

CHAPTER-III

REVIEW OF LITERATURE

When human beings work together, they can produce a piece of work that is superior to the work of individuals toiling alone.

3.0 Introduction.

“Until recently, when you said you worked with someone, you meant by implication that you worked in the same place for the same organization. Suddenly though, in the blink of an evolutionary eye, people no longer must be co-located – or, in the same place – in order to work together. Now, many people work in ‘Teams’ that transcend distance, time zones, and organizational boundaries” (Lipnack, 1997).²³ Towards this, teambuilding is a unique organisational intervention/improvement strategy that emerged in late 1950s and early 1960s. Initially it started off as group study and intervention methodology but soon got separated for group dynamics and branched off into a specialised strategy/intervention technique of OD

3.1 Early Team Building Efforts

With our present awareness, some of the earliest sessions of what would be now called “team building” were conducted by Robert Tannenbaum in 1952 and 1953 at the U.S. Naval Ordnance Test Station at China Lake, California.²⁴ According to Tannenbaum, the term “vertically structured groups” was used, with groups dealing with “personal topics and with organisational topics.” These sessions, which stimulated a 1954 Personnel article by Tannenbaum, were conducted “with all managers of a given organisational unit present.” The more personally oriented dynamics of such sessions were described in a 1955 Harvard Business Review article by the same author.²⁵

Chris Argyris, then a faculty member at Yale University, in 1957 was one of the first to conduct team building sessions with a CEO and the top executive team. Two of Argyris’s early clients were IBM and the now defunct Enron. His early research and interventions with a top executive group are reported in his 1962 book *Interpersonal Competence and Organisational Effectiveness*.²⁶

While Douglas McGregor did not make a direct contribution towards team building, he did establish a small internal consulting group that in large part used behavioural science knowledge in assisting line managers and their subordinates to learn how to become effective in groups. McGregor’s ideas were a dominant force in this consulting group.

3.2 Review.

With growing interest in this aspect of OD, many researchers have concentrated their attention in the various aspects of team building. Among the early writers who directed attention to the importance of team functioning were Rensis Likert and Douglas McGregor. Likert, for example, suggested that organisations are

²³ Lipnack, J. and J. Stamps. *Virtual Teams: Reaching Across Space, Time, and Organizations with Technology*. John Wiley and Sons, Inc., 1997.

²⁴ French, Wendell L and Bell Jr Cecil H.. *OD Behavioral Science Interventions for Organisation Improvement*. PHOI. 1999. Page 39.

²⁵ Tannenbaum Robert Kallejian Verne J., and Weschler Irving R., “Managers in Transition”, *Harvard Business Review*, July- August 1955, Page 55-64.

²⁶ Argyris Chris, *Interpersonal Competence and Organisational Effectiveness*. Homewood, 1962.

best conceptualised by systems of interlocking groups connected by linking pins. It is through these interlocking groups that the work of the organisation gets done.

3.2.1 Richard Beckhard(1972) listed, in order of importance, the four major reasons or purposes involved in having team meetings other than for the sharing of information:

- (a) To set goals and/or priorities.
- (b) To analyse or allocate the way work is performed.
- (c) To examine the way group is working, its processes
- (d) To examine the relationship among the people doing the work.

He noted that often all four items would be covered in a single team building session, but it was imperative that the primary goal be clear and accepted by all.

3.2.2 William Dyer (1994) described the team building process as a data gathering, diagnostic, action planning and action taking process conducted by intact work teams. He further said that the basic building blocks of organisations were teams and one of the basic building blocks of OD was team building.

3.2.3 Glenn parker (1990) identified the characteristics of effective teams and developed an exclusive list, which attempted to specify the dimension of team effectiveness. These include factors such as clarity of purpose, informality, participation, listening, consensus decision making, open communication, clear roles and work assignments, shared leadership, style diversity and self assessment.

3.2.4 Katzenbach and Smith (1984) said that strong personal commitment to each others' growth and success – distinguished high-performance teams from effective teams. High performance teams had the same characteristics as effective teams but to a higher degree. They make an important distinction between "high performance teams" and "teamwork." Teamwork, they point out, is a "positive set of values," while high performance teams are "discrete units of performance." This distinction has, for us, had a significant impact on how we form and develop teams.

3.2.5 Skopec and Smith (1997) said that teams have emerged as a dominant force in business and industry because they are seen as the best means of responding to an extraordinary set of challenges faced by modern companies.

3.2.6 Aravindan (1997) while stressing on the importance of team work, cautioned against sudden and unfocussed change over to teams. He concluded that, 'there is a real danger that some enterprising managers will jump on the team work bandwagon to the ultimate sorrow of the concept. The change over from the conventional to the team work is complicated and has to be implemented with extreme care and rigour'.

3.2.7 Montebello (1994) observed that from a business perspective, teams were more productive, produce higher quality and most cost-effective than solo efforts. From a human relations perspective, the positive effects of team work on job satisfaction, motivation and employee's morale, and were well worth the investment of time, effort and expenditure.

3.2.8 French and Bell (1999) found that the reason team building produces such powerful positive result was because it was an intervention in harmony with the nature of organisation as social systems.

3.2.9 Margerison and McCann (1992) provided a new approach to the development of high performing teams, wherein, they found that teams could work together effectively, particularly if they are well balanced and under the guidance of a managerial linker. They have also outlined the way in which managers can develop effective work teams and various organisational processes that need to be put in place for this to be achieved.

3.2.10 Glenn Varney's study (1989) indicated that the team management aspects are more intangible than finance and other operational aspects of the job, and it plays a centrally critical role in advancing productivity.

3.2.11 James Lundy (1998), while discussing about poor team work in an organisation, said, 'poor teamwork happens! It is a natural phenomenon. The natural tendencies of individuals and sub groups to neglect the interests of others, complain about others, or yes, even have the conflict with others will not go away'. He however concluded that these tendencies can be managed or controlled.

3.3 Types of teams.

Wellins and Byham and Wilson²⁷ have divided the teams into two basic types. The first being the permanent work teams which are the teams that are organised around a product or service; and second being the cross functional teams, which are charged with problem-solving, coordination and decision making relative to larger organizational issues.

3.3.1 Permanent work teams. These can be either natural teams or redesigned teams. Natural work teams are the most common type. They are formed of employees who, at the start of transformation, work on a common product or service-for example, eight people who assemble a product and report to a common group leader. Team members can measure their quality, their productivity, and many other key variables. The main characteristic of natural work teams is that the organisation does not have to undertake extensive reorganisation or major process redesign. Another type of team which could be called redesigned work teams, are formed around the common output or a group of customers.

3.3.2 Cross functional teams. This type of teams consists of members representing various departments or functions. They are setup for special projects: planning a new performance management system, working on a product changeover, solving the key customer problem etc. These teams might also be assigned to improve major organizational process or develop a new product.

²⁷ Wellins and Byham and Wilson, Inside Teams: How 20 Organisations are Winning Through Teamwork. Jossey-Bass, San Francisco 1991.pp 2-13.

3.3.3 Effective cross-functional teams have many advantages.²⁸ While some of the advantages apply to other types of teams, too, these advantages have a unique advantage when played out in the context of a cross-functional team. Some of the competitive advantages are:

- (a) **Speed**. Cross-functional teams, when they are appropriately empowered, get things done faster, especially product development and customer service.
- (b) **Complexity**. Cross-Functional teams improve an organization's ability to solve complex problems because they bring together people with different skill sets, experiences, perceptions and styles.
- (c) **Creativity**. New product and service breakthroughs come from the clash of ideas, not from interactions among people with similar views.
- (d) **Customer Focus**. Cross-functional teams focus all of the organization's efforts on satisfying a specific internal or external customer or group of customers.
- (e) **Organizational Learning**. Team members pick up technical and professional skills more easily, gain important knowledge about other areas of the organization and learn how to work with people with different styles and cultural backgrounds.
- (f) **Single Point of Contact**. The team promotes more effective and efficient teaming by identifying one place to go for information and decisions about a project or customer

3.3.4 Montebello on the other hand, has classified teams into six different types based on the role assigned to it.²⁹ These include:-

- (a) **Active/Involvement Teams**. These consist of people with relevant experiences and information who identify opportunities for improving work processes or solving problems.
- (b) **Production/ Service Teams**. These teams have people performing related tasks who coordinate their efforts to produce products or provide services.
- (c) **Special project teams**. These are teams with people who have a special area of expertise or people who work temporarily on assigned projects aimed at applying innovative ideas or solutions to problems.
- (d) **Functional teams**. These are teams consisting of people with common functional accountabilities, who develop and execute plans, and make and implement operational decisions.

²⁸ Copyright 1998 Glenn M. Parker. The JOURNAL, a publication of the Society of Insurance Trainers and Educators (SITE).

²⁹ Montebello A.R, Work Teams That Work: Skills for Managing Across the Organisation, Best Sellers Publishing, UAS, 1999, pp 4-5

(f) **Boss/direction report relationship.** People working together to achieve mutual goals and continuously improving the performance and potential to assume more responsibility.

3.4 **Team Performance Curve**

It would by now be apparent that the performance of a team is not at its peak from the very moment of its being formed. As the team progresses through the various stages successfully, the team performance goes up. Based on the level of performance we could classify the team as working group, pseudo team, potential team, real team and high performance team. This is depicted pictorially in Figure 4.1. Performance curve illustrates, how well any small group of people performs depends on the basic approach it takes; and how effectively it implements that approach.

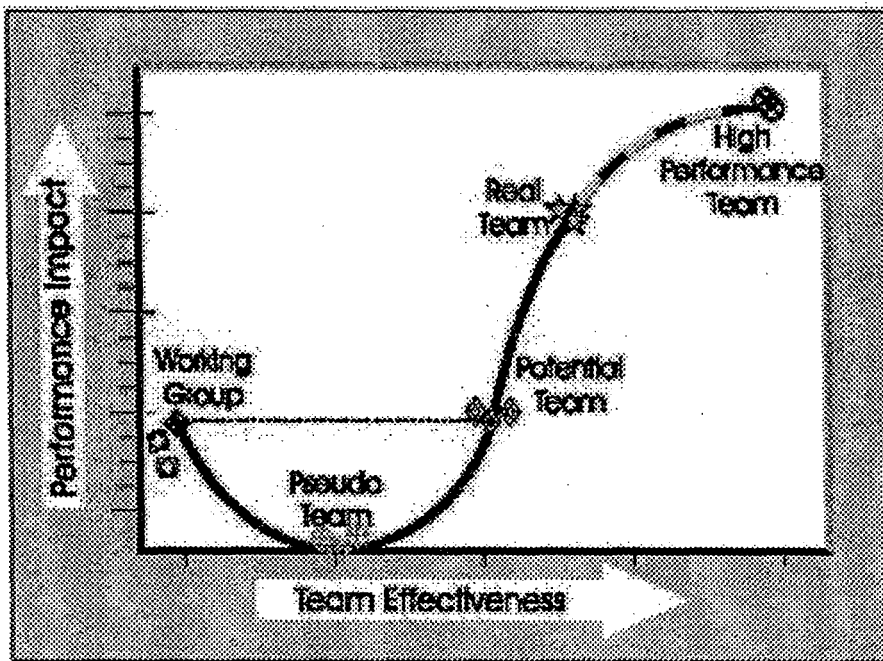


Figure 3.1: Team Performance Curve

3.4.1 Working Group. Presents a fewer risks. If performance aspirations can be met through individuals doing their respective jobs well, the working group approach is more comfortable and less disruptive. The members interact primarily to share information or perspectives and to make decisions to help each individual perform within one's area of responsibility.

3.4.2 Pseudo Team. This is a case where there is need of incremental performance. Pseudo teams are the weakest of all. Their contribution to the organisational performance needs is less than working groups because their interactions take away from each member individual performance without delivering any joint benefit.

3.4.3 Potential Team. This team is making an effort to improve its performance; however, it requires more clarity about purpose, goals and more discipline in evolving a common working approach. It has not yet established collective accountability.

3.4.4 Real Team. This is a small number of people with complementary skills who are equally committed to a common purpose, goals, and working approach for which they hold themselves mutually accountable. Real teams are a basic unit of performance.

3.4.5 High Performance Teams. This is a group that meets all the conditions of real teams, and has members who are also deeply committed to one another's personal growth and success. Their commitment usually transcends the team.

3.5 Stages of Team Development

It is mistakenly assumed that the team starts producing results, the moment it is formed. Not, necessarily so. In fact, many a time, in the early stages of its existence the performance of the team may go below average expectations.

3.5.1 Stages

A number of theories exist on team development and their stages which are listed at Table 3.1. Amongst them Tuckman has summarized selected theories in short descriptive terms which can therefore serve as a generic model. The generally recognised stages of group development are forming, storming, norming, performing, and adjourning, which are depicted at Figure 3.2.

Table 3.1 : Stages of Team Development

Stages	1	2	3	4	5
Source					
Francis and Young ³⁰	Testing	infighting	Getting Organised	Mature Closeness	-
Jones and Bearley ³¹	Immature Group	Fractionated Group	Sharing Group	Effective team	-
Moose-bruker ³²	Orientation to Group and Task	Conflict over Control	Group Formation and Solidarity	Differentiation and Productivity	-
Orsburn and J. Zeneger ³³	State of Confusion	Leader Centered	Tightly Formed	Self-Directed	-
Tuckman ³⁴	Forming	Storming	Norming	Performing	Adjourning
Varney ³⁵	Formation	Building	Working	Maturity	Termination
Bennis & Shepard (1956)	Depen dence	Counter dependence	Resolution	Interde-pendence	-
Schuts (1982)	Inclusion	Control	Openness/ Affection	Control	Inclusion
Beon (1981)	Depen dency	Fight / Flight	Pairing	Work	-
Gibb (1964)	Acceptance	Data flow	Goals	Control	-
Yalom (1970)	Orientation and hesitant participation	Conflict dominance and rebellion	Intimacy, closeness and – cohesiveness,	-	Termination

STAGE 1 FORMING	STAGE 2 STORMING	STAGE 3 NORMING	STAGE 4 PERFORMING	STAGE 5 ADJOURNING
Team acquaints and establishes ground rules	Members resist control by Group leaders and show hostility	Members work together developing close relationship and feeling of camaraderie	Team members work towards getting the job done	Team may disband on achieving their goals or because members leave

Figure 3.2: The Five Stages of Team Development

³⁰ D. Francis and D. Young. Improving Work Groups: A practical Manual for Team Building. University Associates Inc, USA, 1979.

³¹ J.E.Jones and W.L. Bearley. Group Development Assessment, Bryn Mawr: Organisation Design and Development, 1986.

³² J.Mossbruker. Developing a Productivity Team: Making Work Teams that Work. NTL Institute for Applied Behavioral Sciences and University Associates Inc. 1988

³³ S.D. Orsburn and J. Zeneger. Self Directed Work Teams. Business One Irwin. 1990

³⁴ B.W. Tuckman. Developmental Sequence in Small Groups. Psychological Bulletin,(63), pp 384-389. 1965.

³⁵ G.H. Varney. Building productive Teams. San Fransisco. Jossey-Bass,1991.

These stages are sequential, developmental and thematic. The five stages occur in order with each stage having a general theme describing group activity. It is necessary that activities in each stage be accomplished and problems resolved before moving on to the next stage. An analysis of each stage will reveal task oriented and relationship oriented behaviour during each developmental stage. These behaviours, stage-wise, could be summarised as given in Table 3.2.

Table 3.2: Stage-wise Behaviours for Different Orientations

Stage	Theme	Task-Orientation	Relationship-Orientation
1	Awareness	Commitment	Acceptance
2	Conflict	Clarification	Belonging
3	Cooperation	Involvement	Support
4	Results	Achievement	Pride

Stage 1: Forming (Awareness)

It will thus be seen that awareness of each other is the starting point of team building. Being aware and knowing each other cannot possibly be sufficient. It invariably must lead to the activity of setting goals and, thereby, give meaning to the team's existence. If goals are set, and individuals in the teams are not committed to them, it is once again a meaningless exercise. Therefore, in the overall theme of awareness, commitment to the goals and acceptance of each other constitute the task and relationship-oriented behaviours. This is a very important stage and a whole approach on team building can get concentrated on this goal setting approach.

Stage 2: Storming (Conflict)

In the generic model, Stage 2 has been appropriately termed as storming. Total agreement on goals in the initial stages is very rare. Should this happen, it is obvious that either there is total lack of interest amongst the members or the goals are being forced down dictatorially. In either case, team development is a futile activity from this stage onwards. Therefore, discussion on generating alternatives, listening to other's points of view, consensus seeking, conflict resolution, building an atmosphere of support and encouragement; all become very important activities. This opportunity to contribute encourages belongingness, and evolving group consensus results in conflict resolution.

Therefore, the general theme in this stage is conflict resolution and clarification of tasks, and promoting a sense of belonging. In many a team development effort the conflict generated at this stage can tear the team apart. This, therefore, can form a separate approach to team development – the relationship focused approach. This is positively the most crucial stage of team building. New teams tend to rate themselves high on each outcome as positive outcomes of success and expectations are very high. As the team members spend time together, the

realities of interpersonal behaviour, goal setting differences, differing approaches to the problems etc all lead to conflicts. If they get resolved, the team sails, otherwise it sinks. This demonstrates as to how crucial this stage is. A graphic interpretation of data on 23 teams passing through this stage is depicted at Figure 3.3.

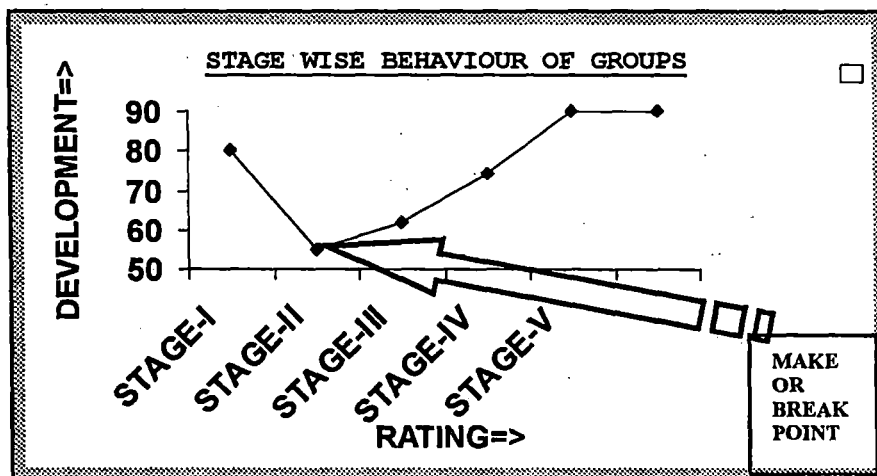


Figure 3.3: Team Development and Criticality of Stage 2

Stage 3: Norming (Cooperation)

The successful completion of Stage 2 has to yield place to cooperation. As each individual is understood, goals clarified and accepted or modified, contribution sought and welcomed, strengths in each individual recognised, group cohesiveness develops and norms are laid as to how the task will be accomplished, the manner in which the team will behave, and the rules and regulations it will follow. As all these are arrived at through consensus; cooperation becomes the central theme with involvement and support forming the task and relationship behaviour. Norming also implies the expected roles of each individual in the team obtained through consensus. This, once again, can form an approach towards team building – the role model.

Stage 4: Performing (Results)

If the above three stages have been successfully undertaken, getting results now remains a formality. How can results be not forthcoming, if the objectives have been duly and correctly evolved, if conflict has been resolved and norms of individual roles all have been worked out systematically? Therefore the central theme in this stage focuses on performing with problem solving and leading to achievement and pride constituting the task and relationship-oriented behaviours. An approach based on good leadership can be used to develop teams at this stage.

Stage 5: Adjourning (Separation)

As brought out many teams come together for specific assignments and then disperse after the task is accomplished. In fact, since a very high performance is

expected from teams, one cannot hope to sustain this level indefinitely. As such, it would often be advisable to adjourn the team when the mission is completed and recreate another when the need arises. In case of ad-hoc teams the adjournment may be abrupt while in others it may be in several phases. The five stages of team building discussed so far are summarized in Figure 3.4.

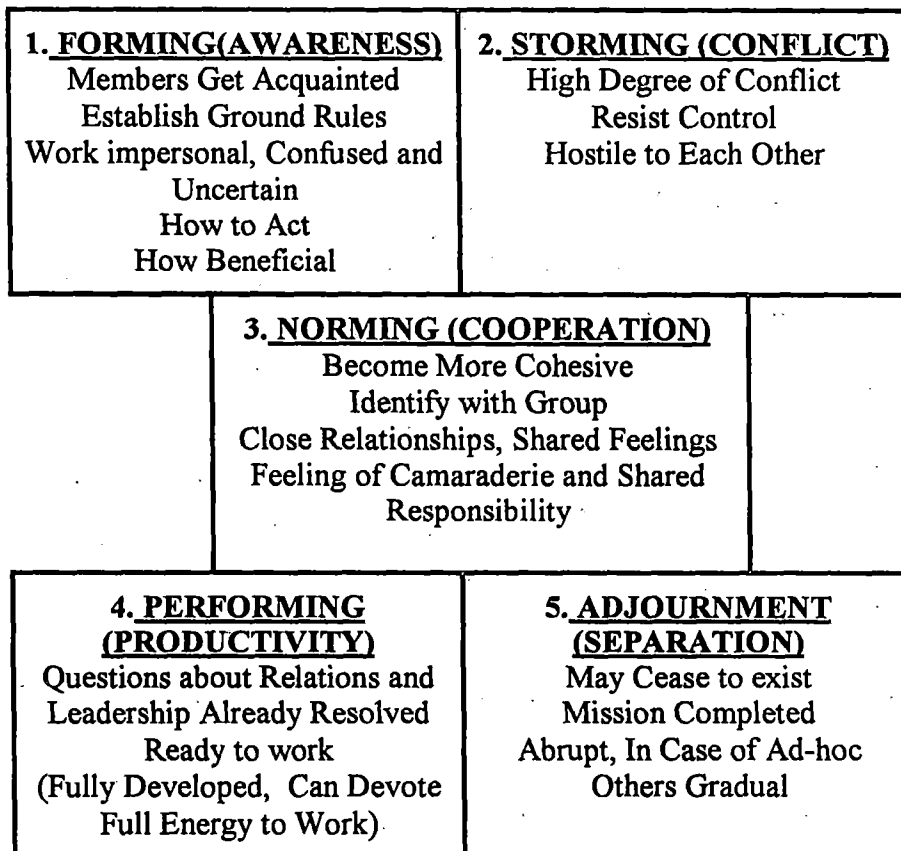


Figure 3.4: Summary of Stages of Team Building

3.6 Use of Teams

Despite our inability to model or predict their performance, team approaches are increasingly being applied to a wide range of business problems and functions. A 1994 survey of Fortune 1000 companies revealed that almost all use project teams, 91 percent use problem solving teams (an increase of 31% from 1987) and about two-thirds use permanent work teams³⁶. While several theories of team effectiveness have been proposed, unified measures of team performance do not exist³⁷. Yet, the importance of measurement to team performance has been widely recognised.³⁸

³⁶ Brian Dumaine, The Trouble with Teams, Fortune, September 1994, pp 86-92.

³⁷ David P. Baker and Eduardo Salas, Principles for measuring Teamwork, Team Performance Assessment and Measurement: Theory, Methods and Application, Lawrence Erlbaum Assoc., London, 1997 pp 331-355.

³⁸ Douglas Shaw and Craig E. Scheier, Team Measurement and Rewards: How some companies are getting it right, Human Resource Planning, 18(3), 1995, pp34-49.

³⁸ Christopher Meyer, How the right Measures help teams excel, Harvard Business Review, pp 95-103, May-June 1994.

3.7 Characteristics & Limitations of Teams

3.7.1 Characteristics of Effective Teams

No matter what the type of team, be it a small manager team, technical team, special project team or task force, senior management team of a big firm or even the non-managerial team – though differing in many ways – all will have four features in common. They have all been formed for a particular purpose, they individually have a job to perform which requires them to work together and coordinate their activity, and they are recognised as such by the senior management and are vested with power and authority. Empirical research points to the following characteristics of effective teams:

- (a) **Participation** Team members should feel that their participation is important and personally beneficial to them. Teams should only remain intact as single entities so long they are working on a particular problem. When the goals they have set have been met, they should be formally disbanded or discontinued. Whenever possible, the team should include some of the persons who will be responsible for implementing the decision. When there is complete separation between persons responsible for making decisions and persons responsible for implementing them, confusion and lack of commitment frequently arise.
- (b) **Right Mix** Members of a team must possess the appropriate balance or mix of skills and traits. Homogeneous teams are not usually as effective as teams composed of members whose skills and talents differ in relevant ways, especially when dealing with complex problems. On the other hand, it is disruptive if teams consist of members whose talents and especially personalities are more heterogeneous than required by the nature of the problem and the demands placed on members.
- (c) **Optimum Size** Although the research findings are not absolutely clear cut, it appears as if there is an optimum size for most teams. At the one end, the advantage of working in groups is usually diminished, if there are less than five members. On the other end, with more than ten or fifteen members, teams typically become unwieldy. While optimum size will vary with circumstances, the ideal size of teams for many tasks appears to range from five to ten members.
- (d) **Knowledge of Task** Members of the teams should have knowledge and information that is relevant to the problem and task. In addition, experience in team development work suggests that it is usually desirable for persons significantly affected by the team decisions to be either members of the team or, at least, represented on it.
- (e) **Influence of Members** Influence of members on decisions in teams should be based on their capacity to contribute (relevant expertise) and not on the authority they possess in the organisation. Group norms should be

instilled to the effect that influence will be based on relative knowledge. This is obviously, a more important consideration when the teams are composed of members from more than one level in the organisation, as is seen to occur frequently.

(f) **Integration with the Organisation** Team decisions should be integrated with the normal or regular decisions of the departments or units from which the members are drawn. This requirement is frequently overlooked in team building. In the enthusiasm of improving the effectiveness of the team, the necessity for the activity of the team to be consistent with what is occurring around it tends to get overlooked. Therefore the department or unit members who are not on the team must be kept fully informed of the team's progress and decisions at all times, and a few persons made deliberately responsible for ensuring that the teams decisions are fully compatible with the actions and choices of the wider organisation of which the team is an integral part. Conflicts that develop within teams should be confronted and resolved with a problem solving approach, instead of being avoided or smoothed over. The team members should be trained or at least encouraged to find settlements and reconcile or integrate the needs of the parties involved.

(g) **Team Leadership** It is necessary for the team to select a leader. Only in exceptional circumstances can a team function without a leader.

3.7.2 **Characteristics of Effective Team members**

Besides seeing the characteristics of an effective team as well as an ineffective team, it would be prudent to examine the characteristics of effective team members. It will be observed that organisational failures often are not a result of poor leadership but of poor followership. Numerous training programs have been developed to teach leadership theories and skills, but few teach how to be an effective follower. More importantly, few teach how to be an effective member of a team. An effective team member is, therefore, one who:

- (a) Understands and is committed to group goals.
- (b) Is friendly, concerned and interested in others.
- (c) Acknowledges and confronts conflict openly.
- (d) Listens to others with understanding.
- (e) Includes others in the decision making process.
- (f) Recognises and respects individual differences.
- (g) Contributes ideas and solutions.
- (h) Values the ideas and contributions of others.
- (i) Recognises and rewards team efforts.
- (j) Encourages and appreciates comments about team performance.

These characteristics are in a segmented pattern, alternating task and relationship behaviours. This pattern of behaviours is the starting point for the

development of a model of team building. A more comprehensive list of these qualities can be projected diagrammatically, as given at Figure 3.5.

<u>MANIFEST BEHAVIOUR</u>		<u>ATTITUDES/VALUES</u>
GOAL CLARITY AND FLEX APPROACH	DESIRED QUALITIES OF MEMBERS OF EFFECTIVE TEAMS	BELIEVES THAT THERE ARE NO OBSTACLES
DISPLAY SIGNIFICANT UNDERSTANDING OF ORGANISATION PHILOSOPHY		COMMITTED TO QUALITY, TEAM WORK AND CAPABILITY
BUILDS FORMAL & INFORMAL NETWORK		EASILY INSPIRED BY VISION
VISIBLE, ACCESSIBLE AND COMMUNICATES		DRIVEN BY SUCCESS AND RECOGNITION
COMMITTED TO SUCCESS OF PARENT ORGANISATION		ACTION ORIENTED
SUSTAINED COMMITMENT EVEN WHEN WORKING APART		OPTIMISTIC EVEN IN TOUGH CONDITIONS
HAS SIGNIFICANT INFLUENCE ON PARENT ORGANISATION		VALUES GOOD LEADERSHIP
WORKS BEST WHEN LEFT FREE		DISTINGUISHES IMPORTANT FROM URGENT
WORKS WITH OTHERS		NEVER SATISFIED
APPEARS ARROGANT		LEGITIMATE
		VALUES PEOPLE FOR KNOWLEDGE NOT STATUS

Figure 3.5: A Model of Effective Team Members³⁹

3.7.3 Criteria for Effective Teams

Douglas McGregor observed and worked with many groups, especially in a managerial context. Based on his research, his observations, and his consultations with these different groups, he listed what he considered the unique features of an effective managerial team.⁴⁰

- (a) **Understanding, mutual agreement, and identification with respect to the primary task.** Team members have clarity about their ultimate purpose of mission and are committed to its accomplishment.
- (b) **Open Communications.** Team members express ideas, opinions, and feelings openly and authentically. McGregor also points out that being

³⁹ CDM Handout on Team Building, 2000.

⁴⁰ McGregor, D. The Professional Manager. McGraw-Hill. 1967.

absolutely open, regardless of situation, is not the criteria for effectiveness. Openness is related to the task at hand.

(c) **Mutual trust.** Trust and openness go hand-in-hand, and openness is practically impossible to achieve without trust among team members. McGregor notes further that trust is a delicate aspect of relations, influenced more by actions than by words. Trust can be destroyed quickly and easily-one act can do it. Trust is a feeling influenced by needs, expectations, guilt, anxieties, and the like, and it is based on people's perception of others and their behaviour, not an objective reality.

(d) **Mutual support.** This feature of an effective team is manifested by the absence of hostility or indifference among members and by the presence of care, concern, and active help towards one another.

(e) **Management of human differences.** Group creativity typically comes from an open exchange of different ideas, opinions, and intuitions, and from an active process of integrating these differences into an outcome that represents the best of the individual contributions. Managing differences successfully within the group is easier said than done, of course. Key is to maintain the balance between fostering conflict of ideas and opinions and controlling these differences.

(f) **Selective use of the team.** Being discriminatory about when and when not to use the team in a group endeavour for consensual decision making will help ensure time efficiency and a wise use of member energy. Effective teams know when they should meet, and they know how to use their time.

(g) **Appropriate member skills.** The effective team has among its membership-not just the leader-the variety of skills that are needed for performance of task and for maintenance of the team as a viable group. It is absolutely necessary that there be an adequate level of technical knowledge among the team member's membership for task accomplishment. Just as necessary skills are required to elicit that knowledge and integrate the various elements of it into a decision. These skills are of two types-task and maintenance. The more all members of the team can develop these two sets of skills, the more effective the team is likely to be.

(h) **Leadership.** The leadership function of an effective team is managing and integrating the other seven characteristics. It is unreasonable that assume that the leader alone can set direction, be open, trust and support team members, manage individual differences, always know when to use the team as a group, and provide all the necessary task and maintenance functions. In the effective team these characteristics become the responsibility and concern of all members. The team leader's job is to see that these characteristics are first identified and then become group norms. In addition, the team leader is the prime coordinator, seeing that the various

responsibilities for effective teamwork are shared among members and differentiated according to subtask requirements remember talent.

Prior to McGregor's list of eight features, Likert (1961)⁴¹ had proposed 24 "performance characteristics of the ideal highly effective groups". There is considerable overlap between the two lists, but four from Likert's list are different enough to be worth mentioning.

- (a) The values and goals of the group are integrated with and express the relevant values and needs of the members. Since the group members help to shape these values and goals, they will be committed to, and be satisfied with them.
- (b) Group members, including the leader, believe that they as a group can accomplish the impossible. This kind of expectations stretches and challenges group members and establishes the potential for growth and development. This characteristic of an effective group is reminiscent "high-performance systems".
- (c) The group understands the nature and value of constructive conformity and knows when to use it and for what purpose. Actually, this characteristic of Likert's helps amplify McGregor's management of difference feature-the process of maintaining a balance between fostering conflict in controlling it.

According to Philip Hanson and Bernard Lubin,⁴² developing well functioning teams takes considerable time and effort. Team members must recognise and accept their own needs and be sensitive to those of other team members, and maintain some balance among these needs. A principle of effective team functioning is that members must be highly concerned with both their own needs and others'. These needs are analogous to the major concerns or of the management for task and people morale. Following are some of the characteristics of an effective team:

- (a) A team shares a sense of purpose or common goals, and each team member is willing to work towards achieving these goals.
- (b) The team is aware of and interested in its own processes and examining norms operating within the group.
- (c) Team identifies its own resources and uses them, depending on the team's needs at any given time. At these times the group willingly accepts the influence and leadership of the members whose resources are relevant to the immediate task.

⁴¹ Likert Rensis, *New Patterns of Management*. McGraw-Hill Company, Inc. New York. 1961. pp166-169.

⁴² Hanson, P.G and Lubin Bernard, *Teambuilding as Group Development*, *Organizational Development Journal*, Spring 1986, pp27-35.

- (d) Group members must continuously try and listen to and clarify what is being said and show interest in what others say and feel.
- (e) Differences of opinion are encouraged and freely expressed. The team does not demand narrow conformity or adherence to formats that inhibit freedom of movement and expression.
- (f) The team is willing to surface conflicts and focus on it until it either is resolved or managed in a way that does not reduce the effectiveness of the individuals involved.
- (h) The team exerts energy towards problem-solving rather than allowing it to be drained by interpersonal issues or competitive struggles.
- (i) Roles are balanced and shared to facilitate both the accomplishment of tasks and feelings of the group cohesion and morale.
- (j) To encourage risk taking and creativity, mistakes are treated as source of learning rather than reasons for punishment.
- (k) The teams are responsive to changing needs of its members and to the external environment to which it relates.
- (l) Team members are committed to periodically evaluating the team's performance.
- (m) The team is attractive to its members, who identify with it and consider it as a source of both professional and personal growth.
- (n) Developing a climate of trust is a crucial element of facilitating all of the above elements.

3.8 Team Leadership

Charles Handy, in his illuminating essay on leadership⁴³ defines a leader as follows:

'Leader shapes and shares a vision which gives point to the work of others.'

This statement gains significance when considering the role of a leader in a team. However unlike a solo leader a team leader cannot be authoritarian but has to assume a role wherein he is seen more as a facilitator. The essential difference is that the team leader deliberately limits his or her role and declines to rule as if absolutely. That self limitation will show itself in a number of ways.

⁴³ Hand Charles, *The Language of Leadership, Frontiers of Leadership*, Blackwell, Oxford Press, 1992.

Firstly, the team leader does not expect to be wiser, more creative or more far sighted than colleagues, and in consequence is more humble than a solo leader. Second, by having a greater degree of respect for, and trust in, others the team leader is more inclined to delegate, does not interfere with the way in which others operate and is more concerned with outcomes. Third, the team leader fulfils a leadership role by creating a sense of mission. Mission creates the framework whereby each person contributes in their own way to the common purpose. In that respect the selection and development of the team is crucial.⁴⁴

In many organisations, it is not always possible or practical to take whole teams away for development programmes. Sometimes the response is for the consultants to spend short periods of time, such as a day, with teams on regular basis. Another strategy, especially where there are large numbers of teams and the organisation wants to start making an impact on all of them, is to concentrate effort on the team leaders. Organisations increasingly require a steady supply of effective team leaders and project managers to take up these important roles.

Often this will involve promoting technical specialists who find these roles very demanding- sometimes too demanding. Organisations can help by providing development and training opportunities that demonstrate the complexities inherent in these roles especially the human and organisational aspects of team working and project management, and how to cope successfully with them.

Group of team leaders from within the organisation can then be assembled and a programme arranged to suit the particular needs of the organisation.⁴⁵

Leaders of teams spend as much time anticipating the future as they do managing the present. This is not to say that they spend half their time in detailed planning though that will be part of it. It is more that they devote time to thinking forward to, and talking to others about, their goal, for it is this that provides the team with its purpose and direction.

Team leaders are good at creating visions. Visions in this sense are not the vague, mystical or unrealistic products of the wandering mind. They are instead vivid pictures of what the team is trying to achieve. The vision is a statement of where the team is heading and what it stands for. Its purpose is to create challenges and excitement and common direction for team activities.⁴⁶

With regards to the role change due to induction of teams within the organisation Wellins and Byham and Wilson⁴⁷ have mentioned that leadership responsibilities do not disappear when work teams appear within the organisation but are transferred overtime. In general, the trend of redistribution is for leadership

⁴⁴ Belbin M, *Team Roles at Work*. Butterworth-Heinemann Ltd, London, 1993. pp 105-107

⁴⁵ Hastings Colin, Bixby P, Chaudhary Rani, *The Super Team Solution*. Gower Publishing Company Limited, 1986. pp 24-25.

⁴⁶ *Ibid* pp80-82

⁴⁷ Wellins R.S, Byham W.C, Wilson J.M, *Empowered teams: Creating self-directed Work groups that Improve Quality, Productivity and Participation*. Jossey-Bass, San Francisco 1991. pp32-33.

responsibilities to shift towards the team members themselves. In addition to this they mention that as leadership and managerial responsibilities shift to the team, the team becomes more empowered and self-directed.

With regards to the issue of leadership and team, Wellins and Byham and Wilson⁴⁸, have advocated that, there are several models of leadership within teams. Some organisations opt for a model of shared leadership; others keep a formal team leader permanently in place; still others rotate leadership responsibilities. It is also important to note how organisations handle the role of leadership outside the team itself: what happens to current supervisors and managers? Where do they go? How are they redeployed? What types of special training do they need? Above all, it requires to be seen how organisations involve them as partners in the change process.

The traditional organisation relies on relatively simple plans. When the plans do not work the superiors tend to shift the blame on the subordinates. Team development programmes go beyond this pattern of failure and finger pointing. The responsibility for the success of teamwork starts with the team leader who develops a plan that is then executed by team members who are, at all times, in military like preparedness. Teamwork encourages group discussion and innovation in-process operations and overall improvement. More and more breakthroughs, inventions and creative inspirations stem from group/team collaborations. When various team members are working together in a truly collaborative way, the cycle time is greatly abbreviated, innovation flourishes and there is a more timely response to the market demand.

⁴⁸ Wellins and Byham and Wilson, *Inside Teams: How 20 Organisations are Winning Through Teamwork*. Jossey-Bass, San Francisco 1991. pp 14-15.

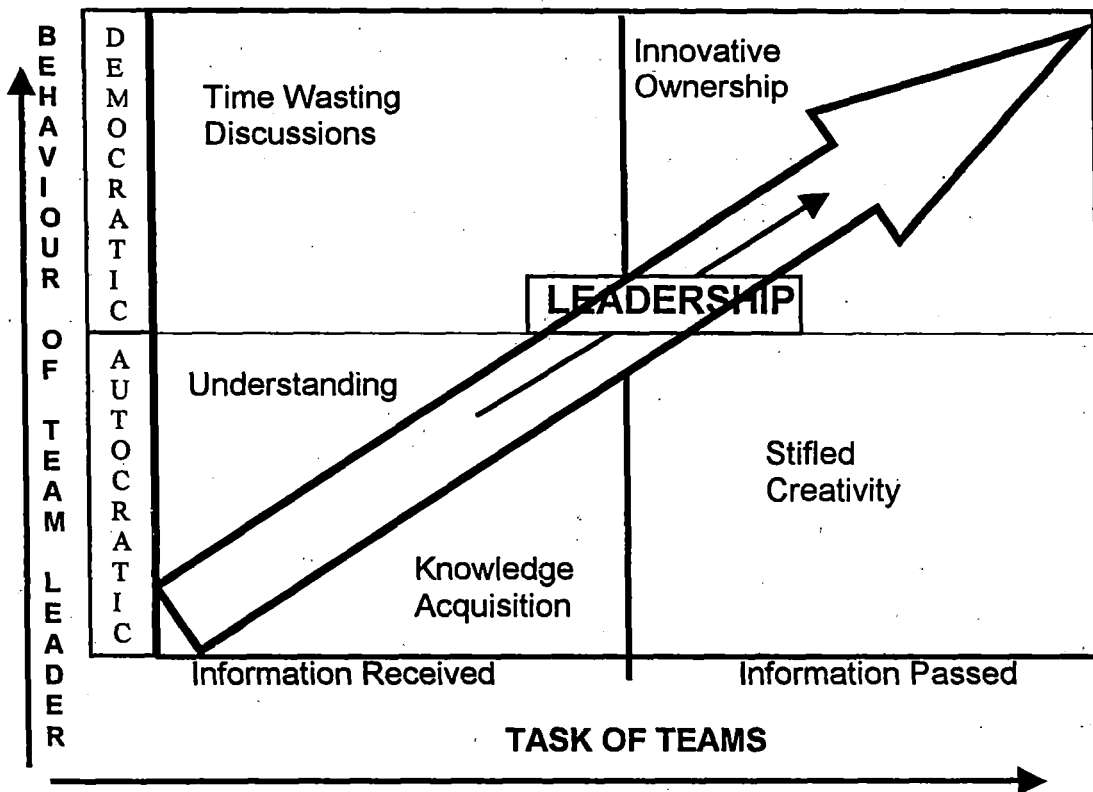


Figure:3.6⁴⁹: Matching the behaviour of leader to team task

3.9 Conflict in Teams

A major advantage a team has over an individual is its diversity of resources, knowledge, and ideas. However, diversity also produces conflict. As more and more organizations restructure to work teams the need for training in conflict resolution will continue to grow. Varney (1989)⁵⁰ reports that conflict remained the number-one problem for most of the teams operating within a large energy company, even after repeated training sessions on how to resolve conflict and how to minimize the negative impact on team members.

One reason for this may be that managers and other leaders within organizations are not giving the issue of resolving conflict enough attention. Varney's research showed that although most managers are aware of disagreements and have received training in conflict resolution, they seldom assign a high priority to solving conflict problems. With this in mind, it is critical that team members possess skills to resolve conflict among themselves.

Conflict arises from differences. When individuals come together in work teams their differences in terms of power, values and attitudes, and social factors all contribute to the creation of conflict. It is often difficult to expose the sources of conflict. Conflict can arise from numerous sources within a team setting and generally falls into three categories: communication factors, structural factors and

⁴⁹ CDM Handout on Leadership, 2000.

⁵⁰ Varney, G. H. (1989). Building productive teams: An action guide and resource book. San Francisco, CA: Josey-Bass, Inc.

personal factors (Varney, 1989). Barriers to communication are among the most important factors and can be a major source of misunderstanding. Communication barriers include poor listening skills; insufficient sharing of information; differences in interpretation and perception; and nonverbal cues being ignored or missed. Structural disagreements include the size of the organization, turnover rate, levels of participation, reward systems, and levels of interdependence among employees. Personal factors include things such as an individual's self-esteem, their personal goals, values and needs. In order for conflict to be dealt with successfully, managers and team members must understand its unpredictability and its impact on individuals and the team as a whole.⁵¹

Conflict in work teams is not necessarily destructive, however. Conflict can lead to new ideas and approaches to organizational processes, and increased interest in dealing with problems. Conflict, in this sense, can be considered positive, as it facilitates the surfacing of important issues and provides opportunities for people to develop their communication and interpersonal skills. Conflict becomes negative when it is left to escalate to the point where people begin to feel defeated, and a combative climate of distrust and suspicion develops (Bowditch & Buono, 1997)⁵². Nelson (1995)⁵³ cautions that negative conflict can destroy a team quickly, and often arises from poor planning. He offers this list of high potential areas from which negative conflict issues commonly arise:

- (a) **Administrative Procedures**: If the team lacks good groundwork for what it is doing, its members will not be able to coordinate their work.
- (b) **People Resources**: If the team does not have enough resources to do the job, it is inevitable that some will carry too heavy a load. Resentment, often unexpressed, may build, so it is crucial that team leaders ensure adequate resources.
- (c) **Cost overruns**: Often inevitable, cost overruns become a problem when proper measures are not taken. The whole team should know early on when cost becomes a problem so additional funding can be sought by the team. This way the problem can be resolved before it grows into a problem for management.
- (d) **Schedules**: The schedule is highly consequential to the team's project and should be highly visible. All members should be willing to work together to help each other meet their deadlines.
- (e) **Responsibilities**: Each team member must know what areas are assigned and who is accountable for them.
- (f) **Wish Lists**: Members must stick to the project at hand and avoid being sidetracked into trying to fit other things into it. They must wait and do the other things they would like to do after successful completion of the original project.

⁵¹ Stulberg, J. B. Taking charge / managing conflict. Lexington, MA: Lexington Books. 1987.

⁵² Bowditch, J. L., Buono, A. F. (1997). A primer on organizational behavior (4th ed.). New York, NY: JohnWiley & Sons.

⁵³ Nelson, M. (1995). Interpersonal team leadership skills. Hospital Material Management Quarterly, 16 (4), 53 - 63.

Team members can and should attempt to avoid negative conflict from occurring. Being aware of the potential for negative conflict likely to occur, and taking the necessary steps to ensure good planning is a right step in this direction.

3.9.1 Handling Negative Conflict

When negative conflict does occur there are five accepted methods for handling it: Direct Approach, Bargaining, Enforcement, Retreat, and De-emphasis (Nelson, 1995). Each can be used effectively in different circumstances.

(1) **Direct Approach**: This may be the best approach of all. It concentrates on the leader confronting the issue head-on. Though conflict is uncomfortable to deal with, it is best to look at issues objectively and to face them as they are. If criticism is used, it must be constructive to the recipients. This approach counts on the techniques of problem-solving and normally leaves everyone with a sense of resolution, because issues are brought to the surface and dealt with.

(2) **Bargaining**: This is an excellent technique when both parties have ideas on a solution yet cannot find common ground. Often a third party, such as a team leader, is needed to help find the compromise. Compromise involves give and take on both sides, however, and usually ends up with both walking away equally dissatisfied.

(3) **Enforcement of Team Rules**: Avoid using this method if possible; it can bring about hard feelings toward the leader and the team. This technique is only used when it is obvious that a member does not want to be a team player and refuses to work with the rest. If enforcement has to be used on an individual, it may be best for that person to find another team.

(4) **Retreat**: Only use this method when the problem isn't real to begin with. By simply avoiding it or working around it, a leader can often delay long enough for the individual to cool off. When used in the right environment by an experienced leader this technique can help to prevent minor incidents that are the result of someone having a bad day from becoming real problems that should never have occurred.

(5) **De-emphasis**: This is a form of bargaining where the emphasis is on the areas of agreement. When parties realize that there are areas where they are in agreement, they can often begin to move in a new direction.

3.9.2 Managing Cooperative Conflict

Though we often view conflict through a negative lens, teams require some conflict to operate effectively. Cooperative conflict can contribute to effective problem solving and decision making by motivating people to examine a problem. Encouraging the expression of many ideas; energizing people to seek a superior solution; and fostering integration of several ideas to create high-quality solutions (Tjosvold, 1988). The key is to understand how to handle it constructively. If members understand how to do it, differences that arise can result in benefits for a team.

While it is true that suppressed differences can reduce the effectiveness of a team, when they are brought to the surface, disagreements can be dealt with and problems can be resolved. The actual process of airing differences can help to increase the cohesiveness and effectiveness of the team through the increased interest and energy that often accompanies it. This in turn fosters creativity and intensity among team members. In addition, bringing differences to the surface can result in better ideas and more innovative solutions. When people share their views and strive toward reaching a consensus, better decisions are reached. Team members also improve their communication skills and become better at understanding and listening to the information they receive when differences are freely aired. Fisher, Belgard, and Rayner (1995)⁵⁴ offer these tips on improving listening skills:

- (a) Listen for meaning.
- (b) Understanding is not agreeing.
- (c) Seek clarification before responding, if needed.
- (d) Apply listening skills when receiving a message.
- (e) Evaluate yourself for how well you listened at the end of any conversation.

The tension of well-managed conflict allows teams to confront disagreement through healthy discussions and improve the decisions made (Rayeski & Bryant, 1994)⁵⁵. This leads to greater team efficiency and effectiveness. Effectively managing conflict allows teams to stay focused on their goals. Swift and constructive conflict management leads to a broader understanding of the problem, healthy expression of different ideas or alternatives, and creates excitement from the positive interaction and involvement which will help the team through periods of transition and on to greater levels of performance.

As teams become more responsible for managing themselves, it is important for organizations to help them by identifying the knowledge, skills, and abilities (KSAs) required to handle conflict. Then developing plans to transfer these skills and capabilities over to their teams. Because conflict is inevitable in teams, the focus needs to be on how it is managed. Conflict that is poorly handled creates an environment of fear and avoidance of the subject. On the other hand, if properly managed, it can lead to learning, creativity, and growth.

3.10 Team Resolution Process

Rayeski and Bryant (1994)⁵⁶ recommend using the Team Resolution Process to handle conflict when it occurs in teams. In their view, conflict should first be handled on an informal basis between the individuals involved. This, they say, will

⁵⁴ Fisher, K., Rayner, S., Belgard, W., (1995). Tips for teams: A ready reference for solving common team problems. New York: McGraw-Hill, Inc.

⁵⁵ Rayeski, E., & Bryant, J. D. (1994). Team resolution process: A guideline for teams to manage conflict, performance, and discipline. In M. Beyerlein & M. Bullock (Eds.), *The International Conference on Work Teams Proceedings: Anniversary Collection. The Best of 1990 - 1994* (pp. 215 - 221). Denton: University of North Texas, Center for the Study of Work Teams.

⁵⁶ Rayeski, E., & Bryant, J. D. (1994). *Ibid.* pp. 217.

allow time for resolution or self-correction by the individuals. If the conflict remains unsettled, a mediator can be brought in to help resolve the situation. If resolution is still not achieved the dispute should be openly discussed in a team meeting. A formal discipline process needs to occur, if resolution is not achieved after being addressed at the team level. The escalating process of Team Resolution is as follows:

(a) **Collaboration (One-on-one)**: Handle the new problem person-to-person. Use as many facts as possible and relate the issue to customer, team, or organizational needs. Be open and honest and conduct the session in a private setting. Document the concerns or issues, the dates, and the resolution, if any, and have both parties sign it.

(b) **Mediation (One-on-one with Mediator)**: If collaboration did not work or was inappropriate, handle the problem with a mediator. The mediator must be trained in conflict resolution, understand policy and ethics, be trusted by the team, and have the ability to remain neutral. Gather facts and talk over the issue with the people involved. Bring up as many facts as possible and relate the issue to customer, team, or organizational needs. Be open and honest and conduct the mediation session in private. Document it and have all parties sign.

(c) **Team Counselling**: The conflict is now a definite issue to the team. Collaboration and/or Mediation could not be done, were not appropriate, or did not work. Handle the conflict at a team meeting; put the problem on the next agenda and invite the necessary individuals. Again, bring up the facts, relate the issue to customer, team, or organizational needs. Be open and honest, discuss it in a private setting, document it, and have all parties sign it. Anyone on the team can put an issue or problem on the team agenda, however, this step should be used only after Collaboration, and Mediation has been ruled out.

Because every team is different, disputes that arise will be too. However, Stulberg (1987)⁵⁷ recognizes patterns common to all controversies. He calls them the Five-P's of Conflict Management:

(a) **Perceptions**: People associate conflict with negative responses such as anger, fear, tension, and anxiety. Rarely do we perceive any benefits from being involved in a dispute. Our negative perceptions impact our approach in resolving conflict as we strive to eliminate the source of these negative feelings.

(b) **Problems**: Anyone can be involved in a conflict, and the amount of time, money, and equipment needed for resolution will vary according to its complexity.

(c) **Processes**: There are different ways to go about resolving disputes: Suppress the conflict, give in, fight, litigate, mediate, etc.

⁵⁷ Stulberg, J. B., Taking charge / managing conflict. Lexington, MA: Lexington Books. 1987

(d) **Principles:** Determine the priorities of all resolution processes on the basis of an analysis of our fundamental values regarding efficiency, participation, fairness, compliance, etc.

(e) **Practices:** Power, self-interest, and unique situations are all factors relating to why people resolve disputes the way they do.

Stulberg proposed these patterns as an aid for formal mediators, but anyone dealing with conflict can benefit from understanding the elements common to disagreements.

3.11 Failure of Teams

3.11.1 Why do Teams Fail? If departments take the view that they need someone on each company team in order to safeguard the department's position, then the team is doomed to failure. Similarly, if the team is not taken seriously or given a clear remit and authority to take decisions, nothing will be achieved. Even with a clear purpose and commitment from directors, the team still needs to understand how to work together.⁵⁸

- (a) Teams fail when they are not given authority
- (b) Teams fail when they do not understand how to use their combined abilities
- (c) Teams fail because of vested interests
- (d) Teams fail when they do not understand team working

Montebello (1994)⁵⁹ carried out a study of causes of failure of teams in the organisations and found that the main reason for failure of teams occurred when individual members indulged in the following behaviour:

- (a) Jockeying for position to push on views.
- (b) Droning on incessantly.
- (c) Sitting in silence, withholding critical information.
- (d) Dominating the discussion on railroading their ideas.
- (e) Backing down on their own opinions a question.
- (f) Quickly agreeing with the majority position even without real conviction

3.12 External intervention/intervention techniques

OD interventions are techniques and measures designed to change the culture of the organisation, move it from "where it is" to where team members wanted to be, and generally enable them to improve their practices so that they may better

⁵⁸ Parker, Glenn M. The JOURNAL, A publication of the Society of Insurance Trainers and Educators (SITE). 1998. pp21-23.

⁵⁹ Montebello Anthony R., Work Teams that Work: Skills for Managing Across the Organisation, Bestseller Publications) 1994. pp 100

accomplish individual, team, and organizational goals. Over the years, practitioners have created an array of interventions to help organization members address specific problems effectively and efficiently. Interventions such as teambuilding, survey feedback, role analysis, and inter-group conflict resolution were developed during early years of organization development. Interventions such as quality of work life (QWL), work redesign using socio-technical systems theory (STS), collateral organization (also known as parallel learning structures), and strategic planning methods were developed as the field continued to evolve.

OD intervention techniques are sets of structural activities in which selected organizational units (target groups or individuals) engage in a task or a sequence of tasks where the task goals are related directly or indirectly organizational improvement. Interventions constitute the action thrust of organization development. OD practitioner is a professional versed the theory and practice of OD. The Practitioners brings four sets of attributes to the organizational setting: a set of values; a set of assumptions about people, organisations, and interpersonal relationships; a set of goals and objectives for the practitioner and organisation and its members; and is set of structured activities that are the means for achieving the values, assumptions, and goals. These activities are what we mean by the Word interventions. Teambuilding forms an important form of OD intervention technique.

Probably the most important single group of interventions in OD are teambuilding activities, the goals of which are improvement and increased effectiveness of various teams within organisations. Some interventions focus on the intact work teams composed of a boss and subordinates, which we could call the formal groups. Others interventions focus on special teams such as start up teams, newly constituted teams due to mergers, organisation structure changes, or plant startups; task forces; cross-functional project teams; and committees.

Teambuilding interventions are typically directed towards four major substantive areas: diagnosis, task accomplishments, team relationships, and team and organizational processes.⁶⁰

3.13 Team Compensation

Complementing the growth in the use of teams is an increased interest in applying pay-for-performance as a way to motivate employees and control compensation costs. A Coopers and Lybrand survey⁶¹ taken in late 1993 shows that almost one-third of the respondents were considering implementing a new pay-for-performance plan at their organization. A 1992 Conference Board survey showed that 18% of companies surveyed used team or small group incentives and another 18% were considering adopting them (HR Magazine, January 1994, p. 33). Both of these surveys reported an increase in this kind of interest compared to the previous year.⁶²

⁶⁰ 'et passim' French, W.L and Bell, C.H, Jr. OD Behavioral Science Intervention for Organisation Improvement. Prentice Hall, 1999.

⁶¹ Coopers and Lybrand, Personnel Journal, Implementing a New Pay-for-performance Plan in an Organization, February 1994, p. 22.

⁶² Zigon, Jack. How to Measure White-Collar Employee Performance. *Performance and Instruction Journal*. 1994. pp34-35

3.14 Performance Appraisal

The dictionary meaning of the word appraisal is “a valuation: estimation of quality”. To appraise means ‘to estimate the worth of’. In the context of any organisation, whether it is be private, public or military, it means to evaluate performance or behaviour of a person in any manner, formal or informal, oral or documented, open or confidential and for specific purposes. Performance appraisal can be defined as a formal exercise in which the organisation makes an evaluation, in a documented form, of its employees, in terms of their personal strengths and weaknesses and demonstrated performance, annually, for certain purposes such as placements, promotions, development and career planning. Team appraisal too assumes a great importance with induction of various types of teams in most sections/ departments of an organisation.

Over 30 per cent of companies use performance appraisal for more than one purpose. This reflects a widespread recognition that performance appraisal, if done effectively, can increase productivity, develop bench strength for future growth, and decrease organizational costs.

It is essential that the team agreed on the purposes of performance review before embarking on the design of on appraisal instrument. It is also essential to □pecializ and take action to address conflicting purposes served by the same process. If pay is linked to performance, for example, the teams have take precautions to ensure that discussions are open and candid so that developmental purpose can be adequately served.⁶³

3.14.1 Purpose of Team Appraisal. The numerous purposes of the performance appraisal of a team (Montebello (1994)⁶⁴. These include:

- (a) Ensuring mutual understanding of performance expectations.
- (b) Building confidence between manager and direct reports.
- (c) Clarifying misunderstandings regarding performance expectations.
- (d) Identifying training and development needs.
- (e) Supporting decisions about pay and bonuses.
- (f) Early identification of potential for promotion.
- (g) Sustaining and enhancing motivation.
- (h) Fostering communication and feedback.
- (i) Ongoing management of performance by setting expectations, periodically reviewing progress, and conducting the overall evaluation.

3.14.2 Why appraisals don't support teams

Inspite of the fact that there are teams in all spheres of the organisation, there is still hesitancy in appraising individuals as a part of the team. Several reasons help

⁶³ Montebello Anthony R., Work Teams that Work: Skills for Managing Across the Organisation, Bestseller Publications) 1994. pp 262.

⁶⁴ Montebello Anthony R., Work Teams that Work: Skills for Managing Across the Organisation, Bestseller Publications) 1994. pp 258-259.

explain why existing appraisal systems aren't supporting teams⁶⁵ as well as they need to:

(a) Appraisal systems were usually developed only with *individual* performers in mind. The ideas of self-managing work teams, cross-functional work teams and other team structures were too new or used too infrequently to take into account. The bottom line was the majority of employee and management needs were satisfied with a simpler system.

(b) Measuring team performance is difficult. Today's cross functional teams are likely to be made up of very creative employees. Research scientists, marketers and procurement professionals are hard enough to measure as individuals, yet alone when they are put on a cross-functional team to develop a new product. In addition to the difficulties inherent to measuring white-collar work, it is often difficult to decide where the team leaves off and the individuals begin.

(c) Different types of teams require different approaches to measurement. Many appraisal systems use one common set of evaluation factors. But project teams which come together for a one-shot task need to be measured in a different way than a permanent work team assigned to troubleshoot and install computer systems. And cross-functional teams are much harder to measure than homogeneous teams.

(d) The quality improvement movement has downplayed the importance of appraisal systems. Deming came out and said that appraisals should be abolished as they are inherently destructive systems which interfere with employee performance improvements. But American companies have not abandoned performance appraisals. As it turns out Deming was right, but only if the system was poorly designed. But the payoff from well-designed appraisal systems can be enormous. One company has been able to document \$20.8 million in performance improvements due to a new appraisal system (Zigon, 1993).⁶⁶

3.14.3 Keys to success

Appraisal systems don't have to be team-hostile. Here are four keys to improving the probabilities of success in appraising team performance:

3.14.3.1 Tie the team's results to the organization's goals.

Measures of performance need to vary as you move downward through and organizational. Measures which make sense in the executive suite can cause dysfunctional behaviours if applied indiscriminately at lower levels in the organization. For teams this means finding the combination of measures that the team controls which lead to the organization's success. One model useful in

⁶⁵ Zigon, Jack. Performance Appraisal Lessons from Thirteen Years in the Trenches. Media, PA. 1993. pp39-40.

⁶⁶ Zigon, Jack. How a New Appraisal System Saved Yellow Freight System \$20.8 Million, in Return on Investment in Human Resource Development: Cases on the Economic Benefits of HRD, Jack Phillips (ed.), Alexandria, VA: American Society for Training and Development. 1994.

identifying these appropriate measures is Kelvin Cross' performance pyramid (Lynch and Cross, 1991).⁶⁷

3.14.3.2 Begin with the team's customers and the work process the teams follows to satisfy their needs.

Team measurement progresses more quickly if you begin with the customers of the team and map the work process used to meet the customer's requirements. This works especially well if the team is responsible for an ongoing process like order fulfilment. A process map (Hammer, 1993) gives you a graphic representation of the three potential measurement points.

3.14.3.3 Measure both team and individual performance.

Understanding the team's results is only the first step in team measurement. Each team member must have a clear understanding of the individual objectives they must meet to support the team's common objectives. One way to clarify these individual objectives is to define the roles of each team member in terms of results which support the team's work process.

First, simplify the business operating system work flow lay it out in a single horizontal flow along the top of a matrix. The players involved in the team's work flow are listed down the left side of the matrix. Inside each cell are the valuable accomplishments each team member contributes to the team. Results like "training programs delivered" are not acceptable; "competent employees" is what the rest of the team really needs from the training function.

3.14.3.4 Shoot for verifiability; don't try to measure everything using numbers.

The key to developing useful standards for individuals or teams is not trying to measure everything with numbers. Some work can't be meaningfully measured with numbers, but can always be *described* using words. The key is verifiability – can we verify that the performance standard has been met or exceeded. If so, the standard will be useful as a tool for communicating expectations and offering feedback.

While numbers are easy to verify, *descriptive* performance standards can be just as useful if they have three components: a judge, factors the judge looks for, and a verifiable description of what would represent meeting expectations.

3.14.4 How to change the current system of Performance Appraisal.

Zigon(1994) has proposed a set of changes that need to be made to the performance appraisal to make them more oriented to team working. ⁶⁸ These are:

⁶⁷ Lynch, Richard and Cross, Kelvin. Measure Up! Yardsticks for Continuous Improvement. Cambridge, MA: Blackwell Business. 1991. pp19-21.

⁶⁸ Zigon Jack, Is Your Performance Appraisal System Team-Friendly? Return on Investment, Human Resource Development: Cases on the Economic Benefits of HRD, American Society for Training and Development, 1994. pp 7-19

3.14.4.1 Review the system's objectives. Does the system still fit the corporation's business needs? What are the system's goals? How do the executives, managers and employees rate the system in terms of usefulness, fairness and accuracy? Goals that aren't being met and low ratings of usefulness, fairness and accuracy may point to more extensive redesign.

3.14.4.2 Decide link to pay system. Do you want to pay for individual as well as team performance? What will the relative weights of team vs. individual performance be? How will the dollars be allocated across business units which perform at different levels? How much will the pay decision depend on supervisor judgment vs. a fixed pay matrix? The degree of linkage will determine what performance information is required to make the pay decisions.

3.14.4.3 Build link to teams into the form/system. If the form depends on narrative explanations of objectives and actual progress, leave space on the form for team objectives. If categories are used, add one or more for team performance and back it up with an additional sheet defining the team's common objectives. Consider using weights for the team vs. individual objectives to allow the supervisor and employee to agree on the relative priorities of the different objectives.

3.14.4.4 Create examples of both team and individual objectives. Nothing helps employees write better quality performance measures than examples of good measures from real company positions. Choose a successful team as a model and develop performance measures and objectives for the team and each individual member of the team. Consider including example of 10 to 15 other individual positions which occur frequently throughout the company, have functions common to other positions, or are difficult to measure. Publish this collection of examples and provide it to everyone who creates performance objectives. Create a similar collection of end-of-year appraisal examples.

3.14.4.5 Train users to implement the system. Create a job aid which describes step-by-step how to create performance measures. A self-paced module can be written to explain how to do each step and provide examples, worksheets and feedback. Train local trainers to provide feedback and answer questions while others are working through the self-paced training module. Include a team measurement module in any start-up training new teams receive.

Appraisal systems can be made team-friendly by revising them to link organizational measures to the teams and individual team members. Deciding how team and individual performance will link to pay helps to define what information will be needed to make the pay decisions. Concentrating on verifiability rather than exclusively numeric measures will allow performance objectives to be set for many more team and individual positions. Providing examples and step-by-step instructions will help new and old teams create the tailored performance measures they'll need to communicate clear expectations and provide feedback to the team and its members.

3.14.5 Establishing an Appraisal Tool.

Once the team selects the behaviour standards, it develops an appraisal tool. Most team appraisal instruments consist of three sections:⁶⁹

- (a) Member goals
- (b) Behavioural expectations.
- (c) Overall evaluation.

As far as the goals go the team rates each member's goal attainment using a scale that ranges from exceeds goal level, to meets goal level, below goal level. Behavioural expectations are rated using a frequency scale such as almost always, very often, frequently, sometimes, and rarely. Alternatively, Likert scale can be used, such a strongly agree, agree, agree more than disagree, disagree, and strongly disagree. Finally, overall performance is evaluated by considering both what was accomplished and the extent that the behavioural expectations were displayed. The team should agree on how to weigh the two sections to arrive at an overall performance rating.

Generally the 70/30 or a 60/40 Per Cent weightage is assigned to goals versus behavioural expectations. This should be discussed and agreed to cover at the beginning of the appraisal cycle so people know what is expected and how the performance will be evaluated.

3.15 Team structure

There are three different ways of establishing a connection between a team (which is essentially a group) and organisation with in which it exists⁷⁰: Hierarchical structures, systems ideas and Matrix structures.

3.15.1 Hierarchical structures

These structures assume that the teams are organised in a pattern so that some teams are more important than others and control the inferior teams, just as in line management, the superior sets responsibilities of, and is responsible for, his inferiors. Likert's (1961) link pin idea is a well-known example. A small heresies form workers each of which has a leader who is responsible goal is concise the group with others are to his membership of the workers surrounds, who is in turn I was a this results advantage of heresies-slightly on certainly certainty of responsibility-the flexibility and commitment of teamwork.

3.15.2 Systems ideas

The systems approached understanding of teams fit into organisations tend to regard organisations as being made up of a variety of small groups. You can

⁶⁹ Montebello Anthony R., Work Teams that Work: Skills for Managing Across the Organisation, Bestseller Publications) 1994. p 271.

⁷⁰ Payne M. Working in Teams. The Macmillan Press Ltd, 1982. pp 16-22

understand how they relate to one another by looking at influences between them. This means that if you are managers you do not have to worry about what goes on inside the team. Neither do you need to define a leader as one who must be the one to fit in with the rest of the organisations. In effect you look at inputs and outputs. Information, instructions and pressures are fed into the team, which processes them, and you see results in the kind of work that it does. This can be monitored, and pressures placed on the team altered accordingly.

This allows the team freedom to organise itself in the way that it wants, and it is connected with the rest of the organisation through its outside contacts. No part of the organisation is assumed to be in authority over another, though it may have ways of applying more pressure, or particular kinds of pressure, that are not available to all other groups.

3.15.3 Matrix Structures

A matrix structure can resolve some of the problems of taking a hierarchical or systems view of how teams fit into organisations. In this case individuals are assumed to form part of a normal hierarchical structure or a part of their normal groups within the organisation, but representatives are drawn from different parts of the structure to make up teams which work on particular tasks. They then have an allegiance both to the structure from which they originally came, and to the special team and its task. The matrix team can be managed by similarly representative teams drawn from higher levels in each relevant hierarchy.

3.16 Team performance measurement (TPM)

Measurement is intrinsically related to the achievement of team goals and ultimately the team's purpose. According to Katzenbach and Smith, "transforming broad directives into specific and measurable performance goals is the surest first step for a team trying to shape a common purpose meaningful to its members." Measurable performance goals, and by association, performance measures play several important roles which are outlined in the following section.

3.16.1 Role of measurement in team performance.

Design, deployment and execution of a performance measurement system can impose significant overhead on a team. Therefore, it is important to gain an understanding of the purpose and role of measurement in the context of the team's overall objectives. This understanding is also necessary to ensure that the amount of effort expended does not exceed the expected benefits of the team's measurement system.

3.1.6.2 Research and advancement of the theory

Many models of team behaviours, processes and effectiveness have been developed but our ability to predict performance in practice has yet to be realised. Measurement is an essential step in validating and improving these models and in

ultimately enhancing our understanding of teams to the point where we can confidently design-in the level of performance required for the task at hand. Baker and Salas cite the importance of teamwork measurement to the evaluation and elaboration of team theory noting that “ unified theories of teamwork have been proposed but unified measures of teamwork have not.”

3.16.3 Organisational learning

Team learning is an essential component or discipline of organisational learning and performance measurement plays an important role. Dibella, Nevis and Gould(1996) cite ten facilitating factors for organisations as learning Systems, including the following two directly related to performance measurement:

- (a) Performance gap – the team has a shared perception of a gap between the actual and desired states of performance. Performance shortfalls are seen as opportunities for learning.
- (b) Concern for measurement – effort is spent in defining and measuring key factors when taking on new work. The group strives for specific quantityfiable measures; discourse over metrics is seen as opportunities for learning.

A key component of Schon and Argyris⁷¹ model of organisational learning is the process by which individuals or group transform an observed “mismatch” between the expected and actual outcomes of the organisations theories-of-action into reflective inquiry into the underlying casual relationships. Measures can play an important role in making those mismatches visible to the whole team. The ability to recognise gaps in outcome related performance is a necessary but sufficient prerequisite to team learning. As described by Schon and Argyris and elaborated in the team context by Senge⁷², defensive routines may be present. Defensive routines are systemic, learned behaviours that surface to avoid individual embarrassment or exposure when mistakes are made or problems arise. They block the open communication required for reflective inquiry and constructive learning. This would suggest that measures designed to monitor the behavioural factors that influence defensive reasoning among team members would provide valuable feedback for organisational specialization and team learning.

Finally, teams whose work processes represent a core competency of strategic importance (e.g. Product development) often have expectations regarding organisational learning as an outcome but few take the time to establish related goals measures.

⁷¹ Chris Argyris and Donald Schon offer an interesting model on human behavior that impacts team member behavior and may lead to Tuckman's team stages. (FYI: When working with teams we use a variation on Tuckman's model - Formation, Conflict, Home Base, Synergy)

⁷² Senge, Peter, *The Fifth Discipline: The art and practice of the learning organization*, Doubleday, 1990.

3.16.4 Work product quality

Whether stated or implied, managers and customers have expectations for the acceptable quality of any product or service. As a system, the quality of the team's work product is a function of the quality of its internal processes. Deming's third principle on quality for management, "cease dependence on inspection to achieve quality", also applies to teams. Outcome measures are analogous to "inspection". Process measures are necessary to ensure that quality is "built in" to the team's products and services. If the team produces output in the form of products or services on an ongoing basis (e.g. automotive assembly line team, customer service team) then stakeholders would be interested in measures of both process and outcome quality and their trends over time.

3.16.5 Recognition and rewards

Companies are increasingly using a combination of individual and team-based incentives and rewards. However, a recent survey of 300 large companies found that less than 10 per cent were satisfied with their team-based compensation. The difficulty in designing and deploying objective measures of team performance and of individual contributions to team work, is surely a contributing factor. Linking the organisation's performance management system (i.e., performance evaluation and compensation) to TPM through individual performance expectations for teamwork behaviours is a simple first step. Results of a survey by the Association for Manufacturing Excellence (AME) of 50 manufacturing firms in the US and Canada reinforced the need for new approaches to team-based compensation. The most successful team reward programs identified included:

- (a) Programs that closely tie individual's base pay increases to their level of team contribution;
- (b) Group incentive programs with measures that can be influenced by employees;
- (c) Individual and group recognition programs that recognise teamwork and team results.

The successes of programs such as these rely heavily on the existence of valid, reliable and objective team performance measures.

3.16.6 Motivation

As previously mentioned, motivation is an important element of team effectiveness. Katzenbach and Smith address the issue of motivation in high performance teams, citing the importance of specific measurable performance goals in providing the team with opportunities for small wins "invaluable to building members commitment." A useful framework for thinking about motivational factors in a team context is offered by McClelland motivation theory⁷³. The theory proposes

⁷³ McClelland, D.C., Clark, R.A., Roby, T.B., & Atkinson, J.W. (1948). The projective expression of need: the effect of different intensities of the hunger drive in perception. *Journal of Psychology*, 25, 205-222.

three motivational drivers of individual behaviour: affiliation, power and achievement. All of these drivers can be positively influenced by the right performance measures and by the process itself. According to McClellan:

“Achievers” have a need for measurable and impactful personal accomplishment; they seek out challenges and competitive situations. They want to out-perform others, and often set their own standards and measures. They love unique accomplishments, and are not above bending the rules in order to succeed. Achievers will usually set specific and observable life-goals, and have a plan to achieve these goals over several years.

Thus, to the degree that individual team members are concerned with achievement, choosing the right measures can enhance the motivational content of the team’s purpose and task work. Furthermore, the absence of team and process measures may promote individual behaviours that undermine team performance. The collaborative process of creating team performance measures has a positive influence on affiliation as a motivational driver. As mentioned previously, common language and shared mental models of performance are developed during this process. This in turn results in enhanced cohesiveness and affiliation.

Power-seekers are often cited as destructive influences in team settings. They may hold personal goals above those of the group when team success is not easily correlated to individual recognition or influence. Too often the lack of commitment and non-supportive behaviour does not surface until late in the team process. However, power-seeking members can be valuable assets once they are committed to the team’s purpose. Defining specific performance goals and measures early in the learning process helps to clarify the purpose and potential impact on the team’s success. This should reinforce and/or surface individual levels of commitment at a time when constructive dialogue is less likely to be impeded by defensive routines.

3.16.7 Feedback

Team performance measures can provide feedback on product and process quality as well as overall progress toward goals. Feedback is essential for situational awareness, capability assessment, problem diagnosis, intervention and remediation. From a systems perspective, TPM can be thought of as the team’s feedback control mechanism. Figure 13 shows a simplified feedback model for a single process output.

An effective feedback system provides the operator with timely, relevant information on the critical parameters and indicators of the overall health of the process it supports. Similarly, an effective TPM system provides timely feedback on the effectiveness of team processes and tasks. Team processes that are recurring or continuous in nature can benefit from feedback. Useful feedback measures might include meeting effectiveness, customer response time or team “climate” assessments. It should be noted that TPM as the control mechanism, can suffer from

the same types of problems (e.g. Latencies, under and over-damped responses) as production control systems in achieving steady-state performance. Understanding process dynamics and variability is critical to the development of effective interventions and maybe an initial objective of the measurement in itself.

The above roles and objectives of team performance measurement can be divided into two categories based on the recipient or end-user of the table 10. Externally focused roles provide some incremental benefit beyond the team's primary objective and should be counted as secondary work products of the team. Internally focused roles provide the team itself with information that helps the team to reach its goals.

3.17 Types of performance measures

There are as many ways to classify team metrics as there are teams. Three perspectives are described below which are static, motivational and dynamic, individual and team, and outcome and process measures.

3.17.1 Static, motivational and dynamic measures

Dimancescu and Dwenger suggests a framework for product development team metrics based on the role of the measurement. Static measures deal with attributes of the team's output or products. They are static in the sense that they are collected "after the fact" and offer information only on what the team produced. They do not provide insight into how the results were achieved. Static measures are of primary interest to external stakeholders such as management and customers. Dynamic or predictive measures are indicators of direction or progress toward the team's goals. They are process-oriented measures of primary interest to the team itself. However, they may have secondary interest to external stakeholders when boundary conditions signal the need for intervention. The ideal predictive metric should provide quick feedback and have low complexity. Motivational metrics support a continuous improvement philosophy. They may be process or product oriented but reflect goals that are based on a planned series of performance improvements from a baseline condition. Examples of motivational metrics include: 10 X cycle time reduction at Eastman Kodak; six-sigma defect levels at Motorola; and Analog devices improvement "half-life" metrics.

3.17.2 Individual and team measures

It is well understood in system theory that optimum system performance is not attained by the sum of local optima. Likewise, the performance must be assessed systematically (holistically) rather than as an aggregate of individual measures. For the most part, a teams output can be measured objectively and independently of individual considerations. However, some team level performance criteria can only be measured through the aggregation of individual level measurements. Measures of team cohesiveness and collective team member satisfaction fall into this category. When aggregating individual responses into a team level assessment, measurement reliability and construct validity issues must be considered. Team measures build mutual accountability, provide system-level

feedback and promote a holistic perspective of team performance. Individual performance measures reinforce team member accountability and provide feedback needed for learning and personal growth. In general, it is recommended that teams use a combination of team and individual measures.

3.17.3 Outcome and processed measures

The statement of systems theory in the previous section applies equally well to the relative importance of outcome and process measures. Their definitions correspond closely to Dimancescu and Dwenger's⁷⁴ static and dynamic/predictive measures respectively. Outcome measures reflect the terminal objectives (results) of the team, whereas process measures are designed to assess the team's instrumental objectives (intermediate goals). Both outcome and process feedback have been cited as critical to team performance improvement. Feedback associated with outcome measures, sometimes referred to as "knowledge of results", can be directive and motivational but is not necessarily informative. Outcome measures are not "diagnostic"; i.e., they do not indicate the underlying causes of performance variability. In contrast, the purpose of process measures is to be predictive, diagnostic and informative. Process measures should only exist while they are useful and should be linked through team control mechanisms to effect changes to the appropriate strategies, plans, processes and behaviours.

3.18 Teamwork model

Dickinson and McIntyre propose a framework for teamwork measurement based on seven behavioural characteristics of effective teams (figure 14): team orientation, team leadership, monitoring, feedback, backup, coordination and communication.

Team orientation refers to individual team member attitudes toward each other and the team task. This includes: collective efficacy, the belief in the team's ability to perform the task; group cohesiveness and affiliation; mutual accountability for group goals; and commitment to the team's purpose and process.

Team leadership goes beyond the existence of a designated "team leader" role. It includes such "leadership" behaviours as mentoring, guiding, coordinating, motivating and supporting, whether they reside in one or multiple members of the team.

Monitoring behaviours results in a mutual awareness of individual team members competence and performance enabling one-to-one feedback and intervention as needed. Backup behaviours refer to individual team members' willingness and ability to assist one another as the need arises. It is closely related to the mentoring role. Co-ordination relates to the interdependence of individuals, resources and tasks. Measures include the efficiency, timeliness and quality of intermediate work products, data and information. Communication involves the reliability, accuracy and comprehensibility of information exchange between two or more team members.

⁷⁴ Dimancescu D and Dwenger K. World-Class New Product Development: Benchmarking Best Practices of Agile Manufacturers, by. New York: Amacom, 1996.

Dickinson and McIntyre's implementation of the teamwork model involves the use of expanded standard definitions of the above criteria together with observational scales and independent, objective raters.