

This Nucor mini-steel mill in Indiana uses teams to achieve high efficiency and profitability.



We hear a lot about people being turned off by their jobs. Friends tell us that their work is boring or their boss treats them like an

idiot. We see interviews on television with auto and steel workers grumbling about pressures by management to increase productivity while, at the same time, pushing employees to take wage cuts. The good news is that managers in a number of organizations are learning that there are ways to cut costs, improve productivity, and *increase* employee commitment. Take, for instance, the management at Nucor Corp.<sup>1</sup>

Nucor decided to build a mini-mill in Indiana to make sheet steel. They processed 3000 job applicants and eventually hired 400 in 1988. The first hundred people hired actually built the mill with their own hands, alongside the contractors. This gave the new employees a degree of involvement and commitment to their new employer that is often missing in many jobs. Once the mill was up, workers were placed into five- to ten-person teams. Team members were trained to do most jobs on their teams. This expanded management's flexibility and increased skill variety for team members. While each team has a supervisor, these supervisors are more like co-workers than bosses. Supervisors relay information from plant management, but they're essentially members of their respective teams.

The team format at Nucor has proved beneficial for both management and workers. The plant is highly efficient and profitable. The use of teams fosters a sense of family among employees. Teams let employees feel that they're part of the company and that what they do directly contributes to the company's success. Additionally, Nucor workers enjoy lucrative bonuses based on their group's performance. Members of one group, for instance, recently earned annual wages of \$50,000 to \$59,000 each.

Nucor's team-based organization isn't unique. Thousands of organizations have recently made the move to restructure work around groups rather than individuals. Why has this occurred? What do these teams look like? How can interested managers build effective teams? We'll answer these questions in this chapter. First, however, let's begin by developing our understanding of group behavior.

## Understanding Group Behavior

The behavior of individuals in groups is not the same as the sum total of each individual's behavior. This is because individuals act differently in groups than they do when they are alone. Therefore, if we want to understand organizational behavior more fully, we need to study groups.

### What is a Group?

A **group** is defined as two or more interacting and interdependent individuals who come together to achieve particular objectives. Groups can be either formal or informal. *Formal groups* are work groups established by the organization and have designated work assignments and established tasks. In formal groups, the behaviors in which one should engage are stipulated by and directed toward organizational goals. Table 15-1 provides some examples of different types of formal groups used in organizations today.

In contrast, *informal groups* are of a social nature. These groups are natural formations that appear in the work environment in response to the need for social contact. Informal groups tend to form around friendships and common interests.

### group

Two or more interacting and interdependent individuals who come together to achieve particular objectives.

**TABLE 15-1** Examples of Formal Groups

*Command groups.* These are the basic, traditional work groups determined by formal authority relationships and depicted on the organizational chart. They typically include a manager and those subordinates that report directly to him or her.

*Cross-functional teams.* These bring together the knowledge and skills of individuals from various work areas in order to come up with solutions to operational problems. Cross-functional teams also include groups whose members have been trained to do each other's jobs.

*Self-managed teams.* These are essentially independent groups that, in addition to doing their operating jobs, take on traditional management responsibilities such as hiring, planning and scheduling, and performance evaluations.

*Task forces.* These are temporary groups created to accomplish a specific task. Once the task is complete, the group is disbanded.

### Why People Join Groups

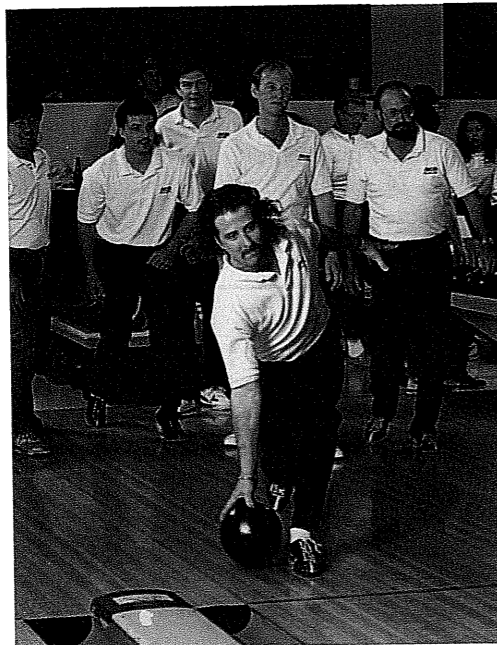
There is no single reason why individuals join groups. Because most people belong to a number of groups, it's obvious that different groups provide different benefits to their members. Most people join a group out of needs for security, status, self-esteem, affiliation, power, or goal achievement.

**Security** "There's strength in numbers." By joining a group we can reduce the insecurity of "standing alone"—we feel stronger, have fewer self-doubts, and are more resistant to threats. New employees are particularly vulnerable to a sense of isolation; they turn to the group for guidance and support. However, whether we are talking about new employees or those with years on the job, we can state that few individuals like to stand alone. Human beings get reassurances from interacting with others and being part of a group. This often explains the appeal of unions. If management creates a climate in which employees feel insecure, they are likely to turn to unionization to reduce their feelings of insecurity.

**Status** "I'm a member of our company's running team. Last month, at the National Corporate Relays, we won the national championship. Didn't you see our picture in the company newsletter?" Comments like this demonstrate the power of a group to give prestige. Inclusion in a group that others view as important provides recognition and status for its members.

**Self-Esteem** "Before I was asked to pledge Phi Omega Chi, I felt like a nobody. Being in a fraternity makes me feel a lot more important." This quote demonstrates that groups can increase people's feelings of self-worth. That is, in addition to conveying status to those outside the group, membership can also raise feelings of self-esteem. Our self-esteem is bolstered, for example, when we are accepted into a highly valued group. Being assigned to a task force to review and make recommen-

Employees at Amgen, a California bio-tech firm, participate on the company's bowling team. This group helps meet members' needs for affiliation. When the team wins, it also enhances member status and self-esteem.



dations for the location of the company's new corporate headquarters can fulfill one's needs for competence and growth as well as for status.

**Affiliation** "I'm independently wealthy, but I wouldn't give up my job. Why? Because I really like the people I work with!" This quote, from a \$35,000-a-year purchasing agent who inherited several million dollars' worth of real estate, verifies that groups can fulfill our social needs. People enjoy the regular interaction that comes with group membership. For many people, these on-the-job interactions are their primary means of fulfilling their need for affiliation. For almost all people, work groups significantly contribute to fulfilling their need for friendships and social relations.

**Power** "I tried for two years to get the plant management to increase the number of female restrooms on the production floor to the same number as the men have. It was like talking to a wall. But I got about fifteen other women who were production employees together and we jointly presented our demands to management. The construction crews were in here adding female restrooms within ten days!"

One of the appealing aspects of groups is that they represent power. What often cannot be achieved individually becomes possible through group action. Of course, this power might not be sought only to make demands on others. It might be desired merely as a countermeasure. To protect themselves from unreasonable demands by management, individuals may align with others.

Informal groups additionally provide opportunities for individuals to exercise power over others. For individuals who desire to influence others, groups can offer power without a formal position of authority in the organization. As a group leader, you might be able to make requests of group members and obtain compliance without any of the responsibilities that traditionally go with formal managerial positions. For people with a high power need, groups can be a vehicle for fulfillment.

**Goal Achievement** "I'm part of a three-person team studying how we can cut our company's transportation costs. Since they've been going up at over 30 percent a year for several years now, the corporate controller assigned representatives from cost accounting, shipping, and marketing to study the problem and make recommendations."

This task group was created to achieve a goal that would be considerably more difficult if pursued by a single person. There are times when it takes more than one person to accomplish a particular task; there is a need to pool talents, knowledge, or power in order to get a job completed. In such instances, management will rely on the use of a formal group.

### Stages of Group Development

Group development is a dynamic process. Most groups are in a continual state of change. But even though groups probably never reach complete stability, there is a general pattern that describes how most groups evolve. There is strong evidence that groups pass through a standard sequence of five stages.<sup>2</sup> As shown in Figure 15-1, these five stages have been labeled *forming*, *storming*, *norming*, *performing*, and *adjourning*.

The first stage, **forming**, is characterized by a great deal of uncertainty about the group's purpose, structure, and leadership. Members are "testing the waters" to determine what types of behavior are acceptable. This stage is complete when members have begun to think of themselves as part of a group.

#### forming

The first stage in group development, characterized by much uncertainty.



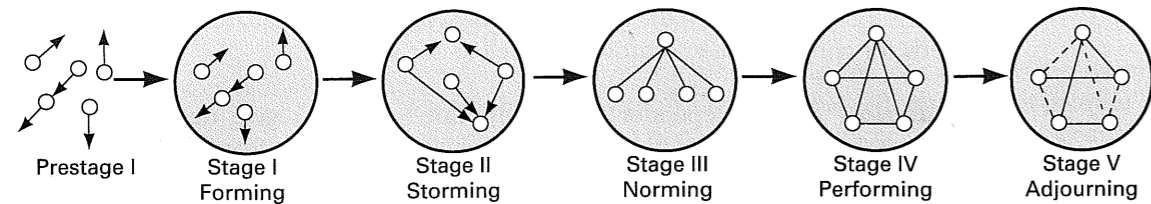


FIGURE 15-1  
Stages of Group Development

### storming

The second stage of group development, characterized by intragroup conflict.

### norming

The third stage of group development, characterized by close relationships and cohesiveness.

### performing

The fourth stage in group development, when the group is fully functional.

### adjourning

The final stage in group development for temporary groups, characterized by concern with wrapping up activities rather than task performance.

The **storming** stage is one of intragroup conflict. Members accept the existence of the group, but there is resistance to the control that the group imposes on individuality. Further, there is conflict over who will control the group. When stage II is complete, there will be a relatively clear hierarchy of leadership within the group.

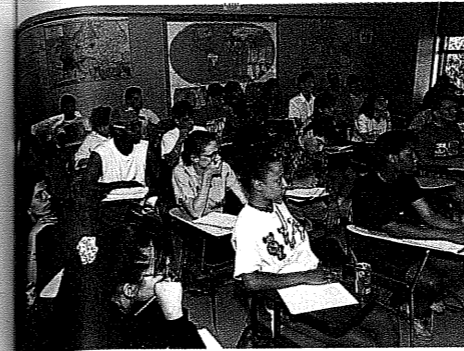
The third stage is one in which close relationships develop and the group demonstrates cohesiveness. There is now a strong sense of group identity and camaraderie. This **norming** stage is complete when the group structure solidifies and the group has assimilated a common set of expectations of what defines correct member behavior.

The fourth stage is **performing**. The structure at this point is fully functional and accepted. Group energy has moved from getting to know and understand each other to performing the task at hand.

For permanent work groups, performing is the last stage in their development. However, for temporary committees, task forces, teams, and similar groups that have a limited task to perform, there is an **adjourning** stage. In this stage the group prepares for its disbandment. High levels of task performance are no longer the group's top priority. Instead, attention is directed toward wrapping-up activities. Responses of group members vary in this stage. Some are upbeat, basking in the group's accomplishments. Others may be depressed over the loss of camaraderie and friendships gained during the work group's life.

Most of you have probably encountered each of these stages in a group project for a class. Group members are selected and then meet for the first time. There is a "feeling out" period to assess what the group is going to do and how it is going to do it. This is usually rapidly followed by the battle for control: Who is going to lead us? Once this is resolved and a hierarchy is agreed upon, the group identifies specific aspects of the task, who is going to do them, and dates by which the parts need to be completed. General expectations become set and agreed upon for each member. This forms the foundation for what you hope will be a coordinated group effort culminating in a job well done. Once the group project is complete and turned in, the group breaks up. Of course, groups occasionally don't get much beyond the first or second stage, which typically results in disappointing projects and grades.

Should one assume from the foregoing that a group becomes more effective as it progresses through the first four stages? Some argue that effectiveness of work units increases at advanced stages, but it is not that simple.<sup>3</sup> While this assumption may be generally true, what makes a group effective is a complex issue. Under some conditions, high levels of conflict are conducive to high levels of group performance. We might expect to find situations in which groups in stage II outperform those in stages III or IV. Similarly, groups do not always proceed clearly from one stage to the next. Sometimes, in fact, several stages are going on simultaneously, as when groups are storming and performing at the same time. Groups even occasionally regress to previous stages. Therefore one should not always assume that all groups precisely follow this developmental process or that stage IV is always the most preferable. It is better to think of this model as a general framework. It reminds you that groups are



The students at Brooklyn College behave differently in class on Monday morning than they do when they're partying on Saturday night. They understand that role expectations in college classrooms differ from those in a night club.

### role

A set of behavior patterns expected of someone occupying a given position in a social unit.

### norms

Acceptable standards shared by a group's members.

dynamic entities and can help you better understand the problems and issues that are most likely to surface during a group's life.

## Basic Group Concepts

In this section we introduce the foundation concepts upon which an understanding of group behavior can be built. These are *roles*, *norms* and *conformity*, *status systems*, and *group cohesiveness*.

**Roles** We introduced the concept of roles in Chapter 1 when we discussed what managers do. Of course, managers are not the only individuals in an organization who have roles. The concept of roles applies to all employees in organizations and to their life outside the organization as well.

A **role** refers to a set of expected behavior patterns attributed to someone who occupies a given position in a social unit. Individuals play multiple roles, adjusting their roles to the group to which they belong at the time. In an organization, employees attempt to determine what behaviors are expected of them. They'll read their job descriptions, get suggestions from their boss, and watch what their co-workers do. An individual who is confronted by divergent role expectations experiences *role conflict*. Employees in organizations often face such role conflicts. The credit manager expects her credit analysts to process a minimum of thirty applications a week, but the work group pressures members to restrict output to twenty applications a week so that everyone has work to do and no one gets laid off. A young college instructor's colleagues want him to give out very few high grades in order to maintain the department's "tough standards" reputation, whereas students want him to give out lots of high grades to enhance their grade point averages. To the degree that the instructor sincerely seeks to satisfy the expectations of both his colleagues and his students, he faces role conflict.

**Norms and Conformity** All groups have established **norms**, or acceptable standards that are shared by the group's members. Norms dictate things like output levels, absenteeism rates, promptness or tardiness, and the amount of socializing allowed on the job.

Norms, for example, dictate the "arrival ritual" among scheduling clerks at one National Steel plant. The workday begins at 8:00 a.m. Most employees typically arrive a few minutes before; put their jackets, purse, lunch bag, or similar personal evidence on their chairs or desks to prove they're "at work"; then proceed down to the company cafeteria to get coffee and chat. Employees who violate this norm by starting work sharply at eight are teased and pressured until their behavior conforms to the group's standard.

Although each group will have its own unique set of norms, there are common classes of norms that appear in most organizations. These focus on effort and performance, dress, and loyalty.

Probably the most widespread norms relate to levels of effort and performance. Work groups typically provide their members with very explicit cues on how hard to work, what level of output to have, when to look busy, when it's acceptable to goof off, and the like. These norms are extremely powerful in affecting an individual employee's performance. They are so powerful that performance predictions that are based solely on an employee's ability and level of personal motivation often prove to be wrong.

Some organizations have formal dress codes. However, even in their absence, norms frequently develop to dictate the kind of clothing that should be worn to work. College seniors, interviewing for their first postgraduate job, pick up this norm

quickly. Every spring on college campuses throughout the country, those interviewing for jobs can usually be spotted—they're the ones walking around in the dark gray or blue pinstriped suits. They are enacting the dress norms they have learned are expected in professional positions. Of course, what connotes acceptable dress in one organization may be very different from another.

Few managers appreciate employees who disparage the organization. Similarly, professional employees and those in the executive ranks recognize that most employers view those who actively look for another job unfavorably. If such people are unhappy, they know to keep their job searches secret. These examples demonstrate that loyalty norms are widespread in organizations. This concern for demonstrating loyalty, by the way, often explains why ambitious aspirants to top management positions in an organization willingly take work home at night, come in on weekends, and accept transfers to cities where they would otherwise not prefer to live.

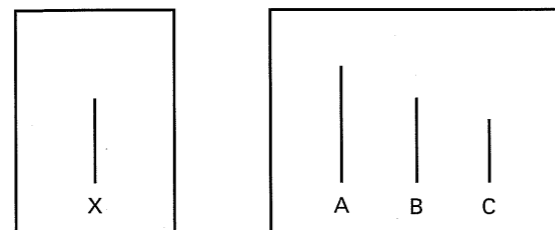
Because individuals desire acceptance by the groups to which they belong, they are susceptible to conformity pressures. The impact that group pressures for conformity can have on an individual member's judgment and attitudes was demonstrated in the now-classic studies by Solomon Asch.<sup>4</sup> Asch made up groups of seven or eight people who sat in a classroom and were asked to compare two cards held by the experimenter. One card had one line, the other had three lines of varying length. As shown in Figure 15-2, one of the lines on the three-line card was identical to the line on the one-line card. Also, as shown in Figure 15-2, the difference in line length was quite obvious; under ordinary conditions, subjects made less than 1 percent errors. The object was to announce aloud which of the three lines matched the single line. But what happens if all the members in the group begin to give incorrect answers? Will the pressures to conform result in the unsuspecting subject (USS) altering his or her answers to align with the others? That was what Asch wanted to know. So he arranged the group so only the USS was unaware that the experiment was "fixed." The seating was prearranged so that the USS was the last to announce his or her decision.

The experiment began with several sets of matching exercises. All the subjects gave the right answers. On the third set, however, the first subject gave an obviously wrong answer—for example, saying "C" in Figure 15-2. The next subject gave the same wrong answer, and so did the others until it got to the unsuspecting subject. He knew "B" was the same as "X," yet everyone had said "C." The decision confronting the USS was this: Do you state a perception publicly that differs from the preannounced position of the others? Or do you give an answer that you strongly believe is incorrect in order to have your response agree with the other group members?

The results obtained by Asch demonstrated that over many experiments and many trials, subjects conformed in about 35 percent of the trials; that is, the subjects gave answers that they knew were wrong but that were consistent with the replies of other group members.

What can we conclude from this study? The results suggest that there are group norms that press us toward conformity. We desire to be one of the group and avoid

**FIGURE 15-2**  
Examples of Cards Used in the ASCH Study



#### status

A prestige grading, position, or rank within a group.

being visibly different. We can generalize further to say that when an individual's opinion of objective data differs significantly from that of others in the group, he or she feels extensive pressure to align his or her opinion to conform with those of the others.

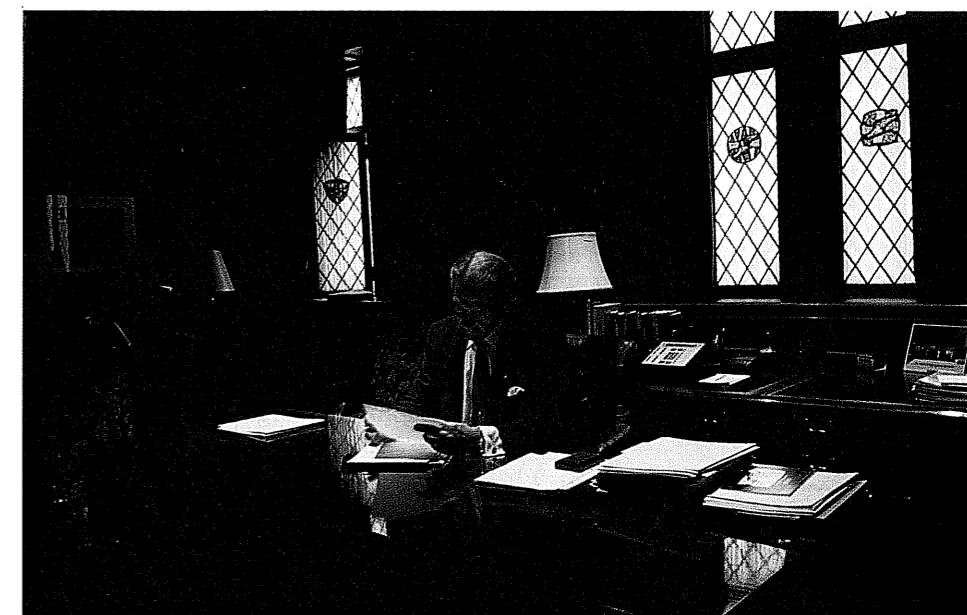
**Status Systems** Status is a prestige grading, position, or rank within a group. As far back as scientists have been able to trace human groupings, they have found status hierarchies: tribal chiefs and their followers, nobles and peasants, the haves and the have-nots. Status systems are an important factor in understanding behavior. Status is a significant motivator and has behavioral consequences when individuals see a disparity between what they perceive their status to be and what others perceive it to be.

Status may be informally conferred by characteristics such as education, age, skill, or experience. Anything can have status value if others in the group evaluate it as such. Of course, just because status is informal does not mean that it is less important or that there is less agreement on who has it or who does not. Members of groups have no problem placing people into status categories, and they usually agree closely about who is high, low, and in the middle.

It is important for employees to believe that the organization's formal status system is congruent. That is, there should be equity between the perceived ranking of an individual and the status accoutrements he or she is given by the organization. For instance, incongruence occurs when a supervisor is earning less than his or her subordinates, a desirable office is occupied by a lower-ranking individual, or paid country club membership is provided by the company for division managers but not for vice presidents. Employees expect the things an individual has and receives to be congruent with his or her status. When they are not congruent, employees are likely to reject the authority of their superiors, the motivation potential of promotions decreases, and the general pattern of order and consistency in the organization is disturbed.

**Group Size** Does the size of a group affect the group's overall behavior? The answer to this question is a definite yes, but the effect depends upon which outcomes you focus.<sup>5</sup>

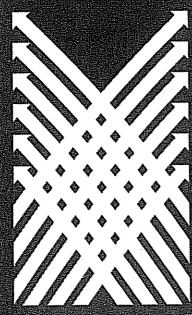
The office of Stanley Gault, CEO of Goodyear, conveys the high status of his position.



The evidence indicates, for instance, that small groups are faster at completing tasks than are larger ones. However, if the group is engaged in problem solving, large groups consistently get better marks than their smaller counterparts. Translating these results into specific numbers is a bit more hazardous, but we can offer some parameters. Large groups—with a dozen or more members—are good for gaining diverse input. Thus if the goal of the group is finding facts, larger groups should be more effective. On the other hand, smaller groups are better at doing something productive with those facts. Groups of approximately seven members tend to be more effective for taking action.

One of the more disturbing findings related to group size is that, as groups get incrementally larger, the contribution of individual members often tends to lessen.<sup>6</sup> That is, while the total productivity of a group of four is generally greater than that of a group of three, the individual productivity of each group member declines as the group expands. Thus a group of four will tend to produce at a level less than four times the average individual performance. The best explanation for this reduction of effort in groups is that dispersion of responsibility encourages individuals to slack off. When the results of the group cannot be attributed to any single person, the relationship between an individual's input and the group's output is clouded. In such situations, individuals may be tempted to become "free riders" and coast on the group's efforts. In other words, there will be a reduction in efficiency where individuals think that their contributions cannot be measured. The obvious conclusion from this finding is that when managers use work teams they should also provide means by which individual efforts can be identified.

ETHICAL  
DILEMMAS IN  
MANAGEMENT



### Should Managers Agree With Their Boss When They Don't?

Asch's studies looked at how group norms press individuals toward conformity. This suggests an ethical dilemma that many managers face: Whether it is ethical to outwardly agree with their boss when, in actuality, they think he or she is wrong.

Are managers who disagree with their boss acting unethically by claiming to agree? Are they compromising personal standards of integrity? Would it be unethical merely to suppress their disagreement? Open agreement may be the politically astute thing to do, but does it display a lack of moral character?

The norms of conformity can be very strong in an organization. Individuals who openly challenge long-condoned but questionable practices may be labeled as disloyal or lacking in commitment. Another perspective is that conformance with group and organizational norms acts to bond people together. Conformity facilitates cooperation and cohesiveness. It also contributes toward standardizing behavior. These are qualities that can enhance organizational effectiveness. Still another argument might be that suppression of dissent and the appearance of conformity doesn't improve organizational effectiveness; it merely plants the seeds for later hostilities and conflicts.

What should a manager do when he or she disagrees with the boss? What can organizations do to avoid encouraging individuals from unethically conforming while, at the same time, maintaining cohesiveness and commitment?

**group cohesiveness**

The degree to which members are attracted to one another and share the group's goals.

**Group Cohesiveness** Intuitively, it makes sense that groups in which there is a lot of internal disagreement and lack of cooperation are less effective in completing their tasks than groups in which individuals generally agree, cooperate, and like each other. Research on this position has focused on **group cohesiveness**, or the degree to which members are attracted to one another and share the group's goals. The more the members are attracted to one another and the more the group's goals align with their individual goals, the greater the group's cohesiveness.

Research has generally shown that highly cohesive groups are more effective than those with less cohesiveness,<sup>7</sup> but the relationship between cohesiveness and effectiveness is more complex. A key moderating variable is the degree to which the group's attitude aligns with its formal goals or those of the larger organization of which it is a part.<sup>8</sup> The more cohesive a group is, the more its members will follow its goals. If these goals are favorable (for instance, high output, quality work, cooperation with individuals outside the group), a cohesive group is more productive than a less cohesive group. But if cohesiveness is high and attitudes are unfavorable, productivity decreases. If cohesiveness is low and goals are supported, productivity increases but not as much as when both cohesiveness and support are high. When cohesiveness is low and goals are not supported, cohesiveness has no significant effect upon productivity. These conclusions are summarized in Figure 15-3.

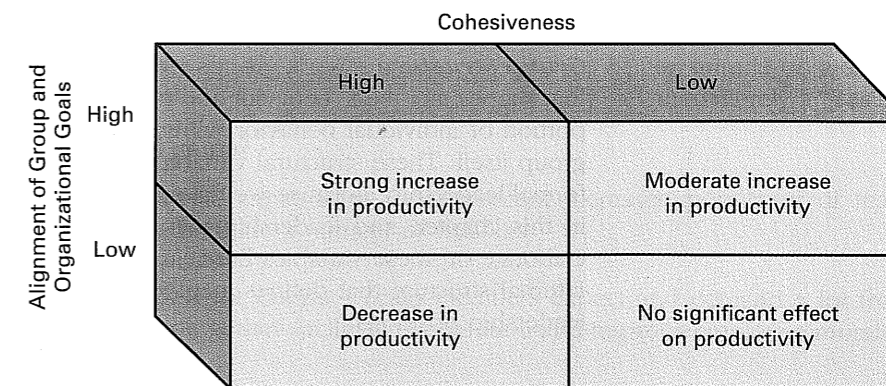
### Toward Understanding Work Group Behavior

Why are some groups more successful than others? The answer to that question is complex, but it includes variables such as the abilities of the group's members, the size of the group, the level of conflict, and the internal pressures on members to conform to the group's norms. Figure 15-4 presents the major components that determine group performance and satisfaction.<sup>9</sup> It can help you to sort out the key variables and their interrelationships.

**External Conditions Imposed on the Group** To begin understanding the behavior of a formal work group, we need to view it as a subsystem embedded in a larger system.<sup>10</sup> When we realize that formal groups are subsets of a larger organization system, we can extract part of the explanation of the group's behavior from an explanation of the organization to which it belongs. For instance, a design team in General Dynamics' Convair Division in San Diego must live within the rules and policies dictated from the division's headquarters and GD's corporate offices in St. Louis. Every work group is influenced by external conditions imposed from outside it.

What are some of these external conditions? They include the organization's

**FIGURE 15-3**  
The Relationship Between Cohesiveness and Productivity





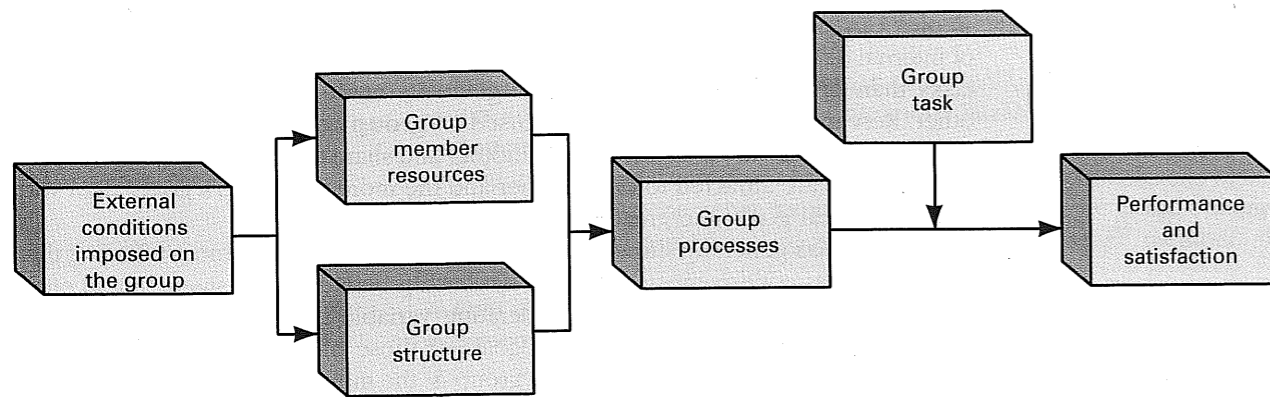


FIGURE 15-4  
Group Behavior Model

overall strategy, authority structures, formal regulations, the abundance or absence of organizationwide resources, personnel selection criteria, the organization's performance evaluation and reward system, the organization's culture, and the general physical layout of the group's work space set by the organization's industrial engineers and office designers.

**Group Member Resources** A group's potential level of performance depends to a large extent on the resources that its members individually bring to the group. This would include member abilities and personality characteristics.

Part of a group's performance can be predicted by assessing the task-relevant and intellectual abilities of its individual members. We do occasionally read about an athletic team composed of mediocre players who, because of excellent coaching, determination, and precision teamwork, beat a far more talented group of players. Such cases make the news precisely because they are aberrations. Group performance is not merely the summation of its individual members' abilities. However, these abilities set parameters for what members can do and how effectively they will perform in a group.

There has been a great deal of research on the relationship between personality traits and group attitudes and behavior. The general conclusion is that attributes that tend to have a positive connotation in our culture tend to be positively related to group productivity and morale. These include traits such as sociability, self-reliance, and independence. In contrast, negatively evaluated characteristics such as authoritarianism, dominance, and unconventionality tend to be negatively related to productivity and morale.<sup>11</sup> These personality traits affect group performance by strongly influencing how the individual will interact with other group members.

**Group Structure** Work groups are not unorganized mobs. They have a structure that shapes members' behavior and makes it possible to explain and predict a larger portion of individual behavior within the group as well as the performance of the group itself. These structural variables include roles, norms, status, group size, and formal leadership. Because we have already discussed roles, norms, status, and size in this chapter, and leadership will be covered in Chapter 17, we don't need to elaborate on these variables here. Just keep in mind that every work group has an internal structure that defines member roles, norms, status, group size, and formal leadership positions.

**Group Processes** The next component in our group behavior model concerns the processes that go on within a work group—the communication patterns used by members to exchange information, group decision processes, leader behavior, power dynamics, conflict interactions, and the like.

Why are processes important to understanding work group behavior? Because in groups, one and one do not necessarily add up to two. Every group begins with a potential defined by the group's constraints, resources, and structure. Then you need to add in process gains and losses created within the group itself. Four people on a research team, for instance, may be able to generate far more ideas as a group than the members could produce individually. This positive synergy results in a process gain. You also have to subtract out process losses. High levels of conflict, for example, may hinder group effectiveness.

To determine a group's *actual* effectiveness, you need to *add* in process gains and *subtract* out process losses from the group's *potential* effectiveness.

**Group Tasks** The final box in our model points out that the impact of group processes on the group's performance and member satisfaction depends on the task that the group is doing. More specifically, the *complexity* and *interdependence* of tasks influence the group's effectiveness.<sup>12</sup>

Tasks can be generalized as being either simple or complex. Simple tasks are routine and standardized. Complex tasks are ones that tend to be novel or non-routine. We would hypothesize that the more complex the task, the more the group will benefit from discussion among members about alternative work methods. If the task is simple, group members don't need to discuss such alternatives. They can rely on standardized operating procedures. Similarly, if there is a high degree of interdependence among the tasks that group members must perform, they'll need to interact more. Effective communication and controlled levels of conflict should therefore be more relevant to group performance when tasks are interdependent.

## Turning Groups Into Effective Teams

### work teams

Formal groups made up of interdependent individuals, responsible for the attainment of a goal.

A recent survey of 476 large U.S. corporations found that 7 percent of their employees were organized into teams.<sup>13</sup> If we can generalize from this sample to the overall population, somewhere between 8 and 9 million people are currently doing their jobs as part of a team. This same study also found that half the companies surveyed planned to rely significantly more on work teams in the coming years.

What are **work teams**? They're formal groups, made up of interdependent individuals, responsible for the attainment of a goal.<sup>14</sup> Thus all work teams are groups, but only formal groups can be work teams.

In this section, we'll discuss why organizations are increasingly designing work around teams rather than individuals, and consider the various characteristics that are associated with effective work teams.

### Why Use Teams?

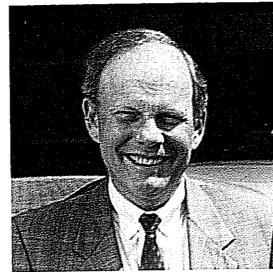
There's no *single* explanation for the recent increased popularity of teams. We propose that there are a number of reasons.

**Creates Esprit de Corps** Team members expect and demand a lot from each other. In so doing, they facilitate cooperation and improve employee morale. So we

MANAGERS  
WHO MADE A  
DIFFERENCE



### G. Glenn Gardner at Chrysler Corporation



G. Glenn Gardner, Chrysler Corp.'s senior product-development engineer, is a thirty-three-year veteran of the company.<sup>15</sup> He spent most of those years developing cars in Detroit's traditional, sequential way. First design draws it, then engineering makes it work, then manufacturing figures out how to build it, then service looks for some way to fix it. And every time the job is handed to the next department, the new people discover something they don't like and make changes. But in 1985, Chrysler sent Gardner to Illinois as chairman of Diamond-Star Motors, a joint venture between Chrysler and Mitsubishi Motors Corp. There he saw the Japanese system of team development and became an immediate convert.

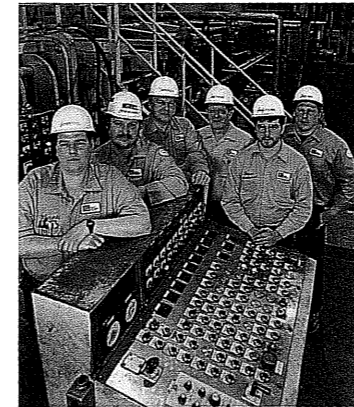
When Gardner took over the development of Chrysler's "LH" line of midsized cars in 1989, he instituted the Japanese system. He became the team leader and put together a team that included people from every different department and discipline: body engineering, interior design, purchasing, manufacturing, marketing, finance, and the like. All team members reported to him, no matter what department they came from.

Gardner attributes much of the LH program's success to the team development process. The first LH prototypes were ready ninety-five weeks before the scheduled launch date. This was some thirty weeks faster than it typically took at Chrysler and allowed for more testing to catch flaws. In addition, Gardner's team did their work with nearly half as many people as Chrysler usually needed to bring new models to market. Finally, the cost savings and streamlined decision-making brought about by using cross-functional teams allowed Chrysler to give the LH cars features that otherwise would have been rejected as too costly. The result? Early evidence indicates that the LH line of Intrepid-Vision-Concorde cars are a hit with both critics and consumers.

find that team norms tend to encourage members to excel and, at the same time, create a climate that increases job satisfaction.

**Allows Management to Think Strategically** The use of teams, especially self-managed ones, frees up managers to do more strategic planning. When jobs are designed around individuals, managers often spend an inordinate amount of their time supervising their people and "putting out fires." They're too busy to do much strategic thinking. Implementing work teams allows managers to redirect their energy toward bigger issues such as long-term plans.

**Speeds Decisions** Moving decision-making vertically down to teams allows the organization greater flexibility for faster decisions. Team members frequently know more about work-related problems than do managers. Moreover, team members are closer to those problems. As a result, decisions are often made more quickly when teams exist than when jobs are designed around individuals.



Companies such as LS Electro-Galvanizing in Cleveland are getting on the self-managing-team bandwagon. These rank-and-file, unionized, L-SE team members switch shifts without telling their boss. They keep track of their own overtime. They do the scheduling of their work. They also do the hiring for their team.

**Facilitates Work Force Diversity** Two heads are frequently better than one. Groups made up of individuals from different backgrounds and with different experiences often see things that homogeneous groups don't. Therefore, the use of diverse teams may result in more innovative ideas and better decisions than might arise if individuals alone made the decisions.

**Increases Performance** Finally, all the above factors can combine to make team performance higher than might be achieved by the same individuals working alone. Organizations as varied as Federal Express, Chrysler Corporation, U.S. Steel, and the Naval Aviation Depot Operations Center have found that teams eliminate waste, slash bureaucratic overhead, stimulate ideas for improvements, and generate more output-per-worker-hour than more traditional, individual-focused work designs.<sup>16</sup>

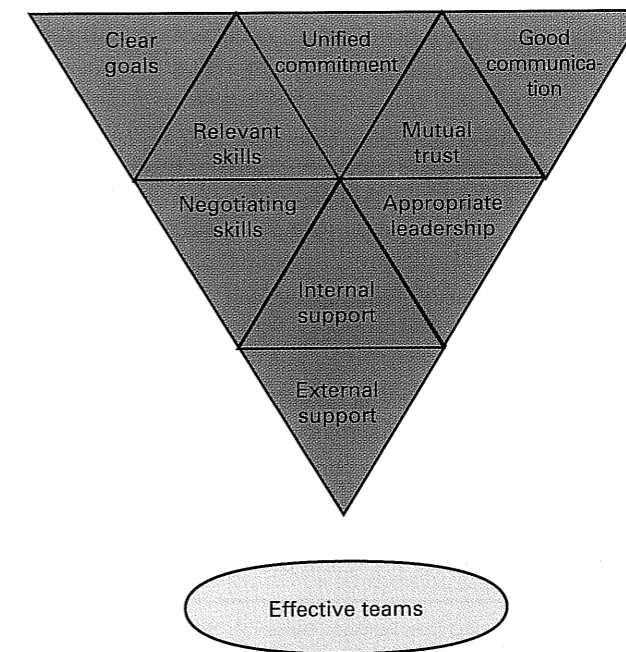
#### Characteristics of Effective Teams

Teams are not automatic productivity enhancers. They can also be disappointments for management. Fortunately, recent research provides insight into the primary characteristics related to effective teams.<sup>17</sup> Let's take a look at these characteristics as summarized in Figure 15-5.

**Clear Goals** High performance teams have both a clear understanding of the goal to be achieved and a belief that the goal embodies a worthwhile or important result. Moreover, the importance of these goals encourages individuals to sublimate personal concerns to these team goals. In effective teams, members are committed to the team's goals, know what they are expected to accomplish, and understand how they will work together to achieve these goals.

**Relevant Skills** Effective teams are composed of competent individuals. They have the necessary technical skills and abilities to achieve the desired goals and the

FIGURE 15-5  
Characteristics of Effective Teams





Factory workers at Saturn Corp. are organized into teams of about ten members, who share decisions on everything from hiring co-workers to buying equipment for the plant.

personal characteristics required to achieve excellence while working well with others. This second point is important and often overlooked. Not everyone who is technically competent has the skills to work well as a team member. High-performing teams have members who possess both technical and interpersonal skills.

**Mutual Trust** Effective teams are characterized by high mutual trust among members. That is, members believe in the integrity, character, and ability of one another. But as you probably know from personal relationships, trust is fragile. It takes a long time to build and can be easily destroyed. Also, because trust begets trust and distrust begets distrust, maintaining trust requires careful attention by management.

The climate of trust within a group tends to be strongly influenced by the organization's culture and the actions of management. Organizations that value openness, honesty, and collaborative processes and that additionally encourage employee involvement and autonomy are likely to create trusting cultures. Table 15-2 lists six recommended actions that can help managers build and maintain trust.

**Unified Commitment** Members of an effective team exhibit intense loyalty and dedication to the team. They're willing to do anything that has to be done to help their team succeed. We call this loyalty and dedication *unified commitment*.

Studies of successful teams have found that members identify with their teams.<sup>18</sup> Members redefine themselves to include membership in the team as an important aspect of the self. Unified commitment, then, is characterized by dedication to the team's goals and a willingness to expend extraordinary amounts of energy to achieve it.

**Good Communication** Not surprisingly, effective teams are characterized by good communication. Members are able to convey messages between each other in a form that is readily and clearly understood. This includes nonverbal as well as spoken messages. Good communication is also characterized by a healthy dose of feedback from team members and management. This helps to guide team members and to correct misunderstandings. Like a couple who have been together for many years, members on high-performing teams are able to quickly and efficiently share ideas and feelings.

**TABLE 15-2** Six Suggestions for Helping Managers Build Trust

1. *Communicate.* Keep team members and subordinates informed by explaining decisions and policies and providing accurate feedback. Be candid about your own problems and limitations.
2. *Be supportive.* Be available and approachable. Encourage and support team members' ideas.
3. *Be respectful.* Delegate real authority to team members and listen to their ideas.
4. *Be fair.* Give credit where it's due, be objective and impartial in performance evaluations, and be generous with your praise.
5. *Be predictable.* Be consistent in your daily affairs. Make good on your explicit and implied promises.
6. *Demonstrate competence.* Develop the admiration and respect of team members by demonstrating technical and professional ability and good business sense.

Source: Adapted from Fernando Bartolomé, "Nobody Trusts the Boss Completely—Now What?" *Harvard Business Review*, March–April 1989, pp. 135–42.

**Negotiating Skills** When jobs are designed around individuals, job descriptions, rules and procedures, and other types of formalized documentation clarify employee roles. Effective teams, on the other hand, tend to be flexible and continually making adjustments. This requires team members to possess adequate negotiating skills. Problems and relationships are regularly changing in teams, requiring members to confront and reconcile differences.

**Appropriate Leadership** Effective leaders can motivate a team to follow them through the most difficult situations. How? They help clarify goals. They demonstrate that change is possible by overcoming inertia. And they increase the self-confidence of team members, helping members to realize their potential more fully.

Importantly, the best leaders are not necessarily directive or controlling. Inceas-

MANAGING  
FROM A  
GLOBAL  
PERSPECTIVE



## Organizing Work Around Teams: A Global Analysis

The popularity of teams is influenced by cultural factors. The fact that the Japanese and Israelis were organizing around teams decades before their American and Canadian counterparts can be largely explained in cultural terms: Japanese and Israelis are oriented more toward collectivism than are North Americans. Of course, this doesn't mean you can't introduce groups into highly individualistic societies. But it does suggest that acceptance may be longer in coming and managers will need to provide adequate training, encouragement, and rewards to overcome potential resistance.

Suzuki's efforts at introducing teams into its new plant in Hungary provide an excellent illustration of challenges related to national culture.<sup>19</sup> In 1990, Suzuki made the decision to build an automobile plant on the site of a former Soviet military testing area in northern Hungary. The plant, which opened in 1992, began with the modest objective of producing 16,000 subcompact cars in its first year. However, Suzuki's management has set a far more ambitious goal of 50,000 cars a year by 1994, with the expectation that Hungarian workers will have adjusted to Suzuki's very non-Hungarian way of doing things by then. Remember, these Hungarian workers developed their skills and attitudes under the Communist system. They are used to hierarchically dominated organizations. Bosses make decisions and employees follow orders.

Suzuki is determined to bring the Japanese industrial culture to its Hungarian operation. Every Hungarian worker has been flown to the company's headquarters in Hamamatsu for instruction in the ways of Japan's industrial success. "Team spirit was the phrase I heard in every second sentence," says Tibor Ivanov, a production engineer. "That was the thing they most wanted to impress on us: everybody together for the good of the company. But I am afraid such dedication is generally foreign to us."

It'll take some time to see if the Japanese team concept can be exported to Hungary. But as with most Japanese firms that operate in foreign countries, Suzuki is strongly committed to bringing Japanese-style management to Hungary rather than adjusting its practices to the Hungarian culture.



ingly, effective team leaders are taking the role of coach and facilitator. They help guide and support the team, but they don't control it. This obviously applies to self-managed teams but also increasingly applies to task forces and cross-functional teams in which the members themselves are empowered. For some traditional managers, changing their role from boss to facilitator—from giving orders to working *for* the team—is a difficult transition. While most managers relish the new-found shared authority or come to understand its advantages through leadership training, some hard-nosed dictatorial managers are just ill-suited to the team concept and must be transferred or replaced.

**Internal and External Support** The final condition necessary to making an effective team is a supportive climate. Internally, the team should be provided with a sound infrastructure. This includes proper training, an understandable measurement system with which team members can evaluate their overall performance, an incentive program that recognizes and rewards team activities, and a supportive human-resource system. The right infrastructure should support members and reinforce behaviors that lead to high levels of performance. Externally, management should provide the team with the resources needed to get the job done.

**Teams and TQM**

One of the central characteristics of total quality management is the use of teams. But why teams?

The essence of TQM is process improvement, and employee participation is the linchpin of process improvement. In other words, TQM requires management to give employees the encouragement to share ideas and act on what they suggest. Problem-solving teams provide the natural vehicle for employees to share ideas and to implement improvements. As stated by Gil Mosard, a TQM specialist at McDonnell Douglas: "When your measurement system tells you your process is out of control, you need teamwork for structured problem-solving. Not everyone needs to know how to do all kinds of fancy control charts for performance tracking, but everybody does need to know where their process stands so they can judge if it is improving."<sup>20</sup>

Employee involvement and teamwork are key ingredients in Motorola's dramatic success at improving quality through process improvement.



Examples from Ford Motor Co. and Amana Refrigeration, Inc. illustrate how teams are being used in TQM programs.<sup>21</sup>

Ford began its TQM efforts in the early 1980s with teams as the primary organizing mechanism. "Because this business is so complex, you can't make an impact on it without using a team approach," noted one Ford manager. In designing their quality problem-solving teams, Ford's management identified five goals. The teams should (1) be small enough to be efficient and effective; (2) be properly trained in the skills their members will need; (3) be allocated enough time to work on the problems they plan to address; (4) be given the authority to resolve the problems and implement corrective action; and (5) each have a designated "champion" whose job it is to help the team get around roadblocks that arise.

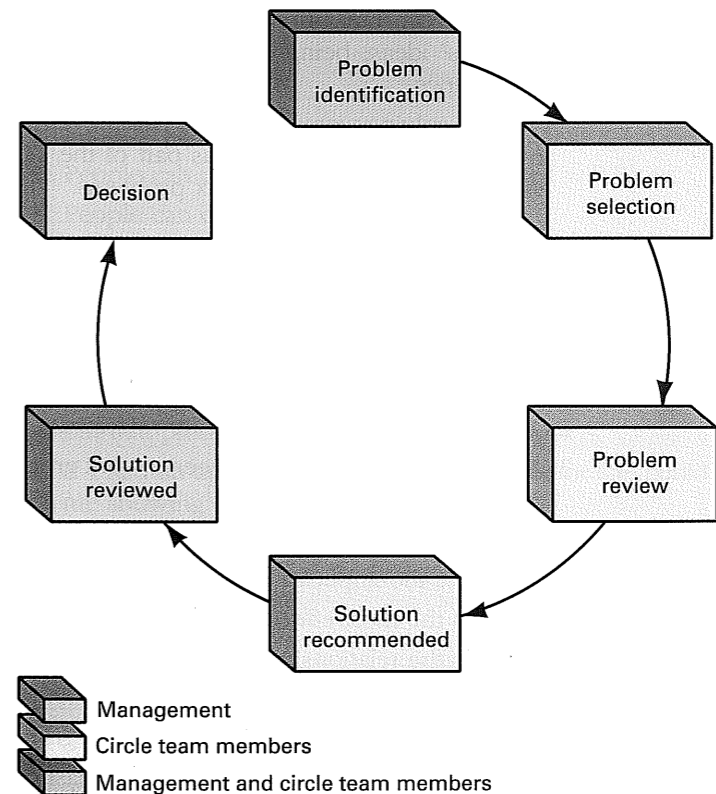
At Amana, task forces made up of people from different levels within the company are used to deal with quality problems that cut across various functional areas. The various task forces each have a unique area of problem-solving responsibility. For instance, one handles in-plant products, another deals with items that arise outside the production facility, and still another focuses its attention specifically on supplier problems. Amana claims the use of these task forces has improved vertical and horizontal communication within the company and substantially reduced both the number of units that don't meet company specifications and the number of service problems in the field.

Another team application to TQM is **quality circles**. These are work groups of eight to ten employees and supervisors who share an area of responsibility. They meet regularly (typically once a week on company time and on company premises) to discuss their quality problems, investigate causes of the problems, recommend solutions, and take corrective actions. They assume responsibility for solving quality problems, and they generate and evaluate their own feedback. However, management usually makes the final decision about the implementation of recommended solutions. Figure 15-6 describes a typical quality circle process.

**quality circles**

Work groups that meet regularly to discuss, investigate, and correct quality problems.

**FIGURE 15-6**  
How a Typical Quality Circle Operates



## Summary

*This summary is organized by the chapter-opening learning objectives found on page 439.*

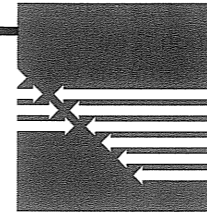
1. *Formal* groups are defined by the organization's structure, with designated work assignments establishing tasks. *Informal* groups are social alliances that are neither structured nor organizationally determined.
2. People join groups because of their needs for security, status, self-esteem, affiliation, power, or achievement.
3. A role refers to a set of behavior patterns expected of someone occupying a given position in a social unit. At any given time, employees adjust their role behaviors to the group of which they are a part. Norms are standards shared by group members. They informally convey to employees which behaviors are acceptable and which are unacceptable.
4. There are five variables in the group behavior model that, in aggregate, explain the group's performance and satisfaction. First, a group is influenced by the larger organization of which it is a part. Second, a group's potential level of performance depends to a large extent on the resources that its members individually bring to the group. Third, there is a group structure that shapes the behavior of members. Fourth, there are internal processes within the group that aid or hinder interaction and the ability of the group to perform. Finally, the impact of group processes on the group's performance and member satisfaction depends on the task that the group is doing.
5. Teams have become increasingly popular in organizations because they build esprit de corps, free up management to think more strategically, permit faster decision making, facilitate work force diversity, and usually increase performance.
6. Effective work teams are characterized by clear goals, members with relevant skills, mutual trust among members, unified commitment, good communication, adequate negotiating skills, and appropriate leadership.
7. Managers can build trust by communicating openly; providing support to team members' ideas; being respectful, fair, and predictable; and by demonstrating competence.
8. Problem-solving teams provide a natural vehicle for employees to share ideas and to implement improvements as part of the TQM process. Teams are particularly effective for resolving complex problems.

## Review Questions

1. How can joining a group increase an individual's sense of power?
2. How might organizations create role conflicts for an employee?
3. What is the relationship between a work group and the organization of which it is a part?
4. What are some common classes of organizational norms?
5. What are the implications drawn from Asch's conformity studies?
6. What is the most effective size for a group?
7. What is the relationship between *group cohesiveness* and *effectiveness*?
8. Why are some groups more successful than others?
9. How can managers build trust within a group?
10. How do you explain the rapidly increasing popularity of work teams in the United States when American culture places such high value on individualism?

## Discussion Questions

1. Identify five roles you play. What behaviors do they require? Are any of these roles in conflict? If so, in what way? How do you resolve these conflicts?
2. What do you think the behavioral consequences of status incongruence might be?
3. How do you think scientific management theorists would react to the increased reliance on teams in organizations? How about the behavioral science theorists?
4. When might individuals, acting independently, outperform teams in an organization?
5. In North America, historically we have built organizations around individuals. What would happen if we used teams as the basic building block for an organization? What if we *selected* teams rather than individuals, *trained* teams rather than individuals, *paid* teams rather than individuals, *promoted* teams rather than individuals, *fired* teams rather than individuals, and so forth?



## SELF-ASSESSMENT EXERCISE

### How Trustworthy Are You?

Answer these eight questions using the following scale:

Strongly Disagree											Strongly Agree
1	2	3	4	5	6	7	8	9	10		

1. People can expect me to play fair. \_\_\_\_\_
2. People can confide in me and know that I will listen. \_\_\_\_\_
3. People can expect me to tell the truth. \_\_\_\_\_
4. People know that I would never intentionally misrepresent their points of view to others. \_\_\_\_\_
5. People can confide in me and know that I will not discuss it with others. \_\_\_\_\_
6. People know that if I promised to do them a favor, I would carry out that promise. \_\_\_\_\_
7. If I had an appointment with someone, he or she could count on me showing up. \_\_\_\_\_
8. If I borrowed money from someone, he or she could count on getting it back as soon as possible. \_\_\_\_\_

Total score = \_\_\_\_\_

Turn to page SK-5 for scoring directions and key.

Source: Based on Cynthia Johnson-George and Walter C. Swap, "Measurement of Specific Interpersonal Trust: Construction and Validation of a Scale to Assess Trust in a Specific Other," *Journal of Personality and Social Psychology*, December 1982, pp. 1306-17.