STRATEGIC FORMATION OF GROUPS: ISSUES IN TASK-PERFORMANCE AND TEAM MEMBER SELECTION

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ABSTRACT

While many researchers have studied effectiveness in task-performing groups, very little research has examined how such groups form or how the formation process can affect subsequent performance. We explore these issues by considering how task and relational functions in the group may interact in ways that facilitate or hinder task performance in an organizational context. We conclude that, in addition to task-performance skills, it is imperative to consider personal relationships among members when explaining the potential or realized effectiveness of a group.

STRATEGIC FORMATION OF GROUPS

For decades organizations researchers have struggled to understand the factors that can lead to group effectiveness. Drawing on work in social psychology, sociology, and organizational behavior, theorists have developed numerous models of group performance (for reviews, see Goodman, Ravlin & Schminke, 1987; Hackman, 1987). One of the first descriptive models was developed by McGrath (1964) who posited that inputs affect group outputs via the interaction (or process) that takes place in the group. Other influential models of group effectiveness have been proposed by Hackman (1983), Guzzo (1986), Gladstein (1984), and Goodman (1986). While each of these models has important conceptual differences, we note that they all share one fundamental assumption: that the group exists before the model of group behavior is to be applied. Yet, groups must form before they can act.

A small number of researchers have examined the formation of natural social groups (Moreland & Levine, 1992; McPherson, 1990; Feld, 1982), yet there is little research or subsequent model development that examines the factors that affect the formation of *work* groups (Mannix, Goins & Carroll, 1996). The purpose of this chapter is, therefore, to explore the intentional processes by which task groups are formed, and the subsequent effects of such actions on group process and task performance.

Work groups are traditionally formed by assigning individuals to a joint task. A manager selects individuals based on characteristics such as functional expertise or formal title, and then

assigns them to a group or team. The *concurrent engineering* model, for example, prescribes this approach for the creation of multi-functional product development teams, requiring that a representative from every functional specialty in the development and manufacturing process be present on the design team from the start (e.g., Syan & Menon, 1994).

A different approach is self-selection, or the voluntary formation of work groups by members themselves, which is becoming an increasingly popular form of management by U.S. businesses. In the managerial press, Katzenbach and Smith (1993) cite self-selection as a positive factor in successful teams at Burlington Northern and Garden State Brickface. Dumaine (1990) cites a study of 476 of the Fortune 1000 companies conducted by the American Productivity and Quality Center, which indicated that 7% of the work force was organized as self-managed teams in 1990. In addition, half of the companies questioned indicated that they would be relying significantly more on them in the years ahead. Among smaller professional organizations such as those practicing law, medicine, or various forms of consulting, self-selection is often the rule. In addition, recent work by Jin (1993) discusses voluntary work group formation in China and contrasts it with similar efforts in Sweden, Japan, and Russia.

Regardless of the method of team formation (either self-selected teams or prescriptively assigned), the same questions result: What factors do individuals take into account when forming teams, and what is the relationship between these factors and team effectiveness?

WORK GROUP FORMATION

In this chapter we focus on task-performing teams that together produce a product or service. Since most of the fairly limited work on group formation has focused on "natural," or social groups (Moreland & Levine, 1992), we begin our discussion with a consideration of that work and its applicability to task teams.

In social psychology most research examining the formation of natural groups has been conducted by Levine and Moreland (1991; Moreland & Levine, 1992; 1996; Moreland, 1987). They have proposed a model of group formation that includes three phases: evaluation, commitment, and role transition. According to their model, group membership begins with an investigation phase which works at two levels: the individual looks for a group that can satisfy his or her personal needs, and the group looks for individuals that can satisfy its goals. If commitment between the group and the individual becomes strong enough, then a transition occurs; the individual enters the group and the socialization phase of group membership. During socialization the individual works to change the group to make it more satisfying, while the group works to change the individual to increase his or her value as a member. When these mutual change attempts succeed, feelings of commitment are strengthened and a transition to role acceptance occurs, allowing the group to move to a subsequent maintenance phase.

To what extent might this model apply to work groups in organizational settings? First, the model suggests that team formation is deliberate and strategic. It is the result of individuals and groups actively striving to satisfy goals and to achieve a state of positive, interdependent

action. Second, it stresses the combined importance of individual and group goals as well as the dynamic processes of social integration and commitment. However, in an organizational setting, work groups face an additional criterion of performance. As suggested by Hackman's (1990) definition, team effectiveness is not only a function of the team's ability to work together interdependently and effectively in the future as well as the personal well-being or satisfaction of the team members; but Hackman also notes that the team's output must meet the standards of quality of the people who receive or review that output (Hackman, 1990).

A functional view of teams indicates that this high level of effectiveness is the result of meeting a variety of task-directed as well as relational functions (Hackman, 1987; Wageman & Mannix, 1997). Task functions are directed toward the production of a product or performance of a service, the end-result of which can potentially be measured or evaluated. Research into task functions has included the study of the development of task strategies and task-related values (Liang, Moreland & Argote, 1995; Wageman, 1995), the setting of team goals (Mitchell & Silver, 1990; Weingart, 1992), and the determination of decision rules (Guzzo, 1982; Miller, 1989; Stasser, Kerr, & Davis, 1989). Thus, given the importance of these task functions, groups must form with attention to the need for technical skills, knowledge, expertise, and ability.

Relational functions in a group include both the internally- and externally-directed behaviors that facilitate task performance. The study of internally-directed behaviors has focused on how teams arrive at group values and norms of behavior (Argote, 1989; Bettenhausen & Murnighan, 1985; O'Reilly & Caldwell, 1985) as well as how groups manage conflict (Thompson, Mannix, & Bazerman, 1988; Ancona, Friedman & Kolb, 1991; Jehn, 1992). From this viewpoint,

as a group forms it may consider how well potential members are able to work together (i.e., the compatibility of work-related values; the ease with which they can communicate; and the extent to which they can successfully resolve differences).

Alternatively, externally-directed behaviors in groups, such as boundary spanning (Tushman, 1977; Katz & Tushman, 1981; Ancona, 1987; 1990) and the accessing of external information and resources (Pfeffer, 1986; Pfeffer & Salancik, 1978) address the demands of external constituents and the environment. These requirements may be met strategically during the formation process as well. Individuals may be included in (or excluded from) a group based on their relationship ties with outsiders. In the realm of political considerations, member choice may be driven by concerns about members' abilities to gain resources for the group, to increase the group's influence in the larger organization, and to gain acceptance of the group's output.

Although all of the above functional behaviors will not be essential to all teams at all times, we argue that each of these functions will help a group to achieve a high quality output, thus enhancing the satisfaction of group members and improving their ability to work together as a team.

> Proposition 1: Teams will be more successful to the extent that they form with attention to task and relational functions in the group, including: individual needs, group goals, and group process and maintenance.

While it may be important for a team to form strategically, organizational settings can

introduce constraints that make it difficult for a team to do so. In the remainder of this chapter, we discuss the team formation process in the context of such constraints and the impact of such constraints on a team's ability to fulfill critical task and relational functions. We outline three factors that are likely to affect the formation process: the extent to which information about the task and potential group members is present among team members, the likelihood that this information is made available for consideration, and the nature of existing relationship ties among potential group members.

ISSUES IN WORK TEAM FORMATION

Availability of Information and Resources:

Functional Alignment in Forming Teams

To form an effective task-performance team, group members must understand the task, select members such that the team has the necessary requisite skills and abilities, and apply those skills to performing the task (Hackman, 1990). Thus, in addition to understanding the task, the forming group must be able to assess the ability of potential members to help the group meet the task's requirements as well as make available and integrate any knowledge in the group that will be useful for performing the task. The need to gather informational about the requisite knowledge, skills, and abilities (KSAs) of individuals and to take advantage of those skills and abilities forms an important basis for conceptualizing the problem of strategic work team

formation.

If the process with which a task will be performed is well understood, new members of a group can be chosen on the basis of the specific task-performance knowledge, skills, or abilities that they bring to the group. The concurrent engineering model described earlier takes this approach by indicating the particular functional skills assumed necessary for bringing a product from conception to market (i.e., research, engineering, manufacturing, marketing, procurement, etc.), and by specifying the inclusion of individuals with these skills on the development team (Syan & Menon, 1994). In such a case, the forming group ostensibly possesses a clear understanding of how the task will be performed as well as information about the knowledge, skills, and abilities possessed by potential members. This will allow a *functional alignment* to occur. When members' functional knowledge, skills, and abilities are matched with the functional requirements of the task, we predict that the group is more likely to be effective (Goodman et al., 1987). Alternatively, if the team lacks an understanding of the technical requirements of the task, or if information about the knowledge, skills, and abilities possessed by potential members is unavailable, there exists the potential for a *functional misalignment* and impeded performance in the group.

Proposition 2: Lack of knowledge about the task to be performed, or about the knowledge, skills, and abilities of potential members can interfere with the ability of a team to form strategically, resulting in functional misalignments in the team.

To the extent that a task is non-routine or complex, teams may attempt to avoid such misalignment by explicitly seeking a heterogeneity of knowledge, skills, and abilities, even though this "scatter-shot" approach may create additional difficulties. Varied task experience and expertise can be advantageous to task groups tackling certain kinds of problems, as diversity increases the likelihood that one team member will possess a correct solution (Jackson, 1992). In this vein, many theorists argue that knowledge or skill diversity can enhance group performance by enhancing the group's creative problem solving ability (Nemeth, 1986) through task-related or cognitive conflict (Damon, 1991; Jehn, 1995; Levine, Resnick & Higgins, 1993). Further evidence from organizational settings supports this view. Educational diversity in top management teams was found to be positively related to a firm's return on investment and growth in sales (Smith et al., 1994). Similarly, Hambrick, Cho, and Chen (1996) found that top management teams that were diverse in terms of education, functional background, and company tenure exhibited a greater propensity for strategic action than homogeneous teams. Although diverse teams were slower decision-makers, the overall net effect on firm performance measured as market share and firm profitability, was positive.

Considerations of functional background, on the other hand, have given more equivocal

results. Bantel and Jackson (1989) found that diversity among top management teams in a banking environment increased administrative innovations, but that this had no effect on technical innovations. Korn, Milliken, and Lant (1992) found that functional diversity increased performance (measured as increases in ROA) in the furniture industry, but not in the software industry. The complex nature of functional heterogeneity is further illustrated in a study by Ancona and Caldwell (1992). They found that as functional diversity increased, team members communicated more often with outsiders, and that this helped them develop more innovative products. Yet, despite this potentially positive behavior, diversity had an overall negative effect on team performance. One reason for this may be that the conflict associated with diversity makes it harder for team members to work well together on the non-creative implementation aspects of their task. For example, diverse teams were more likely to overspend their budgets and miss important deadlines (Ancona & Caldwell, 1992). Other negative effects for diversity have been found, such as the tendency for diverse teams to take longer to make decisions than more homogeneous teams (cf. Milliken & Martins, 1996). Thus, in circumstances where speed is associated with performance (such as in the software industry), the coordination problems experienced by heterogeneous teams may also impede performance (Eisenhardt, 1989; Korn et al., 1992; Smith et al., 1994).

Knowledge, skill, and ability-based diversity can have both advantages and disadvantages for teams. Such diversity can enhance the generation of a variety of perspectives in a group, increasing the probability of innovation and creative decision making. Nonetheless, such diversity can also have negative effects on a team, though these effects may lie outside of the strictly

functional domain.

Accessibility of Information and Resources:

Relational Alignment in Forming Teams

In the previous section, we focused on functional circumstances that could result in the necessary knowledge, skills, and abilities being contained within the boundaries of the work group. In many respects, this represents the performance potential of a group. In this section, we move to a consideration of the relational factors that may affect the group's ability to realize or maximize this inherent potential.

Beyond functional considerations, some groups may choose members by focusing primarily on relational concerns. A group may have a limited understanding about how to perform a required task (and thus lack a functional logic by which to select members), or members may simply be more concerned with issues of coordination, work values, norms, or communication within the group than with task-function matters. By choosing members on the basis of their values, beliefs and attitudes (VBAs), the group can gain increased assurance that members are more likely to engage in behaviors that facilitate coordination or communication in the group. This approach is more likely to lead to a positive *relational alignment* in the group (McGrath, et al. 1996; Webster & Driskell, 1985; c.f. Lenski, 1954).

As it may in the functional dimension, a misalignment can also occur in the relational dimension. When a forming group values, but knows little about, the VBAs of potential

members, and yet has information about the knowledge, skills, and abilities required for the group task, then an obligatory strategy of choosing members based on skill possession alone could have the potential to generate performance-degrading relational conflict in the group (Jehn, 1995). Such conflict may be unavoidable as group members with differing KSAs attempt to assert these in a group where such differences may not be valued. Group effectiveness can also suffer if the relational functioning of the group has important links to task performance (Gouran, 1982; Klapp, 1954). Owens, Neale, & Sutton (1997) propose that this may be the case for groups performing tasks with considerable uncertainty, where high levels of trust, interdependence, and communication are required such as with groups performing research and development work. Alternatively, relational functioning may be an issue for groups performing extremely routine tasks where social interaction among team members can mitigate the lack of intrinsic interest in the group's task (Shah & Jehn, 1993; e.g., Roethlisberger & Dickson, 1946; Roy, 1960). The traditional bureaucratic group member assignment process may be particularly prone to this type of misalignment because that process is intended to purposely obscure the social characteristics of individuals in the role assignment process (Katz & Kahn, 1978; Weber, 1922). This leads us to the following proposition.

Proposition 3: Selection of group members based primarily on KSA heterogeneity can interfere with a team's ability to develop or foster the necessary social relationships among members, resulting in a relational misalignment in the group.

Sources of Relational Alignment in Teams.

Sociologists and social psychologists have long observed that people tend to like and be more comfortable around those with whom they are most similar (Berscheid, 1985; Sears, Freedman, & Peplau, 1985). Thus, *homophily*, or the tendency to prefer others who are similar in valued attributes, can be a powerful determinant of affiliation (Ibarra, 1992; Kanter, 1977; Thomas, 1990). Findings from decades of research confirm that similarity (on attributes ranging from attitudes and values to demographic characteristics) increases interpersonal attraction and makes interaction easier, more effective and positively reinforcing. This contrasts with heterogeneity, which tends to lead to decreased communication, as well as difficulties in interaction among members of a group (cf., Kanter, 1977; Milliken & Martins, 1996; Jehn et al., 1997). Indeed, researchers have typically assumed that self-selected teams are likely to reflect this bias, and that such a bias is likely to result in a lack of functional alignment but in good relational alignment among members of voluntarily formed teams (Mannix et al., 1996).

In the following section, we examine the potential effects of three well-known forms diversity that are likely to be associated with a team's ability to achieve relational alignment.

These are demographic diversity, tenure diversity, and status diversity.

Demographic Diversity. Demographic attributes are a primary dimension on which groups are thought to form because these characteristics are highly visible and public (McGrath et al., 1996), and because they are thought to indicate underlying behavioral characteristics (Pfeffer, 1983). Several studies have shown that self-selected or naturally forming groups tend to be homogeneous on demographic characteristics (Maccoby, 1990; McPherson, 1983; Smith, Williams, & Willis, 1967; Shaw, 1973). People report being more committed, satisfied, and likely to remain in groups and organizations that are demographically homogeneous when compared to heterogeneous groups (O'Reilly, Caldwell & Barnett, 1989; Tsui, Egan & O'Reilly, 1992; Verkuyten, de Jong & Masson, 1993). Demographic dissimilarity among team members is further associated with poor communication, lower integration, increased conflict, and negative affective relations in the group (Bantel & Jackson, 1989; Jackson et al., 1991; Jehn, Northcraft & Neale, 1997; Tsui & O'Reilly, 1989; Zenger & Lawrence, 1989).

While some studies have found that demographic heterogeneity can lead to improved performance (e.g., Wood, 1987; Watson, Kumar and Michaelson ,1993) the predominance of the evidence indicates that demographic heterogeneity results in negative group-level outcomes. Jackson, et al. (1991) have explained this phenomenon by proposing that diversity can create discomfort for members of a group, thus leading to a lower level of social integration. In the same vein, Jehn et al. (1997) suggested that demographic diversity (in gender and age) increases relational conflict among members; this has been shown to reduce group satisfaction, intent to remain in the group, and group cohesiveness.

Tenure Diversity. Researchers studying organizational tenure have argued that individuals entering an organization at the same time are more likely to identify with one another, and that this can affect team process and performance (Tsui et al., 1992). Indeed, diversity in organizational tenure has been shown to increase turnover, with the "different" individuals being more likely to exit (Wagner, Pfeffer & O'Reilly, 1984). In contrast, the increased cohesion enjoyed by groups formed from within tenure-similar cohorts may result from the similarity of attitudes and perspectives likely to be shared by such individuals (Pfeffer, 1983; Wagner et al., 1984). Similarity may be further reinforced by a retention bias which keeps similar-tenured individuals within the organization, while rejecting or ejecting those who are different (McCain, O'Reilly & Pfeffer, 1983; O'Reilly et al., 1989; Pfeffer & O'Reilly, 1987; Wagner et al., 1984). Also, as the tenure of a cohort increases in an organization—in addition to being similar on the attitudinal and behavioral dimensions—individuals become more likely to share similar and overlapping power bases or political faction membership within the organization (Wagner et al., 1984).

While tenure similarity may provide a basis for relational alignment in a group, performance may also depend on the type of task that the group undertakes. For example, Ancona & Caldwell (1989) found innovation to be positively associated with diversity in a work group, but also found the overall effects of tenure diversity to be negative, probably because implementation tasks were impeded. Thus, tenure similarity may be a liability for groups working on creative problem solving tasks, and yet benefit groups performing tasks requiring high levels of informal coordination or group cohesion.

Proposition 4: Demographic and tenure heterogeneity within teams will often be detrimental to relational functions, resulting in poor relational alignment, and impeding team performance.

Status Diversity. Although social status has received little attention in organizations research, it may nonetheless be an important factor in the strategic group formation process. When status is treated as a signal of the possession of particular valued and instrumental characteristics by an individual (e.g., Bales, 1951; Berger, Rosenholtz & Zelditch, 1980; Kelley, 1951), consistent research findings show that high status individuals in a group initiate communication more often, are provided with a greater number of opportunities to participate, are provided increased opportunities to evaluate the group's output, and enjoy greater influence over the group's decisions (Berger et al., 1980).

Since high-status individuals display characteristics that are valued, we presume that they may be more attractive as group members than other low status individuals are. This signaling function of status can mitigate a lack of instrumental information about a potential team member by indicating the organization's assessment of the person (cf. Podolny, 1993). But, the inherent attractiveness of status may also be may be tempered by the likelihood that a new high-status member can dilute the influence of existing members in the group. Thus, the satisfaction derived from associating and being associated with high status others may come at some cost. Along this yet untested line, we suspect that there may be times when the stability of a group's status order--clearly a relational consideration--is more important than the instrumental or reputational value

that might be gained by the addition of a high-status member (cf. Owens & Sutton, in press).

At the group process level, Owens, Neale, & Sutton (1997) suggest that in an organizational context, high-status individuals may be more similar to each other than are low-status individuals. This is likely to be the case because the particular attributes for which status is awarded within an organization context are based on the limited set of social and functional characteristics deemed important within that organization. In effect, organizations are selecting for those characteristics among high-status members (e.g., Lenski, 1954; Owens et al., 1997). While such similarity might result in increased liking, cohesion, and effective communication among group members, these effects may be counteracted by an increase in conflict that status similarity can engender in a group. Status similarity is also thought to lead to an increase in contested influence in a group (Owens & Sutton, in press). Therefore, rather than facilitating relational alignment, status similarity may actually increase the levels of task-related conflict within the group with the effect of improving the group's performance on creative and problem-solving tasks (e.g., Gruenfeld, Mannix, Williams & Neale, 1996; Jehn, 1995; Jehn et al., 1997). On the other hand, status diversity in a group, while it may lead to decreased conflict and improved social relations in the group, may point to an increased risk for engaging in groupthink (Janis, 1982) if low status (yet potentially knowledgeable) individuals remain without influence or participation in the group.

> Proposition 5: Status homogeneity within teams is likely to be detrimental to a group's relational alignment, but can improve task performance --

especially in creative problem-solving tasks.

To summarize our conclusions regarding heterogeneity, relational alignment, and task performance:

Proposition 6: Heterogeneity within teams is likely to benefit task-directed functions when relational alignment is maintained.

NETWORKS AND RELATIONSHIP TIES

To the extent that societies and organizations are structured by social networks, it is likely that most groups will form from among people in the same social network (McPherson, 1990). As a group expands, new members are recruited through their ties with current members. Within organizations, these social networks are likely to be formed on the basis of a variety of factors, and are likely to include social as well as task-oriented ties. Social ties can indicate whether individuals are likely to be able to work together effectively (McClelland, Atkinson, Clark, & Lowell, 1953; Schachter, 1959). Task-related ties based on historical interaction allow individuals to assess specific skills and to affiliate with others who have been successful on similar tasks in the past (Gilchrist, 1952; Senn, 1971).

In a recent study of self-selected work groups, the most common team-selection strategy was through friendship, or social ties (Mannix, Goins, and Carroll, 1996). Over 38% of

individuals indicated that they formed or joined a project group based on friendship ties. In addition, 46% of the participants reported that prior acquaintance (either task or social) was very important in selecting team members. It seems that there are perceived benefits to prior acquaintance that lead individuals to express a greater preference for dealing with preexisting relationships than for forging new relationships with strangers.

Perspectives on whether friendship will enhance or detract from group performance are mixed. One view holds that the effects of prior acquaintance can lead to a high frequency of defects in decision-making (e.g., Janis, 1982). Presumably this occurs because members of cohesive groups may sacrifice critical evaluation for harmonious processes and consensus outcomes. However, in their study of self-selected teams, Mannix et al., (1996) found that an increased density of social ties actually resulted in higher levels of team performance as well as increased individual satisfaction. In groups formed on the basis of familiarity, members are likely to possess more knowledge about one another's skills, perspectives and interpersonal styles (Wittenbaum & Stasser, in press). This superior knowledge can potentially facilitate the coordination of effort and improve the use of expertise within the group (Liang et al., 1995; Stasser, Stewart & Wittenbaum, 1995; Wegner, 1986). Interpersonal knowledge possessed by acquainted group members can also reduce conformity, and the suppression of alternative perspectives and judgments, resulting in superior group performance (Asch, 1951; Nemeth, 1986; Schachter & Singer, 1962).

Consistent with this proposition, Gruenfeld, Mannix, Williams, & Neale (1996) found that teams composed of individuals with preexisting relationship ties (*familiars*) were better able to

pool unique information, arriving at the correct solution to a complex problem, than were groups of strangers. Groups of familiars were also more comfortable expressing disagreement, more open to learning from one another, and tended to enjoy the task more than groups composed of strangers. In this same study, however, when the knowledge that group members possessed was completely redundant, familiars seemed to lack the cognitive conflict necessary to engage in thorough information processing. As a result, when faced with a less complex task, they performed more poorly than groups of strangers. Shah and Jehn (1993) made a similar finding that task groups composed of friends exhibited greater task and emotional conflict while working on a complex decision task than did groups of strangers. Because the task required critical inquiry and analysis of assumptions, the conflict gave groups of friends a performance advantage. Thus, we conclude that in task groups where members are less concerned with social ostracism because of disagreements or conflict, social integration enables group members to surface differing perspectives and to integrate them into a creative solution.

> Proposition 7: Positive relationship ties have the potential to moderate the negative effects of team heterogeneity, resulting in benefits to task functions. This can benefit individual satisfaction, team performance, and group process and maintenance.

DISCUSSION AND CONCLUSION

Our goal in this chapter has been to explore the ability of teams to form strategically. Specifically, we have tried to develop a perspective that treats effective team performance as a function of both functional and relational alignment. We have shown how these factors may combine, providing a the team with the necessary knowledge, skills, and abilities (KSAs) for task performance, while ensuring that the group also possesses the relationship base necessary for allowing differing perspectives inherent in a group to be integrated for creative problem solving tasks. From this perspective, information availability is a necessary but not a sufficient condition for effective team performance. In addition to a technical understanding of the task and the knowledge, skills, and abilities of potential members, forming groups must consider the importance of relationships among group members. Only with a combination of task and relational components can a group engage in the creative, conflictual processes necessary for the effective performance of non-routine tasks.

Viewed in a wider perspective, it appears that the forces of group formation that tend to push groups towards homogeneity or homophily, are not necessarily opposed to a functional alignment in the group. They simply push towards the necessary development of a cohesive group. This suggests that groups that are formed with only task function in mind may be doomed to sub-optimal performance. By relying on the information that group members have about the KSAs of their colleagues, in addition to their values, behaviors, and attitudes (VBAs), groups can achieve a superior match. Thus, to harness the different KSAs of individuals in performance of

the group's task, some basis for *groupness* must be identified. Besides the mutual task, social identification or relationships appear to be the best candidate dimension for such identification.

At its base, we conceptualize the problem of group formation as a tension between heterogeneity and homogeneity in a forming group, in both task and relationship dimensions. While groups may have a tendency to form on the basis of social similarity, this does not mean that functional heterogeneity is ignored or systematically avoided even in groups where members have relational ties. In fact, evidence based on the work of Mannix et al. (1996) suggests that while groups typically form on the basis of similarity-attraction, "history" provides potential group members with the knowledge necessary to form into particular configurations that will be able to meet the challenges of the assigned task. From their data, we discover superior performance among groups composed of familiars chosen to perform a non-routine task.

In summary, we believe that it is imperative to consider the importance of relationships among group members in the task of forming task teams. Such relationships provide individuals with considerably more information about potential group members and their associated skills *as well as their ability to work together* than does a simple heuristic designed to maximize functional diversity. Thus, in line with other researchers' findings on factors associated with group performance, the story is never simple or particularly straightforward. What may have appeared to be a simple relationship – homogeneity leading to smooth process but poor outcomes, and heterogeneity leading to good outcomes but difficult process – seems inconsistent with the empirical data. The more complex story may be that there are no simple results. Functional alignment to the task is a necessary precursor to group performance. Relational alignment among

group members is necessary to take advantage of the group's potential to solve problems and develop creative solutions. Neither condition alone appears to be sufficient for performance.

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