Bateman–Snell:
Management: The New
Competitive Landscape,
Sixth Edition

IV. Leading: Mobilizing
People

14. Managing Teams

© The McGraw–Hill
Companies, 2003

CHAPTER 14

Managing Teams

No one can whistle a symphony. It takes an orchestra to play it.

—Halford E. Luccock

CHAPTER OUTLINE

LEARNING OBJECTIVES

After studying Chapter 14, you will know:

1. How teams contribute to your organization's effectiveness.

2. What makes the new team environment different from the old.

3. How groups become teams.

4. Why groups sometimes fail.

5. How to build an effective team.

6. How to manage your team's relationships with other teams.

7. How to manage conflict.

Bateman–Snell:
Management: The New
Competitive Landscape,
Sixth Edition

IV. Leading: Mobilizing
People

14. Managing Teams

© The McGraw–Hill
Companies, 2003

TWO HIGH-IMPACT TEAMS

"The Internet is going to have as much of an impact on the automobile industry as Henry Ford's mass-merchandising and production methods did in the 1920s" (p. 120), stated Lee Sage, global leader of Ernst & Young's automotive-industry consulting practice. At Ford and Toyota, two work teams are trying to make that happen.

At Ford, Thor Ibsen led the unit that set out to change the entire company by using the Internet to give consumers total choice in finding or creating exactly the vehicle they want. One of

Thor Ibsen's eConsumer Group wants to make Ford the first automaker to offer customers a build-to-order service option.

Ibsen's teams was the eConsumer Group, which wanted to make Ford the first automaker modeled after Dell's build-to-order business model. Lead times for autos are too long to offer build-to-order service for every

customer, but the team did want it to be an option if a specific car or truck wasn't already somewhere in the channel from factory to dealer.

In the beginning, senior executives often didn't reply to Thor's email messages. But thanks to the efforts and talents of Ibsen's team, Jim Schroer, Ford's VP for global marketing, now says the Internet team generated a momentum that was impossible to ignore. "We have an enormous opportunity as the industry shifts to e-business . . . we intend to lead the industry in e-business" (p. 124). And, he said, "Getting a team to come together and execute . . . ideas is probably the most important piece of it all."

At Toyota, Peter Dames led the electronic-commerce strategy team that wanted to "convince the rest of the company that those things have an impact on everything else—our budget, our strategy, our margins. Half the work we do here is evangelizing" (p. 120).

Toyota is history-rich, very profitable, and proud. Dames's goal was to show the rest of the company that playing by old rules, revering tradition, and sticking to familiar processes didn't cut it.

His team members didn't adhere to the unwritten shirt-and-tie dress code; they wore jeans and sneakers. They designed their own business cards with images of a spaceman and a toy robot—very different from Toyota's standard cards. Dames wanted his team to be rebellious, and to be highly visible within Toyota.

One team member said, "We've been involved with every major Internet initiative at the company, and technology has never been the problem." Another picked up the theme: "It's always been about getting people to work differently and redefining business processes. That's the toughest nut to crack" (p. 136).

Source: S. Kirsner, "Collision Course," *Fast Company*, January–February 2000, pp. 118–44; A. Layne, "Thor Ibsen: How to Create on Internet Time," *Fast Company*, May 2000. www.fastcompany.com/online/resources/

Setting the Stage

Bateman–Snell:
Management: The New
Competitive Landscape,
Sixth Edition

IV. Leading: Mobilizing
People

14. Managing Teams

© The McGraw–Hill
Companies, 2003

The Ford and Toyota teams described in "Setting the Stage" are unique, but in many ways are like most work teams. Such teams are created because of a perceived need or opportunity, have a mission and a task to perform, must meet the expectations of others, often face initial skepticism, and have to wrestle with "group dynamics." Sometimes they "work," and sometimes they don't. At Ford and Toyota, optimism ran high as these teams gained momentum, but then the business environment changed as the Internet revealed its fallibility. Who knows how these teams will be doing by the time you read this? The Ford and Toyota teams may have achieved tremendous success, or may still be working at it but struggling, or may have failed altogether. The team members may have used these teams as career launching pads, or may be identified with failures. The goal of this chapter is to help make sure that your work teams succeed rather than fail.

The Ford and Toyota teams, and other teams dedicated to other causes,[1] are transforming the ways in which companies do business. Almost all companies now use teams to produce goods and services, to manage projects, and to make decisions and run the company.[2] Stated the CEO of Texas Instruments, "No matter what your business, these teams are the wave of the future."[3]

For you, this has two vital implications. First, you *will* be working in and perhaps managing teams. Second, the *ability* to work in and lead teams is valuable to your employer and important to your career.

The Contributions of Teams

It is no wonder that team-based approaches to work have generated such excitement. Used appropriately, teams can be powerfully effective as a:

- *Building block for organization structure*. Organizations like Semco and Kollmorgen, manufacturer of printed circuits and electro-optic devices, are structured entirely around teams. A team-oriented structure is also in place at Kyocera Corporation, which was voted the best-managed company in Japan.
- *Force for productivity*. Shenandoah Life Insurance Company credited its new team organization with a 50 percent increase in the handling of applications and customer service requests, with fewer people.[4]
- *Force for quality*. Quality rose 50 percent in a Nortel facility, and Federal Express reduced billing errors and lost packages by 13 percent. Boeing's engineering teams built its new 777 passenger jet with far fewer design errors than occurred in earlier programs,[5] and Boeing received the fastest flight certification ever for a new commercial aircraft.[6]
- *Force for cost reduction*. Honeywell's teams saved over $11 million after reducing production times and shipping over 99 percent of orders on time.[7] Boeing management claims that it could not have developed the 777 without cross-functional teams; it would have been prohibitively expensive.[8]
- *Force for speed*. 3M, Daimler Chrysler, and many other companies are using teams to create new products faster. Lenders cut home mortgage approval times from weeks to hours, and life insurance companies cut time to issue new policies from six weeks to one day.[9]
- *Force for change*. Some companies have become more entrepreneurial in part through the creation of client service groups.[10] At KPMG Netherlands, a strategic integration team of 12 partners, with 100 other professionals divided into 14 task forces, led strategic and cultural changes by studying future trends and scenarios, defining core competencies, and dealing with organizational challenges.[11]
- *Force for innovation*. The auto industry relies on project teams to develop new vehicles, including Ford's great success with its Taurus project.[12] At 3M, work teams turned around one division by tripling the number of new products.[13]

Bateman–Snell:
Management: The New
Competitive Landscape,
Sixth Edition

IV. Leading: Mobilizing
People

14. Managing Teams

© The McGraw–Hill
Companies, 2003

3M's innovative success stories are numerous and legendary, emerging through the use of teams that are small entrepreneurial businesses within the larger corporation.

Benefits of Groups

Before discussing how to develop such high-performance teams, let us talk briefly about groups more generally. Groups form because they are useful. In organizations, groups serve numerous functions. Some of these functions benefit the organization directly; others benefit primarily the group's members.[14]

The organization benefits because groups have greater *total resources* (skills, talents, information, energy) than individuals do. Therefore, they can perform jobs that can't be done by individuals working alone. They also have a greater *diversity of resources*, which enables groups to perform complex tasks. Groups can aid decision making, as you learned in Chapter 3. When group members exchange knowledge and ideas, it is an important catalyst for creativity and innovation.[15] Groups also help socialize new members, control individuals' behavior, and facilitate organizational performance, innovation, and change.

Groups also provide many benefits for their members. The group is a very useful learning mechanism. Members learn about the company and themselves, and they acquire new skills and performance strategies. The group can satisfy important personal needs, such as affiliation and esteem. Other needs are met as group members receive tangible organizational rewards that they could not have achieved working alone.

Group members can provide one another with feedback; identify opportunities for growth and development; and train, coach, and mentor.[16] A marketing representative can learn about financial modeling from a colleague on a new product development team, and the financial expert can learn about consumer marketing. Experience working together in a group, and developing strong team problem-solving capabilities, is a vital supplement to specific job skills or functional expertise. And the skills are transferable to new positions.

The New Team Environment

The words *group* and *team* often are used interchangeably.[17] Modern managers sometimes use the word *teams* to the point that it has become cliche; they talk about teams while skeptics perceive no real teamwork. Thus, making a distinction between groups and teams can be useful. A *working group* is a collection of people who work in the same area or have been drawn together to undertake a task but do not necessarily come together as a unit and achieve significant performance improvements. A real **team** is formed of people (usually a small number) with complementary skills who trust one another and are committed to a common purpose, common performance goals, and a common approach for which they hold themselves mutually accountable.[18] A real team is committed to working together successfully to achieve high performance.

> **team**
>
> **A small number of people with complementary skills who are committed to a common purpose, set of performance goals, and approach for which they hold themselves mutually accountable.**

Organizations have been using groups for a long time, but things are different today.[19] Real teams are being more fully integrated into the organizational structure, and their authority is increasing. Managers realize more than ever that teams can provide competitive advantage and greatly improve organizational performance. They know the potential for the whole is far greater than the sum of its individual parts.

Thus, teams today are used in many different ways, and to far greater effect, than in the past. Table 14.1 highlights just a few of the differences between the traditional work environment and the way true teams work today. Ideally, people are far more involved, they are better trained, cooperation is higher, and the culture is one of learning as well as producing.

Bateman–Snell:
Management: The New
Competitive Landscape,
Sixth Edition

IV. Leading: Mobilizing
People

14. Managing Teams

© The McGraw–Hill
Companies, 2003

Traditional Environment	Team Environment
Managers determine and plan the work.	Managers and team members jointly determine and plan the work.
Jobs are narrowly defined.	Jobs require broad skills and knowledge.
Cross-training is viewed as inefficient.	Cross-training is the norm.
Most information is "management property."	Most information is freely shared at all levels.
Training for nonmanagers focuses on technical skills.	Continuous learning requires interpersonal, administrative, and technical training for all.
Risk taking is discouraged and punished.	Measured risk taking is encouraged and supported.
People work alone.	People work together.
Rewards are based on individual performance.	Rewards are based on individual performance and contributions to team performance.
Managers determine "best methods."	Everyone works to continously improve methods and processes.

TABLE 14.1
The New Team
Environment

SOURCE: From *Leading Teams* by J. Zenger and Associates. Reprinted by permission.

Types of Teams

work teams

Teams that make or do things like manufacture, assemble, sell, or provide service.

project and development teams

Teams that work on long-term projects but disband once the work is completed.

parallel teams

Teams that operate separately from the regular work structure, and exist temporarily.

management teams

Teams that coordinate and provide direction to the subunits under their jurisdiction and integrate work among subunits.

There may be hundreds of groups and teams in your organization. Very generally, teams can be divided into four primary types.[20] **Work teams** make or do things such as manufacture, assemble, sell, or provide service. These typically are well defined, a clear part of the formal organizational structure, and composed of a full-time, stable membership. These are what most people think of when they think of teams in organizations.[21]

Project and development teams work on long-term projects, often over a period of years. They have specific assignments, such as research or new-product development, and members usually must contribute expert knowledge and judgment. These teams work toward a one-time product, disbanding once their work is completed. Then new teams are formed for new projects.

Parallel teams operate separately from the regular work structure of the firm on a temporary basis. Members often come from different units or jobs and are asked to do work that is not normally done by the standard structure. Their charge is to recommend solutions to specific problems. They usually do not have authority to act, however. Examples include task forces and quality or safety teams formed to study a particular problem that has come up.

Management teams coordinate and provide direction to the subunits under their jurisdiction and integrate work among subunits.[22] The management team is based on authority stemming from hierarchical rank and is responsible for the overall performance of the business unit. Managers responsible for different subunits form a team together, and at the top of the organization resides the executive management team that establishes strategic direction and manages the firm's overall performance.

Some of the all-time great work teams include the Walt Disney studio in the 1930s, the Apple Macintosh team, the Manhattan Project, the engineering teams at Xerox's legendary Palo Alto Research Center (PARC), and the elite corps of aeronautical engineers and fabricators who built radically new planes at Lockheed's top-secret Skunk Works. A team now working at Lockheed Martin may achieve similar legendary status.

Tom Burbage's Joint Strike Fighter (JSF) team was charged with winning a five-year battle with Boeing in the most lucrative competition in Pentagon history. The company that won the contract—potentially worth $200 billion— would develop a radar-evading, sound-barrier-busting aircraft that would serve as the combat jet of the future for the U.S. Air Force, Navy, and Marines and the United Kingdom's Royal Air Force and Royal Navy.

To meet the expectations of the U.S. armed services, Burbage's team had to solve seemingly impossible technical problems. The plane needed to be able to take off in tight places and make vertical landings on aircraft carriers and lighter ships. Think about that: Among so many other challenges, they needed to defy gravity by generating enough thrust to vertically lift a 30,000-pound plane. Guess what? They pulled it off. After 10 years of work, the Marine version of the aircraft took its first-ever vertical flight in the high desert of California. And Lockheed won the contract.

Now the JSF team must coordinate the efforts of hundreds of U.S. and foreign subcontractors and numerous U.S. and U.K. government agencies, and meet a daunting deadline: The Air Force expects the JSF aircraft to be in full service by October 2005. The team may not yet be a legend, but its next results may make it so.
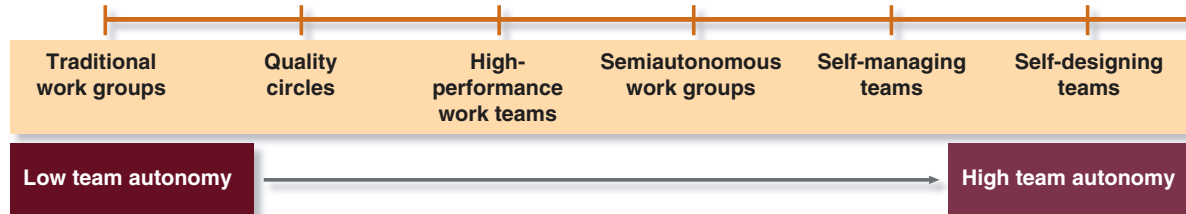
Source: W. Bennis and P. Ward Biederman, *Organizing Genius: The Secrets of Creative Collaboration* (Reading, MA: Addison-Wesley, 1997); B. Breen, "High Stakes, High Bets," *Fast Company,* April 2002, pp. 66–78; B. Breen, "From Postmortems to Premortems," *Fast Company,* April 2002, p. 76.

Self-Managed Teams

Today there exist many different types of work teams with many different labels. The terms can be confusing, and sometimes are used interchangeably out of a lack of awareness of actual differences. Figure 14.1 shows the different types according to how much autonomy they have.[23] To the left, teams are more traditional with little decision-making authority, being under the control of direct supervision. To the right there is more autonomy, decision-making power, and self-direction.

Pictured here is Tom Burbage, who assembled a team at Lockheed Martin to build the Joint Strike Fighter for the government. It was the largest aviation contract in U.S. history. Maybe this project team will achieve legendary status.

| Traditional work groups | Quality circles | High-performance work teams | Semiautonomous work groups | Self-managing teams | Self-designing teams |

Low team autonomy ⟶ **High team autonomy**

SOURCE: R. Banker, J. Field, R. Schroeder, and K. Sinha, "Impact of Work Teams on Manufacturing Performance: A Longitudinal Field Study," *Academy of Management Journal.* Copyright © 1996 by Academy of Management. Reproduced with permission of Academy of Management via Copyright Clearance Center.

FIGURE 14.1
Team Autonomy Continuum

self-managed teams
Autonomous work groups in which workers are trained to do all or most of the jobs in a unit, have no immediate supervisor, and make decisions previously made by first-line supervisors.

traditional work groups
Groups that have no managerial responsibilities.

quality circles
Voluntary groups of people drawn from various production teams who make suggestions about quality.

semiautonomous work groups
Groups that make decisions about managing and carrying out major production activities, but still get outside support for quality control and maintenance.

autonomous work groups
Groups that control decisions about and execution of a complete range of tasks.

self-designing teams
Teams with control over the design of the team, as well as the responsibilities of autonomous work groups.

The trend today is toward **self-managed teams,** in which workers are trained to do all or most of the jobs in the unit, they have no immediate supervisor, and they make decisions previously made by first-line supervisors.[24] Self-managed teams are most frequently found in manufacturing. People often resist self-managed work teams,[25] in part because they don't want so much responsibility and the change is difficult. But compared to traditionally managed teams, self-managed teams appear to be more productive, have lower costs, provide better customer service, provide higher quality, have better safety records, and are more satisfying for members.

Referring to Figure 14.1, **traditional work groups** have no managerial responsibilities. The first-line manager plans, organizes, staffs, directs, and controls them, and other groups provide support activities, including quality control and maintenance. **Quality circles** are voluntary groups of people drawn from various production teams who make suggestions about quality but have no authority to make decisions or execute. **Semiautonomous work groups** make decisions about managing and carrying out major production activities, but still get outside support for quality control and maintenance. **Autonomous work groups,** or *self-managing teams*, control decisions about and execution of a complete range of tasks—acquiring raw materials and performing operations, quality control, maintenance, and shipping. They are fully responsible for an entire product or an entire part of a production process. **Self-designing teams** do all of that and go one step further—they also have control over the design of the team. They decide themselves whom to hire, whom to fire, and what tasks the team will perform.

Movement from left to right on the continuum corresponds with more and more worker participation. Toward the right, the participation is not trivial and not merely advisory. It has real substance, including not just suggestions but action and impact. When companies have introduced teams that reach the point of being truly self-managed, results have included lower costs and greater levels of team productivity, quality, and customer satisfaction.[26] Overall, semiautonomous and autonomous teams are known to improve the organization's financial and overall performance, at least in North America.[27]

Such results are inspiring U.S.-based multinational firms to use self-managed teams in their foreign facilities. For example, Goodyear Tire & Rubber has initiated self-managed work teams in Europe, Latin America, and Asia; Sara Lee in Puerto Rico and Mexico; and Texas Instruments in Malaysia. These companies are learning—and other companies should be forewarned—of the different ways different cultures might respond to self-managed teams, and to customize implementation according to cultural values.[28]

Bateman–Snell:
Management: The New
Competitive Landscape,
Sixth Edition

IV. Leading: Mobilizing
People

14. Managing Teams

© The McGraw–Hill
Companies, 2003

Managing Teams   **Chapter 14**   431

How Groups Become Teams

As a manager, you will want your group to become an effective team. To accomplish this, it will help you to understand how groups can become true teams, and why groups sometimes fail to become teams. Groups become true teams via basic group activities, the passage of time, and team development activities.

Group Activities

Assume you are the leader of a newly formed group. What will you face as you attempt to develop your group into a high-performing team? If groups are to develop successfully, they will engage in various activities, including:[29]

- *Forming*—group members attempt to lay the ground rules for what types of behavior are acceptable.
- *Storming*—hostilities and conflict arise, and people jockey for positions of power and status.
- *Norming*—group members agree on their shared goals, and norms and closer relationships develop.
- *Performing*—the group channels its energies into performing its tasks.

Groups that deteriorate move to a *declining* stage, and temporary groups add an *adjourning* or terminating stage. Groups terminate when they complete their task or when they disband due to failure or loss of interest.

A recent study investigated the group development activities of **transnational teams,** defined as work groups composed of multinational members whose activities span multiple countries.[30] Such teams differ from other work teams not only by being multicultural, but also by often being geographically dispersed, being psychologically distant, and working on highly complex projects having considerable impact on company objectives. In the beginning, such teams need to use *advocacy skills*—building the team's legitimacy, linking the team's mission to the corporate strategy, networking to obtain resources, and "bureaucracy busting" to eliminate old routines and facilitate experimentation. As the teams evolve, they use more *catalytic skills*, including working with external constituents, differentiating individual roles and responsibilities, building commitment, and rewarding members for their contributions.

transnational teams

Work groups composed of multinational members whose activities span multiple countries.

Self-managed teams can have a positive effect on productivity. But people often resist self-managed teams in part because they don't want so much responsibility and the change is difficult.

Eventually, mature teams invoke *integrative skills* such as emphasizing accomplishment and excellence, coordinating and problem solving, and measuring progress and results.

The Passage of Time

A key aspect of development is the passage of time. Groups pass through critical periods, or times when they are particularly open to formative experiences.[31] The first such critical period is in the forming stage, at the first meeting, when rules, norms, and roles are established that set long-lasting precedents. A second critical period is the midway point between the initial meeting and a deadline (e.g., completing a project or making a presentation). At this point, the group has enough experience to understand its work; it comes to realize that time is becoming a scarce resource and it must "get on with it;" and there is enough time left to change its approach if necessary.

In the initial meeting, the group should establish desired norms, roles, and other determinants of effectiveness considered throughout this chapter. At the second critical period (the midpoint), groups should renew or open lines of communication with outside constituencies. The group can use fresh information from its external environment to revise its approach to performing its task and ensure that it meets the needs of customers and clients. Without these activities, groups may get off on the wrong foot from the beginning, and members may never revise their behavior in the appropriate direction.[32]

A Developmental Sequence: From Group to Team

As a manager or group member, you should expect the group to engage in all the activities just discussed at various times. But groups are not always successful. They do not always engage in the developmental activities that turn them into effective, high-performing teams.

A useful developmental sequence is depicted in Figure 14.2. The figure shows the various activities as the leadership of the group moves from traditional supervision, through a more participative approach, to true team leadership.[33]

It is important to understand a couple of things about this model. Groups do not necessarily keep progressing from one "stage" to the next; they may remain permanently in the supervisory level, or become more participative but never make it to true team leadership. Therefore, progress on these dimensions must be a conscious goal of the leader and the members, and all should strive to meet these goals. Your group can meet these goals, and become a true team, by engaging in the activities in the figure.

Why Groups Sometimes Fail

Team building does not necessarily progress smoothly through such a sequence, culminating in a well-oiled team and superb performance.[34] Some groups never do work out. Such groups can be frustrating for managers and members, who may feel they are a waste of time, and that the difficulties outweigh the benefits. Says a top consultant: "Teams are the Ferraris of work design. They're high performance but high maintenance and expensive."[35]

It is not easy to build high-performance teams. *Teams* is often just a word used by management to describe merely putting people into groups. "Teams" sometimes are launched with little or no training or support systems. For example, managers as well as group members need new skills to make the group work. These skills include learning the art of diplomacy, tackling "people issues" head on, and walking the fine line between encouraging autonomy and rewarding team innovations without letting the team get too independent and out of control.[36] Giving up some control is very difficult
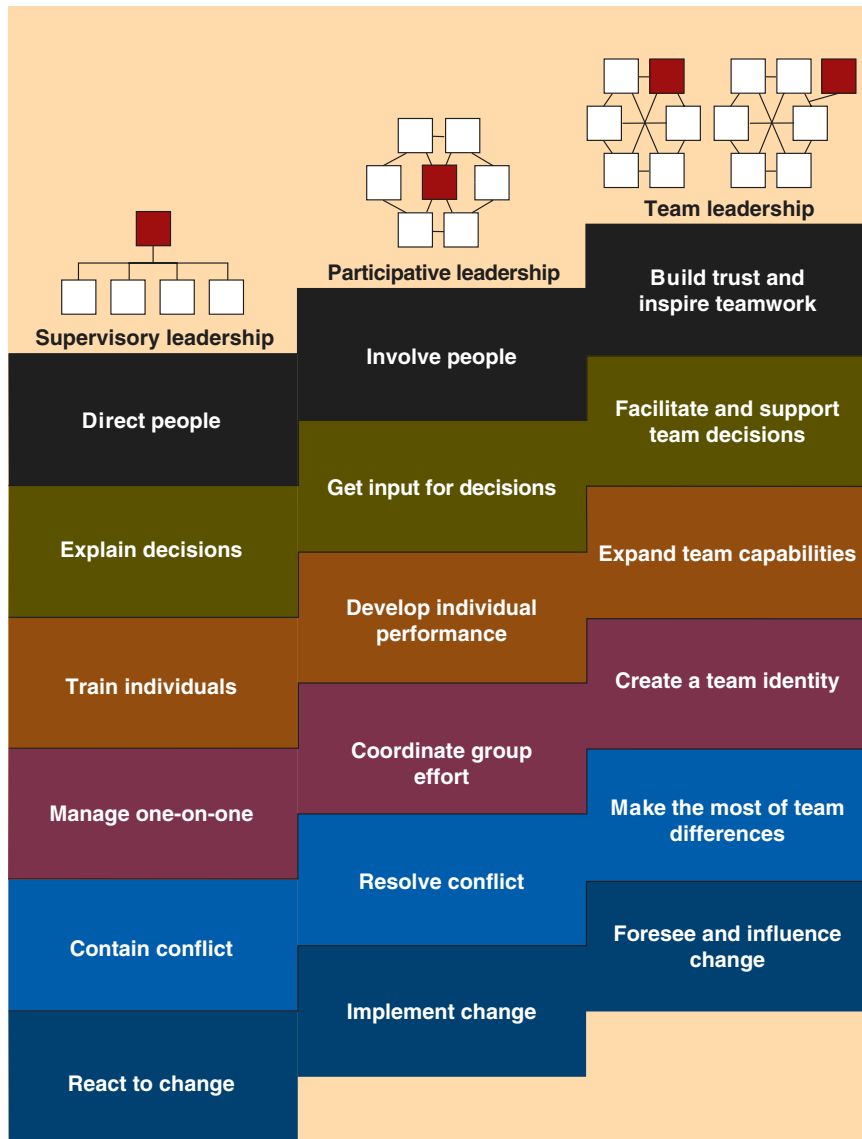
FIGURE 14.2
Stepping up to Team Leadership

SOURCE: From *Leading Teams* by J. Zenger and Associates. Reprinted by permission.

for managers from traditional systems; they have to realize they will gain control in the long run by virtue of creating stronger, better-performing units.

Teams should be truly empowered, as discussed in Chapter 13. The benefits of teams are reduced when they are not allowed to make important decisions—in other words, when management doesn't trust them with important responsibilities. If teams must acquire permission for every innovative idea, they will revert to making safe, traditional decisions.[37] Thus, management must truly support teams by giving them some freedom and rewarding their contributions.

Failure lies in not knowing and doing what makes teams successful. To be successful you must apply clear thinking and appropriate practices.[38] That is what the rest of the chapter is about.

Building Effective Teams

All the considerations just described form the building blocks of an effective work team. But what does it really mean for a team to be effective? What precisely, can a manager do to design a truly effective team? Team effectiveness is defined by three criteria.[39]

First, the *productive output* of the team meets or exceeds the standards of quantity and quality; the team's output is acceptable to those customers, inside or outside the organization, who receive the team's products or services. As examples, Procter & Gamble's business teams are effective at reducing costs and at developing new products.[40] Clarence L. "Kelly" Johnson's group designed, built, and flew the first U.S. tactical jet fighter, XP80, in 143 days.[41] Tom West's legendary Eclipse Group at Data General worked overtime for a year and a half to create the 32-bit superminicomputer that heralded the next generation of minicomputers.[42]

Second, team members realize *satisfaction* of their personal needs. P&G's team members enjoy the opportunity to participate creatively. Johnson and West gave their teams the freedom to innovate and stretch their skills. Team members were enthusiastic and realized great pride and satisfaction in their work.

Third, team members remain *committed* to working together again; that is, the group doesn't burn out and disintegrate after a grueling project. Looking back, the members are glad they were involved. In other words, effective teams remain viable and have good prospects for repeated success in the future.[43]

A Performance Focus

The key element of effective teamwork is commitment to a common purpose.[44] The best teams are ones that have been given an important performance challenge by management, and then come to a common understanding and appreciation of their purpose. Without such understanding and commitment, a group will be just a bunch of individuals.

The best teams also work hard at developing a common understanding of how they will work together to achieve their purpose.[45] They discuss and agree upon such things as how tasks and roles will be allocated and how they will make decisions. The team should develop norms for examining its performance strategies and be amenable to changing when appropriate. With a clear, strong, motivating purpose, and effective performance strategies, people will pull together into a powerful force that has a chance to achieve extraordinary things.

The team's general purpose should be translated into specific, measurable performance goals.[46] You learned in Chapter 13 about how goals motivate individual performance. Performance can be defined by collective end products instead of a bunch of individual products.[47] Team-based performance goals help define and distinguish the team's product, encourage communication within the team, energize and motivate team members, provide feedback on progress, signal team victories (and defeats), and ensure that the team focuses clearly on results. Recent research demonstrates that teams with both difficult goals and incentives to attain them achieve the highest performance levels.[48]

The best team-based measurement systems will inform top management of the team's performance and help the team understand its own processes and gauge its own progress. Ideally, the team will play the lead role in designing its own measurement system. This is a great indicator of whether the team is truly empowered.[49]

Teams, like individuals, need feedback on their performance. Feedback from customers is critical. Some customers for the team's products are inside the organization. Teams should be responsible for satisfying them, and should be given or should seek performance feedback. Better yet, wherever possible, teams should interact directly with external customers who make the ultimate buy decisions about their products and services. This will be the most honest, and most crucial and useful, performance feedback of all.[50]

Bateman–Snell:
Management: The New
Competitive Landscape,
Sixth Edition

IV. Leading: Mobilizing
People

14. Managing Teams

© The McGraw–Hill
Companies, 2003

Managing Teams **Chapter 14**   **435**

Motivating Teamwork

Sometimes individuals work less hard and are less productive when they are members of a group. Such **social loafing** occurs when individuals believe that their contributions are not important, others will do the work for them, their lack of effort will go undetected, or they will be the lone sucker if they work hard but others don't. On the other hand, sometimes individuals work harder when they are members of a group than when they are working alone. This **social facilitation effect** occurs because individuals usually are more motivated when others are present, they are concerned with what others think of them, and they want to maintain a positive self-image.

social loafing
Working less hard and being less productive when in a group.
social facilitation effect
Working harder when in a group than when working alone.

A social facilitation effect is maintained, and a social loafing effect can be avoided, when group members know each other, they can observe and communicate with one another, clear performance goals exist, the task is meaningful to the people working on it, they believe that their efforts matter and others will not take advantage of them, and the culture supports teamwork.[51] Thus, ideally it will be clear that everyone works hard, contributes in concrete ways to the team's work, and is accountable to other team members. Accountability to one another, rather than just to "the boss," is an essential aspect of good teamwork. Accountability inspires mutual commitment and trust.[52] Trust in your teammates—and their trust in you—may be the ultimate key to effectiveness.

Team effort is also generated by designing the team's task to be motivating. Techniques for creating motivating tasks appear in the guidelines for job enrichment discussed in Chapter 13. Tasks are motivating when they use a variety of member skills and provide high task variety, identity, significance, autonomy, and performance feedback.

Ultimately, teamwork is best motivated by tying rewards to team performance.[53] Team-based incentives are particularly powerful in smaller groups and smaller firms.[54] If team performance can be measured validly, team-based rewards can be given accordingly. It is not easy to move from a system of rewards based on individual performance to one based on team performance. Importantly, it also may not be appropriate, unless people are truly interdependent and must collaborate to attain true team goals.[55] Sometimes team-based rewards can be added to existing rewards already based on individual performance. In the case of a financial services firm, year 1 of a new team system included pay increases based 15 percent on team performance, increasing to 50 percent by year 3.[56]

If team performance is difficult to measure validly, then desired behaviors, activities, and processes that indicate good teamwork can be rewarded. Individuals within teams can be given differential rewards based on teamwork indicated by active participation, cooperation, leadership, and other contributions to the team.

If team members are to be rewarded differentially, such decisions are better *not* left to the boss.[57] They should be made by the team itself, via peer ratings or multirater evaluation systems. Team members are in a better position to observe, know, and make valid reward allocations. Finally, the more teams the organization has, and the more of a full team orientation that exists, the more valid and effective it will be to distribute rewards via gainsharing and other organizationwide incentives.

Member Contributions

Team members should be selected and trained so they become effective contributors to the team. Teams often hire their new members.[58] Miller Brewing Company and Eastman Chemical teams select members on the basis of tests designed to predict how well they will contribute to team success in an empowered environment. At Hannaford Brothers Company, a retail supermarket and food distributor in New York, new employees become "team certified" and then join their teams. At Texas Instruments, Human Resources screens applicants; then team members interview them and make selection decisions.

Many teams often undergo training exercises to learn team-building techniques. This group of people is learning the basic rule of trusting fellow colleagues. The blindfolded person falls backwards, trusting that his teammates will catch him and not let him fall. Trust must be earned, not demanded.

Some companies have computer systems combining PC networks with databases and videoconferencing to help teams identify and find the right new people. Generally, the skills required by the team include technical or functional expertise, problem-solving and decision-making skills, and interpersonal skills. Some managers and teams mistakenly overemphasize some skills, particularly technical or functional, and underemphasize the others. It is vitally important that all three types of skills be represented, and developed, among team members.

Development Dimensions International provides people with 300 hours of training, mostly about how to work in teams, but also technical cross-training. K Shoes, Ltd., trains team members in teamwork, overall business knowledge, supplier partnership development, and retail management. Kodak provides 150 hours of first-year training on team effectiveness, including teaching people to cross-train others, and 120 more hours subsequently on the same team skills plus business and financial skills.[59]

Norms

norms

Shared beliefs about how people should think and behave.

Norms are shared beliefs about how people should think and behave. From the organization's standpoint, norms can be positive or negative. In some teams, everyone works hard; in other groups, employees are antimanagement and do as little work as possible. Some groups develop norms of taking risks, others of being conservative.[60] A norm could dictate that employees speak either favorably or critically of the company. Team members may show concern about poor safety practices, drug and alcohol abuse, and employee theft, or they may not care about these issues (or may even condone such practices). Health consciousness is the norm among executives at some companies, but smoking is the norm at tobacco companies. Some groups have norms of distrust and of being closed toward one another, but as you might guess, norms of trust and open discussion about conflict can improve group performance.[61]

A professor described his consulting experiences at two companies that exhibited different norms in their management teams.[62] At Federal Express Corporation, a young manager interrupted the professor's talk by proclaiming that a recent decision by top management ran counter to the professor's point about corporate planning. He was challenging top management to defend its decision. A hot debate ensued, and after an hour everyone went to lunch without a trace of hard feelings. But at another

Bateman–Snell:
Management: The New
Competitive Landscape,
Sixth Edition

IV. Leading: Mobilizing
People

14. Managing Teams

© The McGraw–Hill
Companies, 2003

corporation, the professor opened a meeting by asking a group of top managers to describe the company's culture. There was silence. He asked again. More silence. Then someone passed him an unsigned note that read, "Dummy, can't you see that we can't speak our minds? Ask for the input anonymously, in writing." As you can see, norms are important, and can vary greatly from one group to another.

Roles

Roles are different sets of expectations for how different individuals should behave. Whereas norms apply generally to all team members, different roles exist for different members within the norm structure.

Two important sets of roles must be performed.[63] **Task specialist** roles are filled by individuals who have particular job-related skills and abilities. These employees keep the team moving toward task accomplishment. **Team maintenance specialists** develop and maintain harmony within the team. They boost morale, give support, provide humor, soothe hurt feelings, and generally exhibit a concern with members' well-being.

> **roles**
>
> Different sets of expectations for how different individuals should behave.
>
> **task specialist**
>
> An individual who has more advanced job-related skills and abilities than other group members possess.
>
> **team maintenance specialist**
>
> Individual who develops and maintains team harmony.

Note the similarity between these roles and the important task performance and group maintenance leadership behaviors you learned about in Chapter 12. As suggested in that chapter, some of these roles will be more important than others at different times and under different circumstances. But these behaviors need not be carried out only by one or two leaders; any member of the team can carry out these roles at any time. Over time, both types of roles can be performed by different individuals to maintain an effectively functioning work team.

If the team has a formal leader, the leader's role is to keep the team's purpose, goals, and approach relevant and meaningful; build commitment and confidence; strengthen the mix and level of team members' skills; manage relationships with outsiders; remove obstacles to the team's performance; create opportunities for the team and its members; and do real work, not just supervise.[64]

Self-managed teams report to a management representative who sometimes is called the coach. For example, at Wilson Sporting Goods Company, coaches facilitate and provide support and direction to teams, and hourly associates share leadership responsibilities with the coaches.[65] In true self-managed teams, the coach is not a true member of the team.[66] This is because the group is supposed to make its own decisions, and because the relative power of the management representative can have a dampening effect on the team's openness and autonomy.

The role of the coach, then, is to help the team understand its role in the organization, and to act as a resource for the team. The coach can provide information, resources, and opinions that team members do not or cannot acquire on their own. And the coach should be an advocate for the team in the rest of organization.

Cohesiveness

One of the most important properties of a work team is cohesiveness.[67] **Cohesiveness** refers to how attractive the team is to its members, how motivated members are to remain in the team, and the degree to which team members influence one another. In general, it refers to how tightly knit the team is.

> **cohesiveness**
>
> The degree to which a group is attractive to its members, members are motivated to remain in the group, and members influence one another.

The Importance of Cohesiveness Cohesiveness is important for two primary reasons. First, it contributes to *member satisfaction*. In a cohesive team, members communicate and get along well with one another. They feel good about being a part of the team. Even if their jobs are unfulfilling or the organization is oppressive, people gain some satisfaction from enjoying their co-workers.

Second, cohesiveness has a major impact on *performance*. A recent study of the creation of manufacturing teams led to a conclusion that performance improvements in both quality and productivity occurred in the most cohesive unit, whereas conflict within another team prevented any quality or productivity improvements.[68] Sports fans read about this all the time. When teams are winning, players talk about the team being close, getting along well, and knowing one another's games. In contrast, losing is attributed to infighting and divisiveness. Generally, cohesiveness clearly can and does have a positive effect on performance.[69]

But this interpretation is simplistic; exceptions to this intuitive relationship occur. Tightly knit work groups can be disruptive to the organization, such as when they sabotage the assembly line, get their boss fired, or enforce low performance norms.

When does high cohesiveness lead to good performance, and when does it result in poor performance? This depends on (1) the task, and (2) whether the group has high or low performance norms.

The Task   If the task is to make a decision or solve a problem, cohesiveness can lead to poor performance. Groupthink (discussed in Chapter 3) occurs when a tightly knit group is so cooperative that agreeing with one another's opinions and refraining from criticizing others' ideas become norms. The following example illustrates this tendency.

The Abilene Paradox

The July afternoon in Coleman, Texas (population 5,607), was particularly hot—104 degrees as measured by the Walgreen's Rexall Ex-Lax temperature gauge. In addition, the wind was blowing fine-grained West Texas topsoil through the house. But the afternoon was still tolerable—even potentially enjoyable. There was a fan going on the back porch; there was cold lemonade; and finally, there was entertainment. Dominoes. Perfect for the conditions. The game required little more physical exertion than an occasional mumbled comment, "Shuffle 'em," and an unhurried movement of the arm to place the spots in the appropriate perspective on the table. All in all, it had the makings of an agreeable Sunday afternoon in Coleman—that is, it was until my father-in-law suddenly said, "Let's get in the car and go to Abilene and have dinner at the cafeteria."

I thought, "What, go to Abilene? Fifty-three miles? In this dust storm and heat? And in an unairconditioned 1958 Buick?"

But my wife chimed in with, "Sounds like a great idea. I'd like to go. How about you, Jerry?" Since my own preferences were obviously out of step with the rest, I replied, "Sounds good to me," and added, "I just hope your mother wants to go."

"Of course I want to go," said my mother-in-law. "I haven't been to Abilene in a long time."

So into the car and off to Abilene we went. My predictions were fulfilled. The heat was brutal. We were coated with a fine layer of dust that was cemented with perspiration by the time we arrived. The food in the cafeteria provided first-rate testimonial material for antacid commercials.

Some four hours and 106 miles later we returned to Coleman, hot and exhausted. We sat in front of the fan for a long time in silence. Then, both to be sociable and to break the silence, I said, "It was a great trip, wasn't it?"

No one spoke.

Finally, my mother-in-law said, with some irritation, "Well, to tell the truth, I really didn't enjoy it much and would rather have stayed here. I just went along because the three of you were so enthusiastic about going. I wouldn't have gone if you all hadn't pressured me into it."

I couldn't believe it. "What do you mean 'you all'?" I said. "Don't put me in the 'you all' group. I was delighted to be doing what we were doing. I didn't want to go. I only went to satisfy the rest of you. You're the culprits."

My wife looked shocked. "Don't call me a culprit. You and Daddy and Mama were the ones who wanted to go. I just went along to be sociable and keep you happy. I would have had to be crazy to want to go out in heat like that."

Her father entered the conversation abruptly. "Hell!" he said.

He proceeded to expand on what was already absolutely clear. "Listen, I never wanted to go to Abilene. I just thought you might be bored. You visit so seldom I wanted to be sure you enjoyed it. I would have preferred to play another game of dominoes and eat the leftovers in the icebox."

After the outburst of recrimination, we all sat back in silence. Here we were, four reasonably sensible people who, of our own volition, had just taken a 106-mile trip across a godforsaken desert in furnacelike temperatures through a cloudlike dust storm to eat unpalatable food at a hole-in-the-wall cafeteria in Abilene, when none of us had really wanted to go. In fact, to be more accurate, we'd done just the opposite of what we wanted to do. The whole situation simply didn't make sense.

In the Abilene example, the group was exhibiting groupthink. Disagreement, which is more likely to occur in noncohesive groups, could have led to a better decision: to stay in Coleman. For a cohesive group to make good decisions, it should establish a norm of constructive disagreement. This is important for groups up to the level of boards of directors;[70] in top management teams it has been shown to improve the financial performance of companies.[71]

Cohesiveness can enhance performance, particularly if the task is to produce some tangible output. In day-to-day work groups for which decision making is not the primary task, the effect of cohesiveness on performance can be positive. But that depends on the group's performance norms.[72]

Performance Norms   Some groups are better than others at ensuring that their members behave the way the group prefers. Cohesive groups are more effective than noncohesive groups at norm enforcement. But the next question is: Do they have norms of high or low performance?

As Figure 14.3 shows, the highest performance occurs when a cohesive team has high performance norms. But if a highly cohesive group has low performance norms, that group will have the worst performance. In the group's eyes, however, it will have succeeded in achieving its goal of poor performance. Noncohesive groups with high performance norms can be effective from the company's standpoint. However, they won't be as productive as they would be if they were more cohesive. Noncohesive groups with low performance norms perform poorly, but they will not ruin things for management as effectively as can cohesive groups with low performance norms.

Building Cohesiveness and High Performance Norms

As Figure 14.3 suggests, managers should build teams that are cohesive and have high performance norms. The following actions can help create such teams:[73]

1. *Recruit members with similar attitudes, values, and backgrounds.* Similar individuals are more likely to get along with one another. Don't do this,

Performance norms

FIGURE 14.3
Cohesiveness, Performance Norms, and Group Performance

though, if the team's task requires heterogeneous skills and inputs. For example, a homogeneous committee or board might make relatively poor decisions, because it will lack different information and viewpoints and may succumb to groupthink.

2. *Maintain high entrance and socialization standards.* Teams and organizations that are difficult to get into have more prestige. Individuals who survive a difficult interview, selection, or training process will be proud of their accomplishment and feel more attachment to the team.

3. *Keep the team small* (but large enough to get the job done). The larger the group, the less important members may feel. Small teams make individuals feel like large contributors.

4. *Help the team succeed, and publicize its successes.* You read about empowerment in the last chapter; you can empower teams as well as individuals.[74] Be a path-goal leader who facilitates success; the experience of winning brings teams closer together. Then, if you inform superiors of your team's successes, members will believe they are part of an important, prestigious unit. Teams that get into a good performance track continue to perform well as time goes on; groups that don't often enter a downward spiral in which problems compound over time.[75]

5. *Be a participative leader.* Participation in decisions gets team members more involved with one another and striving toward goal accomplishment. Too much autocratic decision making from above can alienate the group from management.

6. *Present a challenge from outside the team.* Competition with other groups makes team members band together to defeat the enemy (witness what happens to school spirit before the big game against an archrival). Some of the greatest teams in business and in science have been completely focused on winning a competition.[76] But don't *you* become the outside threat. If team members dislike you as a boss, they will become more cohesive—but their performance norms will be against you, not with you.

7. *Tie rewards to team performance.* To a large degree, teams are motivated just as individuals are—they do the things that are rewarded. Make sure that high-performing teams get the rewards they deserve and that poorly performing groups get relatively few rewards. You read about this earlier. Bear in mind that not just monetary rewards but also recognition for

Bateman–Snell:
Management: The New
Competitive Landscape,
Sixth Edition

IV. Leading: Mobilizing
People

14. Managing Teams

© The McGraw–Hill
Companies, 2003

good work are powerful motivators. Recognize and celebrate team accomplishments. The team will become more cohesive and perform better to reap more rewards. Performance goals will be high, the organization will benefit from higher team motivation and productivity, and the individual needs of team members will be better satisfied. Ideally, being a member of a high-performing team, recognized as such throughout the organization, will become a badge of honor.[77]

But keep in mind that strong cohesiveness encouraging "agreeableness" can be dysfunctional. For problem solving and decision making, the team should establish norms promoting an open, constructive atmosphere including honest disagreement over issues without personal conflict and animosity.[78] Thus, the team can avoid group-think and a trip to Abilene.

Managing Lateral Relationships

Teams do not function in a vacuum; they are interdependent with other teams. For example, at Miller Brewing Company, major team responsibilities include coordinating with other teams and policy groups. At Texas Instruments, teams are responsible for interfacing with other teams to eliminate production bottlenecks and implement new processes, and also for working with suppliers on quality issues.[79] Thus, some activities crucial to the team are those that entail dealing with people *outside* the group.

Managing Outward

Several vital roles link teams to their external environments, that is, to other individuals and groups both inside and outside the organization. A specific type of role that spans team boundaries is the gatekeeper, a team member who stays abreast of current information in scientific and other fields and informs the group of important developments. Information useful to the group can also include information about resources, trends, and political support throughout the corporation or the industry.[80]

The team's strategy dictates the team's mix of internally versus externally focused roles and how the mix changes over time. General team strategies include informing, parading, and probing.[81] The **informing** strategy entails concentrating first on the internal team process to achieve a state of performance readiness. Then the team informs outsiders of its intentions. **Parading** means the team's strategy is to simultaneously emphasize internal team building and achieve external visibility. **Probing** involves a focus on external relations. This strategy requires team members to interact frequently with outsiders; diagnose the needs of customers, clients, and higher-ups; and experiment with solutions.

The appropriate balance between an internal and external strategic focus and between internal and external roles depends on how much the team needs information, support, and resources from outside. When teams have a high degree of dependence on outsiders, probing is the best strategy. Parading teams perform at an intermediate level, and informing teams are likely to fail. They are too isolated from the outside groups on which they depend.

Informing or parading strategies may be more effective for teams that are less dependent on outside groups, for example, established teams working

informing

A team strategy that entails concentrating first on the internal team process to achieve a state of performance readiness, then informing outsiders of its intentions.

parading

A team strategy that entails simultaneously emphasizing internal team building and achieving external visibility.

probing

A team strategy that requires team members to interact frequently with outsiders, diagnose their needs, and experiment with solutions.

on routine tasks in stable external environments. But for most important work teams of the future—task forces, new-product teams, and strategic decision-making teams tackling unstructured problems in a rapidly changing external environment—effective performance in roles that involve interfacing with the outside will be vital.

Lateral Role Relationships

Managing relationships with managers of other groups and teams means engaging in a dynamic give-and-take that ensures proper coordination throughout the management system. To many managers, this process often seems like a chaotic free-for-all. It is useful to identify the different types of lateral role relationships and take a strategic approach to building constructive relationships.

Different teams, like different individuals, have roles to perform. As teams carry out their roles, several distinct patterns of working relationships develop.[82]

1. *Work-flow relationships* emerge as materials are passed from one group to another. A group commonly receives work from one unit, processes it, and sends it to the next unit in the process. Your group, then, will come before some groups and after others in the process.
2. *Service relationships* exist when top management centralizes an activity to which a large number of other units must gain access. Common examples are technology services, libraries, and clerical staff. Such units must service other people's requests.
3. *Advisory relationships* are created when teams with problems call on centralized sources of expert knowledge. For example, staff members in the human resources or legal department advise work teams.
4. *Audit relationships* develop when people not directly in the chain of command evaluate the methods and performances of other teams. Financial auditors check the books, and technical auditors assess the methods and technical quality of the work.
5. *Stabilization relationships* involve auditing before the fact. In other words, teams sometimes must obtain clearance from others—for example, for large purchases—before they take action.
6. *Liaison relationships* involve intermediaries between teams. Managers often are called upon to mediate conflict between two organizational units. Public relations people, sales managers, purchasing agents, and others who work across organizational boundaries serve in liaison roles as they maintain communications between the organization and the outside world.

By assessing each working relationship with another unit ("From whom do we receive, and to whom do we send work? What permissions do we control, and to whom must we go for authorizations?"), teams can better understand whom to contact and when, where, why, and how to do so. Coordination throughout the working system improves, problems are avoided or short-circuited before they get too serious, and performance improves.[83]

Intergroup Conflict

The complex maze of interdependencies throughout organizations provides boundless opportunity for conflict to arise among groups and teams. Some conflict is constructive for the organization, as we discussed in Chapter 3. Michael Eisner, CEO and chairman of Disney, says that the key to ideas and innovation is to create an environment of supportive conflict, or what he calls "appropriate friction."[84] But many

things cause great potential for destructive conflict: the sheer number and variety of contacts; ambiguities in jurisdiction and responsibility; differences in goals; intergroup competition for scarce resources; different perspectives held by members of different units; varying time horizons in which some units attend to long-term considerations and others focus on short-term needs; and other factors.

Tensions and anxieties are likely to arise in demographically diverse teams, or teams from different parts of the organization, or teams composed of contrasting personalities. Both demographic[85] and cross-functional[86] heterogeneity initially lead to problems such as stress, lower cooperation, and lower cohesiveness at first. But over time and with communication, diverse groups tend to become more cooperative and perform better than do homogeneous groups. Norms of cooperation can improve performance,[87] as does the fact that cross-functional teams engage in more external communication with more areas of the organization.[88]

Managing Conflict

Teams inevitably face conflicts and must decide how to manage them. The aim should be to make the conflict productive, that is, to make those involved believe they have benefited rather than lost from the conflict.[89] People believe they have benefited from a conflict when (1) a new solution is implemented, the problem is solved, and it is unlikely to emerge again, and (2) work relationships have been strengthened and people believe they can work together productively in the future.

How can conflict be managed? A recent study of human resource (HR) managers and the conflicts with which they deal provides some insight.[90] HR managers deal with every type of conflict imaginable: interpersonal difficulties from minor irritations to jealousy to fights; operations issues, including union issues, work assignments, overtime, and sick leave; discipline over infractions ranging from drug use and theft to sleeping on the job; sexual harassment and racial bias; pay and promotion issues; and feuds or strategic conflicts among divisions or individuals at the highest organizational levels.

In the study, the HR managers successfully settled most of the disputes. These managers typically follow a four-stage strategy. They *investigate* by interviewing the disputants and others and gathering more information. They *decide* how to resolve the dispute, often in conjunction with the disputants' bosses. They *take action* by explaining their decisions and the reasoning, and advise or train the disputants to avoid future incidents. And they *follow up* by documenting the conflict and the resolution, and monitoring the results by checking back with the disputants and their bosses. Throughout, the objectives of the HR people are to be fully informed so they understand the conflict; to be active and assertive in trying to resolve it; to be as objective, neutral, and impartial as humanly possible; and to be flexible by modifying their approaches according to the situation.[91]

Here are some other recommendations for more effective conflict management.[92] Don't allow dysfunctional conflict to build, or hope or assume that it will go away. Address it before it escalates. Try to resolve it, and if the first efforts don't

Conflicts can arise for any team—the trick is to make them productive. This ad promotes the American Arbitration Association's mission to train professionals on how to effectively minimize and manage conflict— "before the mud starts flying."

work, try others. And remember the earlier discussion (Chapter 13) of procedural justice. Even if disputants are not happy with your decisions, there are benefits to providing fair treatment, making a good faith effort, giving them a voice in the proceedings, and so on. Remember, too, that you may be able to ask HR specialists to help with difficult conflicts.

---

avoidance

A reaction to conflict that involves ignoring the problem by doing nothing at all, or deemphasizing the disagreement.

accommodation

A style of dealing with conflict involving cooperation on behalf of the other party but not being assertive about one's own interests.

compromise

A style of dealing with conflict involving moderate attention to both parties' concerns.

competing

A style of dealing with conflict involving strong focus on one's own goals, and little or no concern for the other person's goals.

collaboration

A style of dealing with conflict emphasizing both cooperation and assertiveness in order to maximize both parties' satisfaction.


Conflict Styles

How people manage conflict depends in part on their country's cultural norms. For example, Chinese people are more concerned with collective than with individual interests, and are more likely than managers in the United States to turn to higher authorities to make decisions rather than resolve conflicts themselves.[93] But culture aside, any team or individual has several options regarding approaches to use in conflicts with others.[94] These personal styles of dealing with conflict, shown in Figure 14.4, are distinguished based on how much people strive to satisfy their own concerns (the assertiveness dimension) and to what degree they focus on satisfying the other party's concerns (the cooperation dimension). For example, a common reaction to conflict is **avoidance.** In this situation, people do nothing to satisfy themselves or others. They either ignore the problem by doing nothing at all or address it by merely smoothing over or deemphasizing the disagreement. This, of course, fails to solve the problem or clear the air.

Accommodation means cooperating on behalf of the other party but not being assertive about one's own interests. **Compromise** involves moderate attention to both parties' concerns, being neither highly cooperative nor highly assertive. This style results in satisficing but not optimizing solutions. **Competing** is a highly competitive response in which people focus strictly on their own wishes and are unwilling to recognize the other person's concerns. Finally, **collaboration** emphasizes both cooperation and assertiveness. The goal is to maximize satisfaction for both parties.

Different approaches are necessary at different times.[95] For example, competing can be healthy if it promotes positive motivation, and even necessary when cutting costs or dealing with other scarce resources.

FIGURE 14.4
Conflict Management strategies
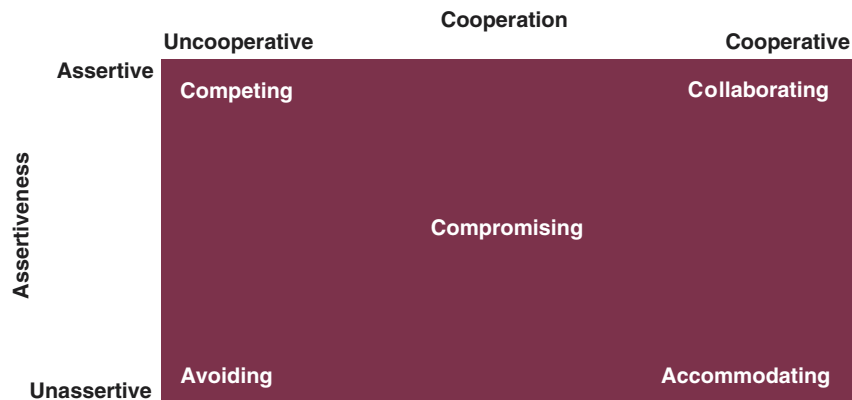
SOURCE: K. Thomas, "Conflict and Conflict Management." In *Handbook of Industrial and Organizational Psychology*, ed. M. D. Dunnette. Copyright © 1976. Reprinted by permission of the editor.

Bateman–Snell:
Management: The New
Competitive Landscape,
Sixth Edition

IV. Leading: Mobilizing
People

14. Managing Teams

© The McGraw–Hill
Companies, 2003

Compromise may be useful when people are under time pressure, when they need to achieve a temporary solution, or when collaboration fails. People should accommodate when they learn they are wrong or to minimize loss when they are outmatched. Even avoiding may be appropriate if the issue is trivial or resolving the conflict should be someone else's responsibility.

But when the conflict concerns important issues, when both sets of concerns are valid and important, when a creative solution is needed, and when commitment to the solution is vital to implementation, collaboration is the ideal approach. Collaboration can be achieved by airing feelings and opinions, addressing all concerns, and avoiding goal displacement by not letting personal attacks interfere with problem solving. An important technique is to invoke **superordinate goals**—higher-level organizational goals toward which all teams should be striving and that ultimately need to take precedence over personal or unit preferences.[96] Collaboration offers the best chance of reaching mutually satisfactory solutions based on the ideas and interests of all parties, and of maintaining and strengthening work relationships.

> **superordinate goals**
>
> **Higher-level goals taking priority over specific individual or group goals.**

KEY TERMS

Accommodation, p. 444

Autonomous work groups, p. 430

Avoidance, p. 444

Cohesiveness, p. 437

Collaboration, p. 444

Competing, p. 444

Compromise, p. 444

Informing, p. 441

Management teams, p. 428

Norms, p. 436

Parading, p. 441

Parallel teams, p. 428

Probing, p. 441

Project and development teams, p. 428

Quality circles, p. 430

Roles, p. 437

Self-designing teams, p. 430

Self-managed teams, p. 430

Semiautonomous work groups, p. 430

Social facilitation effect, p. 435

Social loafing, p. 435

Superordinate goals, p. 445

Task specialist, p. 437

Team, p. 427

Team maintenance specialist, p. 437

Traditional work groups, p. 430

Transnational teams, p. 431

Work teams, p. 428

SUMMARY OF LEARNING OBJECTIVES

Now that you have studied Chapter 14, you should know:

How teams can contribute to your organization's effectiveness.

Teams are building blocks for organization structure and forces for productivity, quality, cost savings, speed, change, and innovation. They have the potential to provide many benefits for both the organization and individual members.

What makes the new team environment different from the old.

Compared to traditional work groups that were closely supervised, today's teams have more authority and often are self-managed. Teams now are used in many more ways, for many more purposes, than in the past. Generally, types of teams include work teams, project and development teams, parallel teams, and management teams. More specifically, types of work teams range from traditional groups with low autonomy to self-designing teams with high autonomy.

How groups become teams.

Groups carry on a variety of important developmental activities, including forming, storming, norming, and performing. For a group to become a team, it should move beyond traditional supervisory leadership, become more participative, and ultimately enjoy team leadership. A true team has members who complement one another; who are committed to a common purpose, performance goals, and approach; and who hold themselves accountable to one another.

446   **Part Four**   Leading: Mobilizing People

Why groups sometimes fail.

Teams do not always work well. Some companies underestimate the difficulties of moving to a team-based approach. Teams require training, empowerment, and a well-managed transition to make them work. Groups may fail to become effective teams unless managers and team members commit to the idea, understand what makes teams work, and implement appropriate practices.

How to build an effective team.

Create a team with a high-performance focus by establishing a common purpose; by translating the purpose into measurable team goals; by designing the team's task so it is intrinsically motivating; by designing a team-based performance measurement system; and by providing team rewards.

Work to develop a common understanding of how the team will perform its task. Make it clear that everyone has to work hard and contribute in concrete ways. Establish mutual accountability and build trust among members. Examine the team's strategies periodically and be willing to adapt.

Make sure members contribute fully by selecting them appropriately, training them, and checking that all important roles are carried out. Take a variety of steps to establish team cohesiveness and high performance norms.

And don't just manage inwardly. Manage the team's relations with outsiders, too.

How to manage your team's relationships with other teams.

Perform important roles such as gatekeeping, informing, parading, and probing. Identify the types of lateral role relationships you have with outsiders. This can help coordinate efforts throughout the work system.

How to manage conflict.

Conflict arises because of the sheer number of contacts, ambiguities, goal differences, competition for scarce resources, and different perspectives and time horizons. Depending on the situation, five basic interpersonal approaches to managing conflict can be used: avoidance, accommodation, compromise, competition, and collaboration. Superordinate goals offer a focus on higher-level organizational goals that can help generate a collaborative relationship.

DISCUSSION QUESTIONS

1. Why do you think some people resist the idea of working in teams? How would you deal with their resistance?

2. Consider a job you have held, and review Table 14.1 about the traditional and new team environment. Which environment best describes your job? Assess your job on each of the dimensions described in the table.

3. Assess your job as in question 2, using Figure 14.2, "Stepping Up to Team Leadership." Which leadership "stage" characterized your job environment?

4. Identify some things from a previous job that could have been done differently to move your work group closer toward the "team leadership" depicted in Figure 14.2.

5. Experts say that teams are a means, not an end. What do you think they mean? What do you think happens in a company that creates teams just for the sake of having teams because it's a fad or just because it sounds good? How can this pitfall be avoided?

6. Choose a sports team with which you are familiar. Assess its effectiveness and discuss the factors that contribute to its level of effectiveness.

7. Assess the effectiveness, as in question 6, of a student group with which you have been affiliated. Could anything have been done to make it more effective?

8. Consider the various roles members have to perform for a team to be effective. Which roles would play to your strengths, and which to your weaknesses? How can you become a better team member?

9. Can you think of any personal examples of the Abilene Paradox? Explain what happened and why.

10. What do you think are your own most commonly used approaches to handling conflict? Least common? What can you do to expand your repertoire and become more effective at conflict management?

11. Generate real examples of how superordinate goals have helped resolve a conflict. Identify some current conflicts and provide some specific ideas for how superordinate goals could be used to help.

12. Have you ever been part of a group that was "self-managed"? What was good about it, and what not so good? Why do many managers resist this idea? Why do some people love the idea of being a member of such a team, while others don't?

13. How might self-managed teams operate differently in different cultures? What are the advantages, disadvantages, and implications of homogeneous versus highly diverse self-managed teams?

Bateman–Snell:
Management: The New
Competitive Landscape,
Sixth Edition

IV. Leading: Mobilizing
People

14. Managing Teams

© The McGraw–Hill
Companies, 2003

Group Meetings: Love 'em or Hate 'em

A lot of people hate meetings. A lot of companies are overrun by too many unproductive, morale-sapping meetings. But some meetings are just too good to miss. Here are a few, as described by the people who love them:

- MaMaMedia.com holds weekly meetings called Thought Provoking sessions that provide a creative refuge from the daily work. Rebecca Randall never misses them because "it's a great way for me to step outside of the day-to-day routine and come up with new approaches to doing my job." The company provides Web-based "playful learning" for kids 12 and under, and the meetings "approximate the way children learn through exploration, fun, surprise, and imagination." Each week, a different work team plans and hosts the meeting.

- At Kaufman and Broad Home Corp., one of the top home builders in the United States, the monthly After 5 meeting of the marketing and communications staff is usually held in the Marketing War Room, although one was held in a bus doing 65 miles per hour. The meetings are brainstorming sessions aimed a taking the company's brand image into fun new territory. One meeting led to a major promotional campaign that used a full-scale replica of Marge and Homer Simpson's home. The norm at the meetings is that anything goes: "Think The McLaughlin Group, only nicer. The best ideas sound absolutely insane at first, so we don't want people to be editing their thoughts. The unspoken rule: If you think it, say it."

- Nortel's Caribbean and Latin American division airs its Virtual Leadership Academy live and once a month. Using teleconferencing technologies, the Leadership Academy educates geographically dispersed employees about important strategic issues. Emma Carrasco never misses it because the networked meetings "let us tap into leadership ability and expertise throughout the company . . . We leverage and showcase Nortel's technology as well as its culture . . . and reinforce a core cultural tenet: that groundbreaking technology is about elevating, not replacing, human interaction."

- Terry Pope, Operations Manager for Motorola, never misses the daily morning production meeting with 30-plus managers, engineers, and technicians. The purpose is to communicate the last 24 hours' problems that need to be addressed during the next 24 hours. If a problem is identified, the person responsible says, "Here's what's wrong, and here's what we're doing now to make sure that it doesn't happen again." He never misses the meeting because it "sets the pace for the entire factory and defines its culture. It's a daily demonstration of our ability to perform."

- Peter Kirwan has regular "Fireside Chats" with his engineers, programmers, and technical writers. The norms of the meetings are relaxed honesty and constructive criticism. "This is a chance to discuss tough issues in a friendly, informal setting . . . Business issues are always changing, and so are personal and organizational issues." He starts the meeting by opening a homemade cardboard "fireplace" and pulling up chairs. It's silly, on purpose. It loosens people up, and they talk. He learns, and helps them to learn.

- Entrepreneur Craig Forman never misses Sunday nights with his family. "This 'meeting' brings us together and gives us the motivation to attack the week. It's an anchor for all three of us." He wants to make sure his family's priorities don't get lost in the frenzy of Silicon Valley's start-up culture.

QUESTIONS

1. Can you identify common themes among, and differences between, these group gatherings?

2. People who attend these regular meetings don't want to miss them. Why do you think this is the case?

3. What do you think these meetings do for morale, cohesiveness, and team productivity? How and why do they have these effects?

4. What meetings do you have that you would rather avoid, and why? Do you have any that you really look forward to, and why?

5. When you are a manager, what regular meetings will you have, and how will you (a) avoid having people dread them, and (b) get people to "not want to miss" them? What else will you do to create a strong "team"?

SOURCES: C. Olofson, "Play Hard, Think Big," *Fast Company Online,* January 2001, p. 64; C. Olofson, "Can We Talk? Put Another Log on the Fire," *Fast Company Online,* October 1999, p. 86; A. Wilson, "All in the Family," *Fast Company Online,* March 2000, p. 72; M. Goldberg, "At Motorola, the Meeting Is the Network," *Fast Company Online,* October 1997, p. 70; C. Olofson, "Global Reach, Virtual Leadership," *Fast Company Online,* September 1999, p. 80; C. Olofson, "Open Minds after Closing Time," *Fast Company Online,* June 1999, p. 72.

CONCLUDING CASE

14.1 Prisoners' Dilemma: An Intergroup Competition

INSTRUCTIONS

1. The instructor explains what will take place in this exercise and assigns people to groups. Two types of teams are formed and named Red and Blue (with no more than eight per group) and are not to communicate with the other team in any way, verbally or nonverbally, except when told to do so by the instructor. Groups are given time to study the Prisoner's Dilemma Tally Sheet.

2. (3 min.) Round 1. Each team has three minutes to make a team decision. Write your decisions when the instructor says time is up.

3. (2 min.) The choices of the teams are announced for Round 1. The scores are entered on the Tally Sheet.

4. (4–5 min.) Round 2 is conducted in the same manner as Round 1.

5. (6 min.) Round 3 is announced as a special round, for which the payoff points are doubled. Each team is instructed to send one representative to chairs in the center of the room. After representatives have conferred for three minutes, they return to their teams. Teams then have three minutes, as before, in which to make their decisions. When recording their scores, they should be reminded that points indicated by the payoff schedule are doubled for this round only.

6. (8–10 min.) Rounds 4, 5, and 6 are conducted in the same manner as the first three rounds.

7. (6 min.) Round 7 is announced as a special round, in which the payoff points are "squared" (multiplied by themselves: e.g., a score of 4 would be $4^2 = 16$). A minus sign would be retained: e.g., $-(3)^2 = -9$. Team representatives meet for three minutes; then the teams meet for three minutes. At the instructor's signal, the teams write their choices; then the two choices are announced.

8. (6 min.) Round 8 is handled exactly as Round 7 was. Payoff points are squared.

9. (10–20 min.) The point total for each team is announced, and the sum of the two team totals is calculated and compared to the maximum positive or negative outcomes ($+108$ or -108 points). A discussion on win–lose situations, competition, and so on will be conducted.

Prisoners' Dilemma Tally Sheet

Instructions: For 10 successive rounds, the Red team will choose either an A or a B and the Blue team will choose either an X or a Y. The score each team receives in a round is determined by the pattern made by the choices of both teams, according to the schedule below.

Payoff Schedule:

AX—Both teams win 3 points.

AY—Red team loses 6 points; Blue team wins 6 points.

BX—Red team wins 6 points; Blue team loses 6 points.

BY—Both teams lose 3 points.

Scorecard:

Round	Minutes	Choice		Cumulative points	
		Red Team	**Blue Team**	**Red Team**	**Blue Team**
1	3				
2	3				
3*	3 (reps.) 3 (teams)				
4	3				
5	3				
6*	3 (reps.) 3 (teams)				
7**	3 (reps.) 3 (teams)				
8**	3 (reps.) 3 (teams)				

*Payoff points are doubled for this round. **Payoff points are squared for this round. (Retain the minus sign.)

SOURCE: Dorothy Hai, "Prisoner's Dilemma," in *Organizational Behavior: Experiences and Cases.* Copyright © 1986. Reprinted with permission of South-Western College Publishing, a division of Thomson Learning.

Bateman–Snell:
Management: The New
Competitive Landscape,
Sixth Edition

IV. Leading: Mobilizing
People

14. Managing Teams

© The McGraw–Hill
Companies, 2003

14.2   The Traveler's Check Scam Group Exercise

INSTRUCTIONS

1. (3 min.) Group selects an observer. The observer remains silent during the group problem-solving process, recording the activities of the group on the Observer's Report Form.

2. (15 min.) Group members read the following problem and proceed to solve it.

3. (2 min.) When the group has a solution to the problem upon which all members agree, it will be written on a note and handed to the instructor.

4. (5 min.) The observer briefs the group on the problem-solving processes observed during the exercise.

5. (25 min.) The small group discusses the following topics:

    a. Did the group decide on a problem solution process before it attempted to solve the problem? If so, what was it?

    b. Was the solution of the problem hindered in any way by the lack of an appropriate agreed-upon group problem-solving process? Explain.

    c. Who were the leaders of the group during the exercise? What did they do? Critique their leadership activities.

    d. What communications patterns were used by the group during the exercise? Who participated the most? Who participated the least? Describe individual behaviors.

    e. Did the group solve the problem? How many members of the group discovered the correct answer on their own?

    f. Was using the group to solve this problem better than assigning the problem to one person? Explain the rationale for your answer.

THE CASE OF MICKEY THE DIP

Mickey the Dip, an expert pickpocket and forger, liked to work the Los Angeles International Airport on busy days. His technique was to pick the pockets of prosperous-looking victims just before they boarded planes to the East Coast. This gave Mickey five hours to use stolen credit cards before the owners could report their losses.

One morning Mickey snatched a fat wallet from a traveler and left the airport to examine his loot. To his surprise he found no credit cards but instead $500 in traveler's checks. After 20 minutes of practice, Mickey could sign a perfect imitation of the victim's signature. He then proceeded to a large department store where all suits were being sold for 75 percent of the regular price. Mickey purchased a suit for $225 and paid for it with $300 in stolen traveler's checks. After the clerk who served him went to lunch, he bought another suit for $150 and paid for it with the remaining $200 of stolen traveler's checks. Later, Mickey switched the labels on the two suits and, using the receipt from the $225 suit, returned the $150 suit at a centralized return desk for a refund. The refund clerk took the suit and gave Mickey eleven $20 bills, which he stuffed into his pocket and disappeared.

When the department store deposited the traveler's checks, they were returned as forgeries. Assuming the store normally sold suits at twice their wholesale price and used 10 percent of sales as an overhead cost figure, what was the cash value of the loss suffered by the store as a result of Mickey's caper? Do not consider taxes in your computations.

THE TRAVELER'S CHECK SCAM EXERCISE OBSERVER'S REPORT

1. What happened during the first few minutes the group met after members finished reading the problem? (List behaviors of specific group members.)

2. Identify the group role played by each group member during the exercise. Give examples of the behavior of each.

3. Were there any conflicts within or among group members during the exercise? Explain the nature of the conflicts and the behavior of the individual(s) involved.

4. How were decisions made in the group? Give specific examples.

5. How could the group improve its problem-solving skills?

SOURCE: Peter P. Dawson, *Fundamentals of Organizational Behavior.* Copyright © 1985 Pearson Education, Inc. Reprinted by permission of Pearson Education, Inc., Upper Saddle River, NJ.