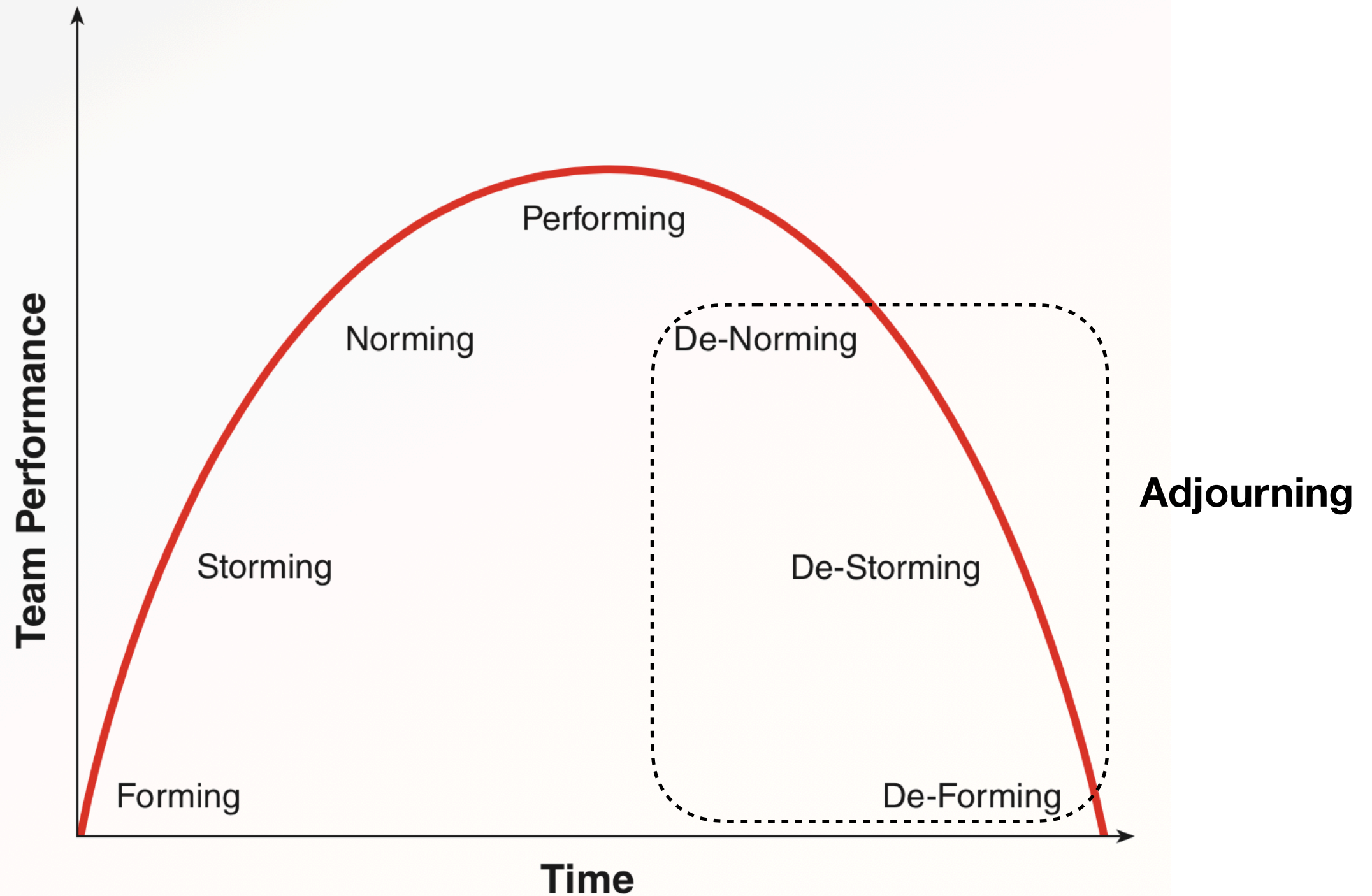
Team size

- Should be small enough for members to **get to know each other** — 6-9 members the most common
- Provides each member with the opportunity to contribute
- Greater team size:
 - Poses the risk of minority domination
 - Increases incidences of social loafing/free-riding
- Too small team:
 - lack the diversity of skills and knowledge
 - unlikely to gain the advantages of team decision making

Team conflict

- Arises from **disagreement over team goals**
- **Types of conflict:**
 - **Cognitive (c-type)** - Focuses on problem-related differences of opinion
 - **Affective (a-type)** - Emotional reactions that can occur because of personal disagreements
- Reduced by using cognitive conflict to address work problems in a manner where it minimises occurrences of affective conflict

Stages of Team Development



Sources: J. F. McGrew, J. G. Bilotta, and J. M. Deeney, "Software Team Formation and Decay: Extending the Standard Model for Small Groups," *Small Group Research* 30, no. 2 (1999): 209–234; B. W. Tuckman, "Development Sequence in Small Groups," *Psychological Bulletin* 63, no. 6 (1965): 384–399.

- **Forming:** Initial stage of development in which team members get acquainted with each other
- **Storming:** Characterised by conflict and disagreement
 - Team members disagree over what the team should do and how it should do it
- **Norming:** Team members begin to settle into their roles, group cohesion grows, and positive team norms develop
- **Performing:** Last stage of development
 - Performance improves because the team has matured into an effective, fully functioning team
- As the team passes through stages of de-norming, de-storming, and de-forming, performance may decline

- **Adjourning:**
- The final stage of team development for temporary teams during which members are concerned with wrapping up activities rather than task performance
- Without effective management, the team's performance may begin to decline as it passes through the stages of de-norming, de-storming, and de-forming

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Enhancing Work Team Effectiveness

- Setting team goals and priorities
- Selecting people for teamwork
- Team training
- Recognition and compensation



Setting team goals and priorities

- **Specific team goals** - Clarify team priorities by providing a clear focus and purpose
- **Challenging team goals** - Reduce the incidence of social loafing
- **Stretch goals** (see S5) - Ambitious goals that workers do not know how to reach
- Stretch goals can be effective if teams:
 - Have a high degree of autonomy over how they achieve their goals
 - Are empowered with control of resources
 - Have **structural accommodation** and **bureaucratic immunity**

Structural accommodation & bureaucratic immunity

- Structural accommodation
 - Giving teams the ability to change organisational structures, policies, and practices if doing so helps them meet their stretch goals
- Bureaucratic immunity
 - Ability to make changes without first getting approval from managers or other parts of an organisation

Important Factors to consider while selecting team members

Individualism-collectivism

- *Degree to which a person believes that people need to be self-sufficient and that loyalty to one's self is important than one's loyalty to team or company*

Team level

- *Average level of ability, experience, personality, or any other factors on a team*

Team diversity

- *Variances in ability, experience, personality, or other factors on a team*

The Team Player Inventory

		Strongly Disagree			Strongly Agree	
1.	I enjoy working on team/group projects.	1	2	3	4	5
2.	Team/group project work easily allows others to not pull their weight.	1	2	3	4	5
3.	Work that is done as a team/group is better than work done individually.	1	2	3	4	5
4.	I do my best work alone rather than in a team/group.	1	2	3	4	5
5.	Team/group work is overrated in terms of the actual results produced.	1	2	3	4	5
6.	Working in a team/group gets me to think more creatively.	1	2	3	4	5
7.	Teams/groups are used too often when individual work would be more effective.	1	2	3	4	5
8.	My own work is enhanced when I am in a team/group situation.	1	2	3	4	5
9.	My experiences working in team/group situations have been primarily negative.	1	2	3	4	5
10.	More solutions/ideas are generated when working in a team/group situation than when working alone.	1	2	3	4	5

Reverse score items 2, 4, 5, 7, and 9. Then add the scores for items 1 to 10. Higher scores indicate a preference for teamwork, whereas lower total scores indicate a preference for individual work.

Source: T. J. B. Kline, "The Team Player Inventory: Reliability and Validity of a Measure of Predisposition Toward Organizational Team-Working Environments," *Journal for Specialists in Group Work* 24, no. 1 (1999): 102–112.



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Areas of Team Training

- **Interpersonal skills**
- Decision-making and problem-solving skills
- Conflict resolution skills
- Technical training



Types of Employee Compensation and Recognition

- **Skill-based pay:** Employees are paid for learning additional skills or knowledge
- **Gainsharing:** Companies share the financial value of performance gains with their workers
- **Non-financial rewards**
- Most effective when teams or team-based interventions are first introduced

Discussion:
**the “ideal” team and
teamwork in your mind**

Summary

- Work teams consist of a small number of people with complementary skills
- Companies use different kinds of teams to make themselves more competitive, and understanding the characteristics of these teams is essential for making them an effective part of an organisation
- Setting specific team goals is critical to team success

Instructions for the team project: presentation and report (1)

- Please form a team of **3/4 members** (or you will be assigned to a team randomly) and send me the names of your team and all members.
- Each team need to choose **one business organisation** and analyse its management applying **concepts and theories** discussed in this course.
- Either domestic or foreign company is fine, but it is better to analyse its business operation in Chinese mainland
- Feel free to pick firms from the industry you are interested in
- Please collect information about the organisation from different sources e.g. websites, news, books, magazines, interviews, etc.

Instructions for the team project: presentation and report (2)

- Prepare a **presentation (15-20 minutes)** and a **written report (1000-1500 words)**
- Presentations will take place in the last week
- Please submit the report one week before
- Your work will be assessed by following **criteria**:
 1. **Clarity**
 2. **Rigor of analysis**
 3. **Sophistication of use of course material**

Instructions for the team project: presentation and report (3)

- During the process of working in teams, please bear in mind:
- Types and characteristics of teams — how to get along with your teammates
- Different stages of teams — how to address conflicts
- Team effectiveness — how to avoid social loafing/free riding

