

CHAPTER-I

INTRODUCTION

*It is not good for man to be alone;
I will make a companion suitable for him.*

- Genesis, 2:18.

1.0 Introduction

Today, 'Change has become an inevitable part of life. Organisations that do not change with the times or are not sensitive to the need for change do not survive for long. They are overtaken by others'. Successful organisations take proactive steps to change and create new benchmarks and standards for others to follow rather than wait for others to set the standards. Indian organisations are no exception to these compulsions. They face many more challenges and complexities, operating, as they do, in a highly volatile political and economic environment.

The Indian mind that governs Indian organisations is much less systems driven and more people and relationship driven. When faced with uncertainties, Indian organisations are forced to work for short term goals rather than for long term ones in an uncertain future. With the opening up of the economy, they faced unprecedented competition from internal and external corporate. To stand up to global competition with borrowed technologies, insecure and relationship driven employees, organisation need to bring about changes rapidly.

Indian organisations need to be more sensitive to change. They need to master the change process. Yet, the mindset is tradition bound, fatalistic and more resistant to change. Hence it can be clearly seen that there is an urgent need for organisation development (OD) today which can help Indian companies in keeping up and competing with MNCs and international conglomerates.

1.1 Relevance of OD.

As the term suggests organisation development is about developing and improving organisations. In addition it is also about developing individuals. This dual focus is a unique strength of OD. It energise the talents of organisation members in the pursuit of their own self-interests in making the organisation more successful and making their quality of working life more satisfying. OD is a process for planned change. It aims at building internal competencies in individuals and teams in the organisational context, and taking organisations to higher levels of performance by building individual, group, system, and process related competencies. It focuses on behavioural tools. It has specialised body of knowledge and therefore needs specialists to handle it. It focuses on people, processes, systems, structure etc., and can extend from individual-based intervention to structural changes and system revamps.

OD channels the intelligence, experience, and creativity of the organisation members in systematic, participative programmes in which the members themselves find solutions to their most pressing challenges.

1.2 Origins of Organisation Development

1.2.1 Origins Organisation development is a relatively recent invention. It started in the late 1950s when behavioural scientists steeped in the lore and technology of group dynamics attempted to apply that knowledge to improve team functioning and inter group relations in organisations. Early returns were encouraging, and attention was soon directed towards other human and social

processes in organisations such as the design of work tasks, organisation structure, conflict resolution, strategy formulation and implementation, and the like. The field of OD grew rapidly in the 1970s and 1980s with thousands of organisations in the public and private sectors utilising the theory and method of OD with great success. Today organisation development represents one of the best strategies for coping with the rampant changes occurring in the market place and society. With the continuing trend in its utilisation, OD is sure to be preferred as an improvement strategy well into the next century.¹

1.2.2 The Spread of OD in India

In India, OD and planned change started in the early part of 1960s. a group of Indian professional trained at the National Training Laboratories (NTL) at Bethel, Maine, USA, brought a good deal of OD technology to India. In the mid-1970s, OD was first introduced in India in Larsen and Tubro as a formal and structured part of the HRD department. It was expected that the change process would get institutionalised and more OD specialists would be developed. Unfortunately this did not happen as the corporate sector had a very protected and secure environment and there were very few compulsions to change. OD therefore remained in academic institutions- the forte of a few specialists. That it has had a slow growth is indicated by the fact that even after more than 25 years of existence the Indian Society for Applied Behavioural Science (ISABS), an associate of NTL, produced less than a 100 process specialists in this vast country.²

The scenario is changing fast thanks to an increasing number of applied behavioural scientists and Trainers, the HRD movement and establishment of HRD and Personnel departments, contribution of multinationals in India, and the influence of western education. Professional bodies such as the Indian Society for Applied Behavioural Sciences (ISABS), Indian Society for Individual and Social Development (ISISD), Indian Society for Training and Development (ISTD) and HRD network, and academic institutions such as the IIMs further facilitated this. In the post liberalisation period, every one has been forced to seek change. As a result, the application of OD technology has increased.³

The opening up of local markets in addition to the increased communication and learning between organizations in different countries has meant that large slow moving organizations might not be able to compete in the century ahead. Traditional career paths in organizations are being shortened and employees need to learn faster, be able to take on new information and technologies, and be flexible in the face of opportunities and threats.

A number of OD interventions are specifically designed to improve team performance. Some of these are Team Building, Inter-group teambuilding, Process consultation, Quality circles, Parallel learning structures, Socio technical systems programs, Grid OD etc. In addition there are also other techniques such as Role

¹ Wendell L. French and Cecil H. Bell Jr, OD Behavioral Science Intervention for Organisation Improvement, PHOI. 1999

² Ramnarayan, Rao and Singh. OD Interventions and Strategies. Response Books, London. 1998.

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³ Ibid, page 10

Analysis technique, Role Negotiation technique, Responsibility charting, Survey feedback and Sensitivity training.

1.3 Development of Teams

In any situation requiring the real time combination of multiple skills, experiences, and judgements, a team inevitably gets better results than a collection of individuals operating within confined job roles and responsibilities. Teams are more flexible than large organisational groupings because they can be more quickly assembled, deployed, re-focused and disbanded. The record of team performance speaks for itself. Teams invariably contribute significant achievements in organisations involved in business, charity, schools, government and of course the military. There is more urgency to team's performance today because of the link between teams, individual behavioural changes and high performance. It has been observed; the same team dynamics that promote performance also support learning and behavioural changes, and do so more effectively than larger organisational units or individuals left to their own devices. Most leaders today cannot succeed without the participation and insights of people across the broad base of the organisation. Teams bring together, complementary skills and experiences, jointly develop clear goals and communication that support real time problem-solving and initiatives. They can adjust their approach to new information and challenges with greater speed and accuracy. They can also help concentrate the direction and quality of top down leadership, foster new behaviours and facilitate cross-functional activities.

1.3.1 What is a Team?

What distinguishes a team from other groupings of individuals? The word "team" and variants such as "teamwork" and "team player" have become so popular in organizations that their meanings have become diluted and confused. The problems that many organizations have experienced with teams have been attributed to this diffusion of meaning. The team ideology itself has also been blamed for the widespread inappropriate use of the team approach. In the popular book, *The Wisdom of Teams*, Katzenbach and Smith⁴ used an empirical study of fifty teams to derive the following working definition of a team:

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

The authors draw strong distinctions between teams and working groups based on criteria such as shared leadership, cohesiveness, degree of interdependence of processes and work products, organisational orientation and performance measurement. Other definitions cast teams as specialized forms of working groups. For example, Schein⁵ defines a working group as a "small set of individuals who are aware of each other, interact with one another and who have a sense of themselves together as a unit." Still others have used the term interchangeably.

⁴ Katzenbach, J.R. and Smith, D.K., *The Wisdom of Teams*, Harvard Business School Press, Boston, MA, 1993.

⁵ Schein, E.H. "Organizational Culture." *American Psychologist* (Feb. 1990): 109-119

1.3.2 Definition of Teams

Hackman defines work groups and work teams as having following three characteristics:

- (a) They are intact social systems complete with boundaries, interdependence among members and differentiated members roles.
- (b) They have one or more tasks to perform. The group produces some form of outcome for which its members have collective responsibility.
- (c) They operate in an organizational context. The group, as a collective, manages relations with other individuals or groups in the larger social system in which the group operates.

However, there is a great difference between a group and a team. As on the sporting ground often a "group" of talented champions can be defeated by a "team" of more modest players. Teamwork is a skill that must be trained and does not come naturally. It is a mixture of good leadership and motivation skills, ability to absorb new information, to solve conflicts, and to understand the management style and personalities of others in the team. All types of people are required in an organization but not all organizations nurture all of them

1.4 Purpose of Team Building

Teams are rapidly becoming the primary work unit across business and industry. Teamwork is way of fitting individuals into organisations, and the first group of issues and problems that teamwork raises has to do with this process. The obvious point is that teamwork, like any other form of organisation, is an instrument for carrying out the policy of the agency. Thus many management texts promote teamwork as a way of getting workers to do what the management of an organisation wants. Others see teamwork as form of mutual support, and might even see it as a way of influencing managers to do what they want, or as a way of preventing managers from having influencing over them. Much has been written about the advantages of teams in problem solving, decision making, quality improvement and performance. Likewise, the body of knowledge surrounding team development, team dynamics and teamwork has grown rapidly over the last 15 to 20 years. While many theories have been proposed and supported by "laboratory" and empirical study, there is still no consensus on the critical factors of, much less reliable models of work group and team performance. There are several likely reasons for this.

1.4.1 Teams are inherently complex socio-technical systems. As such the inter-relatedness of influencing factors make them difficult to study.

1.4.2 Teams evolve and adapt in complex ways over time. Hence models must also capture the dynamic effects of team development on performance variables.

1.4.3 Teams exist within dynamic organizational contexts, which influence their behaviour. This limits the validity of team experiments conducted in controlled, isolated environments, such as team training.

1.4.4 Teams are open systems with respect to information, ideas and influence. This is particularly true of cross-functional teams (e.g. product development), which interface to varying degrees with customers, suppliers, regulatory agencies and multiple functional areas in the process of meeting their objectives. The very boundaries of these teams are dynamic.

1.4.5 According to Beckhard (1972) there are four primary purposes of team building:

- (a) To set goals or priorities
- (b) To analyse or allocate the way work is performed according to team members' roles and responsibilities.
- (c) To examine the way the team is working- that is, its processes such as norms, decision making, communications, and so forth.
- (d) To examine relationships among team members.

Beckhard points out that all these purposes are likely to be operating in a team effort, "but unless one purpose is defined as the primary purpose, there tends to be considerable misuse of energy. People then operate from their own hierarchy of purposes and, predictably, these are not always the same for all members"⁶

1.5 Teambuilding as an OD intervention technique

Team Building is a relatively recent invention, which grew rapidly in the 1970s and 1980s with thousands of organisations in public and private sector utilising its theory and methods with great success. Today it represents one of the best strategies for coping with the rampant changes occurring in the market place and the society, and will definitely be the most preferred improvement strategy well into the next century.

A focus on work teams has been a central aspect of OD since the emergence of the field, but recent years have seen a widening and deepening interest in teams. Interest has intensified particularly in self managed or self directed teams. Many organizations have used team building approaches to assist self managed teams and cross functional teams in getting started. In addition, teams have assumed many functions previously performed by management. Supervisors and middle managers have utilized team building approaches within their own ranks to help reconceptualise their own roles.

The old ways, where one person was the repository of all wisdom in an organization is coming to an end. No man is an island, and the most productive companies are moving to a flexible team structure where more information can be processed and better decisions made. The "team" is now the basic unit of the flexible organisation and is replacing the "cult of the individual". Some modern teambuilding intervention techniques which are in use today are:

- (a) Role Analysis Technique.
- (b) Interdependency Exercise.
- (c) Role Negotiation Technique.

⁶ Beckhard R and Harris R.T, Organisational Transition: Managing Complex Change. Addison Wesley. 1977. pp24.

- (d) Appreciation and Concern Exercise.
- (e) Appreciative Inquiry.
- (f) Responsibility Charting.
- (g) Visioning.
- (h) Force field Analysis.

1.6 Growth of teams

Teams are becoming an integral way of life for American companies. Recent surveys summarized by Lawler and Cohen (1992)⁷ show that teams of various types are in use in 47% to 100% of Fortune 1000 companies:

1.6.1 Nearly 87% of all Fortune 1000 companies are using parallel teams – groups of individuals working in parallel to the existing organizational structure to improve quality. Examples of this type of team are quality circles and other temporary problem solving teams.

1.6.2 Nearly 100% of all companies are using *project teams* – usually cross-functional teams brought together to complete a project lasting several months to several years. After the project is completed the team disbands. Examples include product development teams or a team to open a new plant.

1.6.3 47% of all companies are now using permanent *work teams* as the way of getting work done. These teams are not outside the organizational structure, they *are* the organizational structure. A cross functional team to handle design, manufacturing, and distribution of new greeting card lines is one such example.

Other studies have also indicated that teams definitely produce positive results in improving the productivity within the organisation. Hoerr(1987) has brought out that his study of teams concluded that the use of teams in Westing House Furniture increased the productivity of the organisation by 74% in three years. Demaine(1990), has brought out that FEDEX (Federal Express Corporation) was able to cut service errors in the organisation by 13%. Wycoki (1990), has said that CARRIER (a division of United Technology Corporation) was able to reduce unit turn around time from two weeks to two days. Volvo Corporation on the other hand was able to reduce defects by 90% by effective employment of teams(Patinkin, 1987). GE (General Electric) was able to increase productivity by 250% at its Salisbury Plant (Hoerr, 1989). AT&T was also able to increase its service quality by 120% by use of teambuilding techniques in training the operators.

1.7 Justification of the Study

Teams in the workplace are rapidly growing in popularity and acceptance. Corporate world is beginning to realize that the “old ways” are no longer going to work. Time changes everything and so businesses must change also or perish. Work teams have emerged as a progressive alternative to the outdated hierarchical trickle-down organization. For most businesses, using teams is a radical change and for

⁷ Lawler, Edward E. and Cohen, Susan G. Designing Pay Systems for Teams, American Compensation Association Journal. 1992. 1 (1). pp 6-18

others, it is only an extension of what they already practice. No matter what the background of an organization, the switch to teams is difficult and often frustrating.⁸

The creation of teams to accomplish tasks and effect desired change needs to become a key strategy in organisations. It is however unfortunate, that team development has until now not been given the due importance and status it deserves. Research has shown that team development is a relatively inexpensive form of intervention for producing major results within a shorter period of time. Many managers have amplified that most of the time they could not get things done themselves, but had to work, not through individuals acting alone, but through a small cohesive group of people.

In addition, the age of rapidly changing technology, decision making under uncertainty, cost and time constraints and instant communications, results in leaders having to face newer challenges each progressive day. As our work settings become more and more complex and involve increased numbers of interpersonal interactions, individual effort also has lesser impact and a group effort is required.

There is thus an urgent need today to study the use of teambuilding as an OD intervention technique in Indian organisations and suggest ways to improve functioning of the organisation by extensive utilisation of teams and creating environment for promoting teambuilding within the organisation.

1.8 Statement of the Problem

While studies have been carried out abroad in this field, very little research has been done in team building in Indian industry. There is therefore *“a need to, first establish the importance of teams in the present day environment in modern Indian organisations and then to bring out certain unique and interesting organisational, structural and behavioural issues of team development, which would include a study of difference in perception and attitudes between different groups as far as the issue of use of teams is concerned. Subsequently there would also be a requirement to suggest a model of peak performance teams for world class results in Indian organisations”*.

1.9 Scope

The scope of any research is dependent on several factors such as time available, availability of sample, accessibility to the respondents, the amount of time the respondents can spare for participation in the survey etc. Hence in order to carry out a focused study within the laid down time limit, the scope of the study has been limited to Indian organisations/ multi national companies operating from Indian shores only.

⁸ Buller, P. F. 1986. The team building task performance relation: Some conceptual and methodological refinements. Group & Organizational Studies. Sep 11(3) 147-168.

1.10 Specific Objectives of the Study

The broad purpose of the study would be to investigate the existence of Team Building as an organisational development intervention technique in modern Indian Organisations. The specific objectives of the study will be:

- (a) To identify the various types of teams existing in the Indian Organisations.
- (b) To analyse the various stages of team building in the sample organisations and the effect of each stage on team development.
- (c) To identify the characteristics and limitations which affect optimum team performance in these organisations?
- (d) To analyse the effect of leadership on team effectiveness in Indian organisations.
- (e) To analyse the reasons for the failure of teams in India and derive the solution for a successful team.
- (f) To study the role played by external consultant in team development in the sample organisations
- (g) To discuss various means of team compensation and performance appraisal of team members in current practice.
- (h) To study the resistance to team formation and ways to overcome such resistance among the sampled organisations.
- (i) To identify the way to create productive team culture in the sampled organisations.
- (j) To Judge the training requirements of team members and the various methods of team training in current practice.
- (k) To analyse the structure of teams and their weaknesses in the sampled organisations.
- (l) To identify the team intervention techniques used by the companies in the sample.
- (m) To suggest measures to be taken to make team intervention an effective OD technique.

1.11 Research Questions

Since the research is based on team building in the Indian industry, the following questions will be emphasised:

- (a) What are the types of teams existing in the modern Indian Organisations?
- (b) What are the various stages of team building in Indian Organisations and how do they effect in development of teams?
- (c) What are the characteristics and limitations which affect the optimum team performance in the Indian Organisations?
- (d) What is the role of leadership in team building?
- (e) What are the reasons for failure of teams in Indian organisations?
- (f) Should teams utilise external consultant to achieve optimum performance?

- (g) What are the various methods of team compensation in India?
- (h) What is the effect of team appraisal on teams in India?
- (i) Why is there a resistance to the formation of a team in Indian organisations and how can this be overcome?
- (j) How can a productive team culture be created in Indian organisations?
- (k) What are the training requirements of team members? Are these being fulfilled in the Indian organisations?

1.12 Need for the Present Study

Concepts and theories that constitute the scientific literature on a topic may be considered as analogous to cartographical maps that represent particular geographical territories of interest. Maps of geographical territories are graphic representations that provide a frame of reference to people who want to deal with the territory. Even as such maps are a means by which people understand where they are and where they can go, so should the social science literature provide a cognitive frame of reference, with which the researcher could know the whereabouts of his current position and how he could proceed to reach where he wants to go.

Several maps may be available for the same territory, but not all of them might serve or be useful to an explorer. The pertinence, specificity and practicality of the maps will render some of them more useful than others for a given purpose. A choice, therefore, is necessitated. In the social science literature, there are numerous studies, which focus on any of the multifarious human issues such as health, illnesses, conflict, stress, motivation and performance, and show that all these issues are somehow (as causes and/or consequences) related to interpersonal relations. We shall, however, restrict our review to studies that will sufficiently help us focus the objective of the present study in some perspective.

What makes teams work better? The question seems so simple, but reality is rather less straightforward. Certainly we can all point to effective teams without any difficulty, but isolating the factors that make one team a success and another less so, is not so easy. Leadership is clearly part of the equation, and much has been made of selecting and training individuals to assume command, but it is not the whole solution. The work of Hastings (1986)⁹ provides a good illustration of the complexity of factors leading to team effectiveness and the need for systematic study. It is with this in mind that an attempt to work in this area and to quantify the factors that characterize an effective team, this study has been planned in both the public and private sector.

1.13 Hypotheses

Before turning to the empirical examination, it is appropriate to put forward some hypotheses about the use of teams in Indian organisations. The formulation of usable hypotheses is of central importance as the entire study rests upon the potential significance of the hypotheses. Emphasis needs to be paid to the criterion that a hypothesis should be related a body of theory. It is also important to anticipate the

⁹ Hastings C, Bixby, P. and Chaudhry-Lawton, Superteams, Fontana, London, 1986.

verification problem. Zetterberg¹⁰ has stated three criteria for the acceptance of a working hypothesis:

- (a) The empirical data were found to be arranged in the manner predicted by the working hypothesis
- (b) We have disapproved the null hypothesis with a certain probability
- (c) We have disapproved alternate hypothesis to the one tested

While framing the hypotheses some factors have been kept in mind. These include the fact that the hypotheses must be conceptually clear; they should have empirical references and must be specific. In addition they should be related to available techniques and as mentioned above they should be related to the body of theory.

The major purpose of the present study, as has already been mentioned earlier, is to explore the existence of team building in Indian organisations. Even a purely descriptive study could achieve that purpose and provide us with results that would then be the empirical base, from which to generate testable hypotheses, later on. All the same, a set of tentative hypotheses were formulated to be tested in this preliminary study itself. Thus, in addition to descriptive presentations of results, the study will test the following hypotheses:

1.13.1 Hypothesis –I: Challenges do not bring out better performance within the team.

Formal work group do exist in most of the organisations, a team performs better only when it is faced with a challenging task that cannot be performed by individuals. Conversely, potential teams (work groups) without such challenges usually fail to become effective teams. To prove this otherwise, it may be hypothesised that Challenges do not bring out better performance within the team.

1.13.2 Hypothesis –II : Team performance isn't better than individual performance.

Team performance is better than individual performance as a team consists of a number of individuals. More number of individuals could help in providing more ideas and act as a cohesive group. In addition to this teams could have members from diverse functions thereby providing specialisation all the required fields, whereas individuals will rarely have specialisation in diverse fields required in modern organisations. In order to prove this aspect it may be hypothesised that team performance isn't better than individual performance.

1.13.3 Hypothesis –III: Teaming-up opportunities are exploited by the organisation. Team basic apply to many different groups including teams that recommend things (e.g., tasks forces), teams that make or do things (e.g. Worker teams, sales teams), and teams that run things (e.g. Management teams at various levels). Each of these types of teams, of course, face unique challenges. But the commonalties are more important than the differences when striving for team

¹⁰ Zetterberg, Hans L. On Theory and Verification in Sociology, 3rd ed., Totowa, NJ:Bedminister, 1965.

performance. Unfortunately, some organizations recognize team opportunities in only one or two of these categories, leaving a lot of team performance potential untapped. It may therefore be hypothesized that teaming-up opportunities are exploited by the organisation.

1.13.4 Hypothesis –IV: In case of outstanding performance the leader is appreciated more than the team members. In spite of the fact that teams have gained widespread acceptance in all organisations, the team as a whole still does not get the credit due to it whenever it performs exceedingly. It is still the leader who gets the recognition as the star performer while the rest of the team might just get secondary recognition. It may therefore be hypothesized that, in case of outstanding performance the leader is appreciated more than the team members.

1.13.5 Hypothesis –V: The team effort at the highest levels in the organisation is easy. The complexities of long-term challenges, heavy demands on executive time and ingrained individualism of senior people conspire against teams at the top. In addition, how executives are expected to act often conflicts with effective team performance. As a result, there are fewer teams at the top of large organizations and those that do exist tend to have fewer people. Importantly, however, this is caused by a number of misplaced assumptions about teams and behaviours at the top. It may therefore be hypothesized that team effort at the highest levels in the organisation is easy.

1.13.6 Hypothesis –VI : It is easier to hold an individual accountable rather than the entire team. Job descriptions, compensation schemes, career paths, and performance evaluations focus on individuals. Teams are often an after thought in the 'nice to have category'. Our culture emphasizes on individual accomplishment and makes us uncomfortable trusting our career aspirations to outcomes dependent on the performance of others. Even the thought of shifting emphasis from individual accountability to team accountability makes us uneasy. It may be therefore hypothesized that it is easier to hold an individual accountable rather than the entire team.

1.13.7 Hypothesis –VII : Good team performance in one department spurs growth of teams within the other departments of the organisation. Companies with strong performance standards seem to spawn more 'real teams' than companies that promote teams per se. Teams do not become teams just because we call them teams or send them to team building workshops. In fact, real teams perform best when management makes clear performance demands. It may therefore be hypothesized that good team performance in one department spurs growth of teams within the other departments of the organisation.

1.13.8 Hypothesis –VIII : Given a choice of team leadership, would improve the team's output. If a choice of team leadership is given to the team, it would result in improving the leadership due to the fact that the team would feel more involved in the decision making process and also because a leader selected by it would be more dedicated towards the team. The team would also have absolute confidence in its leader thereby producing better results vis-à-vis a leader imposed

upon them by the organisation. It may be therefore hypothesised that if a choice of team leadership is given to the team, it would improve the team's output.

1.13.9 Hypothesis -IX : Team sessions can be convened easily and frequently. Since teams are now becoming integral part of an organisation today, team members understand the need for teambuilding within the organisation. It is due to this understanding that team sessions can be held conveniently and easily as and when it is required to be held. It may therefore be hypothesised that team sessions can be convened easily and frequently.