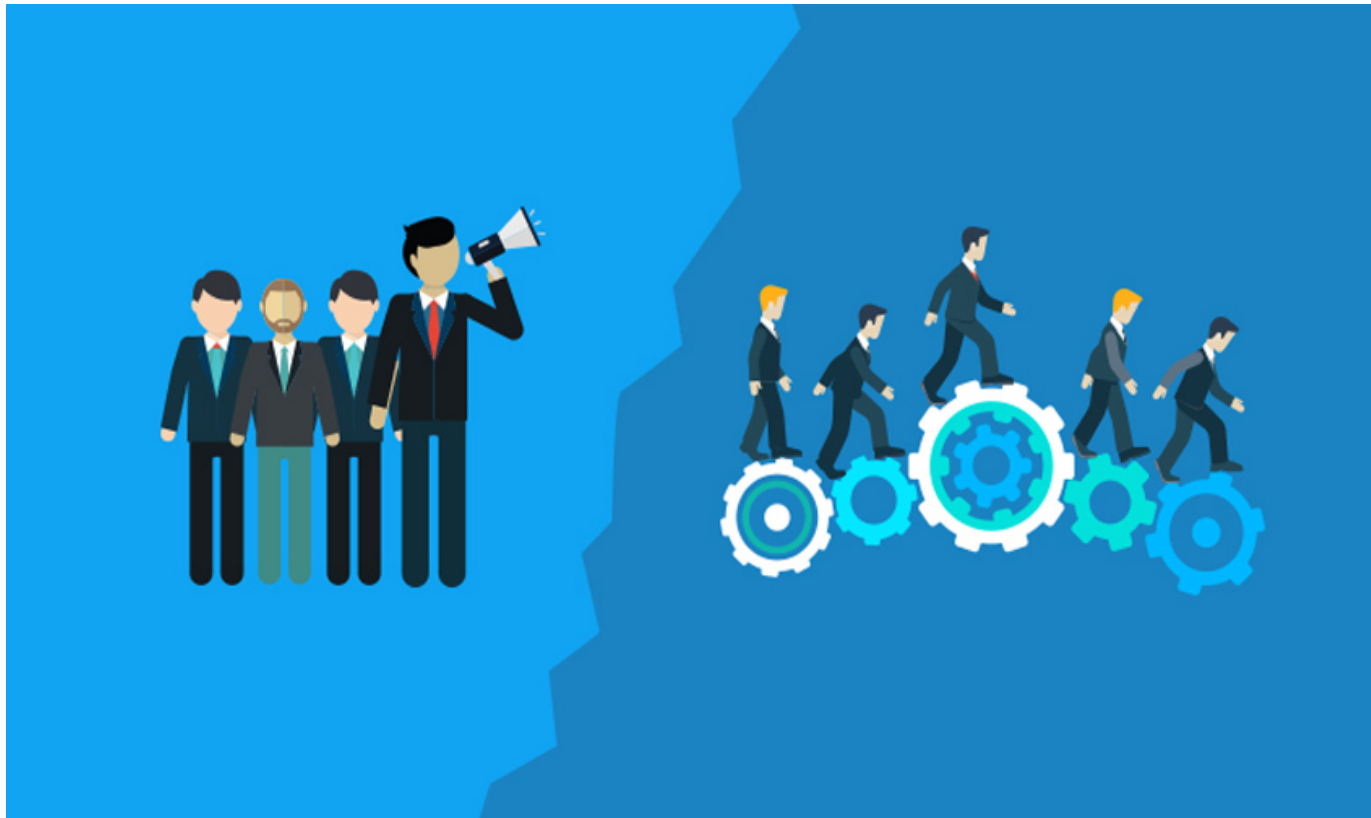# Fundamentals of Management

# Part Four: Leading

- ## Chapter Ten: Understanding Groups and Managing Work Teams

  - Define group and describe the stages of group development.
  - Describe the major concepts of group behavior.
  - Discuss how groups are turned into effective teams.
  - Discuss contemporary issues in managing teams.

**IOI GROUP**

# Work Teams - Groups

- <u>Work Teams are one of the realities and challenges of managing in today's dynamic global environment</u>.

  ○ Many organizations have made the move to restructure work around teams rather than individuals.

    ⤫ Before we can understand teams, however, we first need to understand some basics about groups and group behavior.
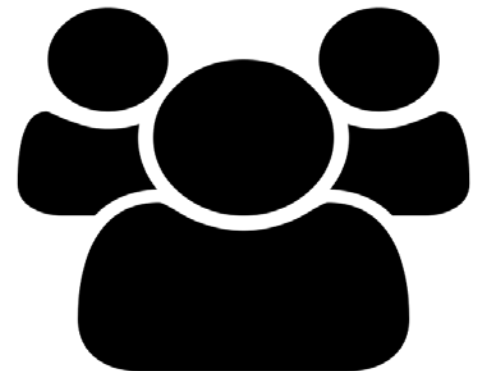
# Groups

- <u>A group is defined as two or more interacting and interdependent individuals who come together to achieve specific goals.</u>

  - <u>Formal Groups</u> are work groups that are defined by the organization's structure and have designated work assignments and specific tasks directed at accomplishing goals.

  - <u>Informal Groups</u> are social groups.

    - These groups occur naturally in the workplace and tend to form around friendships and common interests.

# Formal Work Groups

- ## Command Groups
  - Groups that are determined by the organization chart and composed of individuals who report directly to a given manager.

- ## Task Groups
  - Groups composed of individuals brought together to complete a specific job task; their existence is often temporary because when the task is completed, the group disbands.

- ## Cross-Functional Teams
  - Groups that bring together the knowledge and skills of individuals from various work areas or groups whose members have been trained to do each other's jobs.

- ## Self-Managed Teams
  - Groups that are essentially independent and that, in addition to their own tasks, take on traditional managerial responsibilities, such as hiring, planning and scheduling, and evaluating performance.

# Five Stages of Group Development ⑤

- ## 1. Forming Stage
  - The first stage of group development in which people join the group and then define the group's purpose, structure, and leadership.
    - This phase involves a great deal of uncertainty as members "test the waters" to determine what kind of behaviors are acceptable.
    - This stage is complete when members think of themselves as a group.
- ## 2. Storming Stage
  - The second stage of group development, which is characterized by intergroup conflict.
    - There's conflict over who will control the group and what the group needs to be doing. A hierarchy of leadership and sense of direction will emerge.
- ## 3. Norming Stage
  - The third stage of group development, which is characterized by close relationships and cohesiveness.
    - The group demonstrates a strong sense of group identity and set of norms.

# Five Stages of Group Development ⑤

- ## 4. Performing Stage
  - The fourth stage of group development, when the group is fully functional and works on the group task.
    - Energies have moved beyond developing group structure and getting to know and understand each another to working on the group's task.

- ## 5. Adjourning Stage
  - The final stage of group development for temporary groups, during which groups prepare to disband.
    - Focused on wrapping up group activities instead of task performance.
    - Group members react in different ways.  Some are upbeat, thrilled about the group's accomplishments.   Others may be sad over the loss of camaraderie and friendships.

# Five Stages of Group Development

- <u>The Five Stages of Group Development is a general framework underscoring the fact that groups are dynamic entities.  Managers can be more effective if they understand the dynamics of each stage the group is operating in.</u>

  - Managers need to understand the problems and issues that are most likely to surface within that stage of group development.

    - Groups do not always proceed sequentially from one stage to next.
    - Sometimes, groups are storming and performing at the same time.
    - Groups even occasionally regress to previous stages.

- <u>Roles are behavior patterns expected of someone who occupies a given position in a social unit.</u>

  ○ We adjust our roles to the group we belong to at the time.

  ○ Employees attempt to determine what behaviors are expected of them by reading their job descriptions, getting suggestions from their bosses, and watching what their coworkers do.

    ⤫ Role conflict happens when an EE has conflicting role expectations.

# Concepts of Group Behavior

Norms

- <u>Norms are acceptable standards or expectations that are accepted and shared by group members.</u>

  ○ Each group has its own unique set of norms.

  ○ Most organizations have common norms, which typically focus on:

    ✗ <u>Effort and Performance</u>
      - Probably the most widespread norm
      - Extremely powerful in affecting an individual EE's performance

    ✗ <u>Dress Codes</u>
      - Defines what is acceptable work-wear.

NORMS = NORMAL OR EXPECTED

DEVIANCE
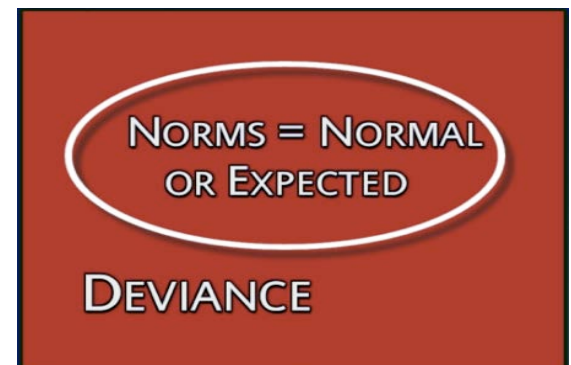
- <u>Conformity is adjusting one's behavior to align with a group's norms.</u>

  - We all want to be accepted by groups to which we belong, which makes us susceptible to conformity pressures.



"What's wrong with you?"

# Conformity

- <u>**Asch research (comparison of lines) confirmed**</u>:

  ○ The desire to be accepted as part of a group leaves one susceptible to conforming to the group's norms.

  ○ The group will exert pressure that's strong enough to change a member's attitude and behavior.

    ✗ To diminish the negative aspects of conformity, managers should create a climate of openness in which employees are free to discuss problems without fear of retaliation.

# Concepts of Group Behavior

Status Systems

- <u>Status System is a prestige grading, position, or rank within a group and an important factor in understanding behavior.</u>

  - Human groupings have always had status hierarchies.
  - A disparity between what individuals perceive their status to be and what others perceive it to be is a significant motivator with behavioral consequences.
    - Anything can have status value if others in the group admire it.
  - It's important for people to believe there's congruency and equity between perceived ranking of an individual and their status symbol.

**PRESTIGE**

- <u>**Group Size affects a group's behavior, but the effect depends on what criteria you're using.**</u>

  - <u>Small Groups</u> (5-7 Members) Better At:
    - Completing tasks faster
    - Figuring out what to do
    - Getting the job done.
  - <u>Large Groups</u> (12 or more Members) Better At:
    - Problem solving
    - Finding facts
    - Gaining diverse input

- <u>Drawbacks of Large Groups</u>:

  ○ Individual productivity of each group member declines as the group expands, which is known as social loafing – reducing effort because dispersion of responsibility encourages individuals to slack off.

    ✗ When a group's results can't be attributed to any single person, individuals may be tempted to become "free riders" and coast on the group's efforts because they think their contributions can't be measured.

# Concepts of Group Behavior
## Group Cohesiveness

- <u>Group Cohesiveness is the degree to which members are attracted to one another and share the group's goals</u>.

  - Groups that experience a lot of internal disagreement and lack of cooperation are less effective than groups in which individuals generally agree, cooperate, and like each other.

  - The more that members are attracted to one another and the more that a group's goals align with individual goals, the greater the group's cohesiveness.

    - Highly cohesive groups are more effective.

# Teams

- <u>Research suggests that teams typically outperform individuals when the tasks being done require multiple skills, judgment, and experience.</u>

  - Organizations are using team-based structures because they've found that teams are more flexible and responsive to changing events than are traditional departments or other permanent work groups.

    - Teams have the ability to quickly assemble, deploy, refocus, and disband.

# Teams

- <u>Teams differ from Groups</u>.

  - <u>Work Groups</u> interact primarily to share information and to make decisions to help members do their job more efficiently/effectively.
  - <u>Work Teams</u> are groups whose members work intensely on a specific, common goal using their positive synergy, individual and mutual accountability, and complementary skills.

    - Managers are looking for that positive synergy that will help the organization improve its performance.
    - The extensive use of teams creates potential for an organization to generate greater outputs with fewer inputs.

# Common Work Teams

- ## Problem-Solving Teams
  - ○ Teams from the same department or functional area involved in efforts to improve work activities or to solve specific problems.

- ## Self-Managed Work Team
  - ○ A formal group of EE's who operate without a manager and are responsible for a complete work process or segment.

- ## Cross-Functional Team
  - ○ A work team composed of individuals from various specialties.

- ## Virtual Team
  - ○ A team that uses technology to link physically dispersed members in order to achieve a common goal.

TEAM

# Team Effectiveness

**Four Key Components**

- ## 1. Context

  - ### Adequate Resources
    - If a team does not have what it needs its ability to perform is limited.

  - ### Leadership and Structure
    - A team needs to agree on role responsibility and accountability.

  - ### Climate of Trust
    - Facilitates cooperation, reduces need to monitor each others' behavior, and bonds members around the belief that others will not take advantage.

  - ### Performance Evaluation and Reward Systems
    - Members have to be accountable both individually and jointly.
    - Members and groups want to be rewarded.

TEAM AWESOME

- ## 2. Composition

  - ### Knowledge, Skills, and Abilities of Members
    - To perform effectively, a team needs (1) technical expertise, (2) problem-solving and decision-making skills, and (3) interpersonal skills.
  - ### Personality
    - Three of the Big Five dimensions of personality are related to team effectiveness – conscientiousness, openness to experience, agreeableness.
  - ### Allocating Roles
    - Match member strengths with role responsibilities.
  - ### Diversity
    - Research shows that diversity can have a negative effect on team functioning.
  - ### Size of Teams
    - A team should be small enough that it can be fed with two pizzas!
  - ### Member Flexibility and Preferences
    - Some people prefer not to work on teams.

TEAM AWESOME

- ## 3. Work Design

  ○ Important work design elements include: (1) autonomy, (2) using a variety of skills, (3) being able to complete an identifiable task, and (4) working on a task that has a significant impact on others.

    ✕ Research indicates that these characteristics enhance team member motivation and increase team effectiveness.

TEAM
AWESOME

- ## 4. Process

  - ### Common Purpose
    - Provides direction, momentum, and commitment for team members.
  - ### Specific Goals
    - Facilitate clear communication and help maintain focus on getting results.
  - ### Team Efficacy
    - Emerges when teams believe in themselves and believe they can succeed.
    - Effective teams have confidence in themselves and in their members.
  - ### Conflict Levels
    - Effective teams need some task conflict.
    - However, relational conflict is dysfunctional.
  - ### Social Loafing
    - Teams are successful when all members contribute.

TEAM
AWESOME

# Shaping Team Behavior

- <u>A manager can do several things to shape a team's behavior including proper selection, employee training, and rewarding the appropriate team behaviors.</u>
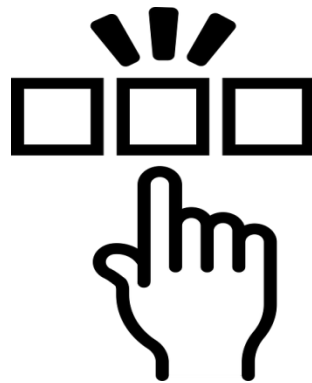
# Shaping Team Behavior

Proper Selection

- ## 1. Proper Selection

  - When hiring team members, managers should check whether applicants have the technical skills required to successfully perform the job and whether they can fulfill team roles.

- ## 2. Employee Training

  - Performing well in a team involves a set of behaviors, and new behaviors can be learned.

  - Even people who feel strongly about individual achievement can be trained to become team players.

    - Training Workshops include:

      - Team Problem-Solving
      - Communication
      - Negotiation and Conflict Resolution
      - Coaching Skills

- ## 3. Rewarding Appropriate Team Behaviors

  - An organization's reward system needs to encourage cooperative efforts rather than competitive ones.

  - Promotions, pay raises, and other forms of recognition should be given to EE's who are effective collaborative team members.

    - Taking this approach doesn't mean that individual contribution is ignored, but rather it's balanced with selfless contributions to the team.

# Teamwork

- <u>**Managers should not forget the inherent rewards that EE's can receive from teamwork.**</u>

  - Work teams provide camaraderie.
  - It's exciting and satisfying to be an integral part of a successful team.
  - The opportunity to engage in personal development and to help teammates grow can be a satisfying and rewarding experience.



TEAMWORK
When we all work together, everybody wins.

# Current Issues

- **<u>Few trends have influenced how work gets done in organizations as much as the use of work teams.</u>**

  - The shift from working alone to working on teams requires EE's to cooperate with others, share information, confront differences, and sublimate personal interests for the greater good of the team

    - Managers can build effective teams by understanding what influences performance and satisfaction.  However, managers also face some current challenges in managing teams, including:

      - Managing global teams
      - Understanding when teams aren't the answer

Read Current Issue Online

# Current Issues

- <u>In global organizations, understanding the relationship between team effectiveness and team composition is more challenging because of the unique cultural characteristics represented by members of a global team</u>.

  - In addition to recognizing team members' abilities, skills, knowledge, and personality, managers need to be familiar with and clearly understand the cultural characteristics of the group and its members.

# Current Issues

- ## Global Teams

  - ### Drawbacks
    - Disliking team members
    - Mistrusting team members
    - Stereotyping
    - Communication problems
    - Stress and tension
  - ### Benefits
    - Greater diversity of ideas
    - Limited groupthink
    - Increased attention on understanding others' ideas, perspectives, etc.

# Current Issues

- <u>Some of the structural areas where we see differences in managing global teams include conformity, status, social loafing, and cohesiveness</u>.

  - <u>Conformity</u>

    - Conformity to social norms tends to be higher in collectivist cultures than in individualistic cultures.  However groupthink tends to be less of a problem in global teams because members are less likely to feel pressured to conform to ideas, conclusions, and decisions of group.

# Current Issues

- <u>Some of the structural areas where we see differences in managing global teams include conformity, status, social loafing, and cohesiveness</u>.

  - <u>Status</u>

    - The importance to status varies among cultures.
    - Managers must understand who and what holds status when interacting with people from a culture different than their own.

Prestige®

# Current Issues

- <u>Some of the structural areas where we see differences in managing global teams include conformity, status, social loafing, and cohesiveness</u>.

  - <u>Social Loafing</u>

    - Social loafing is consistent with individualistic cultures, which are dominated by self interest. It's not consistent with collectivist societies, in which individuals are motivated by group goals.

# Current Issues

- <u>Some of the structural areas where we see differences in managing global teams include conformity, status, social loafing, and cohesiveness</u>.

  - <u>Cohesiveness</u>

    - In a cohesive group, members are unified and "act as one." There's a great deal of camaraderie and group identity is high. In global teams, however, cohesiveness is often more difficult to achieve because of higher levels of "mistrust, miscommunication, and stress."

# Global Teams

- <u>Communication issues often arise because not all team members may be fluent in the team's working language, which can lead to inaccuracies, misunderstanding, and inefficiencies</u>.

  - However, a multicultural global team is better able to capitalize on the diversity of ideas represented if a wide range of information is used.

# Teamwork

- <u>**Teamwork takes more time and often more resources than does individual work**</u>.

  - So, the benefits of using teams need to exceed the costs.

# Teamwork

- <u>**Evaluation of collective effort**</u>:

  - <u>Can the work be done better by more than one person</u>?
    - Task complexity is a good indicator of a need for different perspectives.
    - Simple tasks that don't require diverse input are better done by individual
  - <u>Does the work create a common purpose or set of goals for the people in the group that's more than the sum of individual goals</u>?
  - <u>Are the individuals interdependent</u>?
    - Using teams makes sense when there's interdependence between tasks; that is, when the success of everyone depends on the success of each person and the success of each person depends on the others.

# Team Managers

- <u>Effective work team managers are being described as coaches rather than bosses. They're expected to provide instruction, guidance, advice, and encouragement to help team members improve their job performance. They need to</u>:

  1. <u>Analyze ways to improve the team's performance and capabilities.</u>
  2. <u>Create a supportive climate</u>.
     - Reduce barriers to development and facilitate a climate that encourages personal performance improvement.
       - Allow for free and open exchange of ideas
       - Help, assist, guide, advise, and encourage when needed.
  3. <u>Influence team members to change their behavior</u>
     - Encourage ongoing growth and development.

The END