

# Chapter 10

## Understanding Work Teams

(Click on the title when connected to the Internet for online video teaching notes)

### LEARNING OBJECTIVES (ppt10-1)

After studying this chapter, students should be able to:

1. Analyze the growing popularity of using teams in organizations.
2. Contrast groups and teams.
3. Compare and contrast four types of teams.
4. Identify the characteristics of effective teams.
5. Show how organizations can create team players.
6. Decide when to use individuals instead of teams.
7. Show how the understanding of teams differs in a global context.

### INSTRUCTOR'S RESOURCES

#### **Text Exercises**

- International OB: Global Virtual Teams
- An Ethical Choice: Preventing Team Mistakes
- Math or Science? Old Teams Can Learn New Tricks
- Point/CounterPoint: Sports Teams Are Good Models for Work Teams
- Questions for Review
- Experiential Exercise: Fixed Versus Variable Flight Crews
- Ethical Dilemma: Pressure To Be a Team Player

#### **Text Cases**

Case Incident 1: Toyota's Team Culture

Case Incident 2: IBM's Multicultural Multinational Teams

#### **Instructor's Choice**

This section presents an exercise that is NOT found in the student's textbook. Instructor's Choice reinforces the text's emphasis through various activities. Some Instructor's Choice activities are centered on debates, group exercises, Internet research, and student experiences. Some can be used in-class in their entirety, while others require some additional work on the student's part. The course instructor may choose to use these at anytime throughout the class—some may be more effective as icebreakers, while some may be used to pull together various concepts covered in the chapter.



## WEB EXERCISES

At the end of each chapter of this Instructor's Manual, you will find suggested exercises and ideas for researching the WWW on OB topics. The exercises "Exploring OB Topics on the Web" are set up so that you can simply photocopy the pages, distribute them to your class, and make assignments accordingly. You may want to assign the exercises as an out-of-class activity or as lab activities with your class.

## SUMMARY AND IMPLICATIONS FOR MANAGEMENT

Few trends have influenced jobs as much as the massive movement to introduce teams into the workplace. The shift from working alone to working on teams requires employees to cooperate with others, share information, confront differences, and sublimate personal interests for the greater good of the team.

Effective teams have common characteristics. They have adequate resources, effective leadership, a climate of trust, and a performance evaluation and reward system that reflects team contributions. These teams have individuals with technical expertise as well as problem solving, decision making, and interpersonal skills and the right traits, especially conscientiousness and openness.

Effective teams also tend to be small—with fewer than 10 people, preferably of diverse backgrounds. They have members who fill role demands and who prefer to be part of a group. And the work that members do provides freedom and autonomy, the opportunity to use different skills and talents, the ability to complete a whole and identifiable task or product, and work that has a substantial impact on others. Finally, effective teams have members who believe in the team's capabilities and are committed to a common plan and purpose, an accurate shared mental model of what is to be accomplished, specific team goals, a manageable level of conflict, and a minimal degree of social loafing.

Because individualistic organizations and societies attract and reward individual accomplishments, it can be difficult to create team players in these environments.

To make the conversion, management should try to select individuals who have the interpersonal skills to be effective team players, provide training to develop teamwork skills, and reward individuals for cooperative efforts.

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*This chapter begins with an introduction to Seagate Technologies and its policy and practice of providing team-building activities for its employees. The implementation of the policy is an expensive component of Seagate's operation, but CEO Bill Watkins supports the expense citing team performance as a crucial element of Seagate's performance success. His belief is that the expense pays for itself in efficiency and effectiveness of employee performance.*

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## BRIEF CHAPTER OUTLINE

- I. Why Have Teams Become So Popular? (ppt10-2)
  - A. Decades ago, it made news because no one else was doing it. Today, it is the organization that does not use teams that has become newsworthy.
  - B. The current popularity of teams seems based on the evidence that teams typically outperform individuals when the tasks being done require multiple skills, judgment, and experience.
  
- II. Differences Between Groups and Teams (ppt10-3) (ppt10-4)
  - A. Groups and teams are not the same thing. (Exhibit 10-1)
  - B. In the last chapter, we defined a group as “two or more individuals, interacting and interdependent, who have come together to achieve particular objectives.”
  - C. A work team generates positive synergy through coordinated effort. Individual efforts result in a level of performance that is greater than the sum of those individual inputs.
  
- III. Types of Teams (Exhibit 10-2) (ppt10-5)
  - A. Problem-Solving Team
    1. In the past, teams were typically composed of 5–12 hourly employees from the same department who met for a few hours each week to discuss ways of improving quality, efficiency, and the work environment.
  - B. Self-Managed Work Teams
    1. Problem-solving teams only make recommendations.
    2. Some organizations have created teams to not only make recommendations but also to implement solutions.
    3. These groups of employees (typically 10–15 in number) perform highly related or interdependent jobs and take on many of the responsibilities of their former supervisors.
  - C. Cross-Functional Teams (ppt10-6)
    1. These are teams made up of employees from about the same hierarchical level, but from different work areas, who come together to accomplish a task.
    2. Many organizations have used horizontal, boundary-spanning groups for years.
  - D. Virtual Teams (ppt10-7)
    1. The previous types of teams do their work face to face. Virtual teams use computer technology to tie together physically dispersed members in order to achieve a common goal.
    2. They allow people to collaborate online.
    3. Virtual teams can do all the things that other teams do.
    4. They can include members from the same organization or link an organization’s members with employees from other organizations.
    5. Despite their ubiquity, virtual teams face special challenges.
  
- IV. Creating Effective Teams
  - A. Introduction
    1. Factors for creating effective teams have been summarized in the model found in Exhibit 10–3. (ppt10-8)
    2. Two caveats:
      - a. First, teams differ in form and structure—be careful not to rigidly apply the model’s predictions to all teams.
      - b. Second, the model assumes that it is already been determined that teamwork is preferable over individual work.

3. Four key components: (ppt10-9)
  - a. Contextual influences
  - b. Team's composition
  - c. Work design
  - d. Process variables
- B. Context: What Factors Determine Whether Teams Are Effective? (ppt10-10)

Four contextual factors most significant to team performance follow:

  1. Adequate Resources
  2. Leadership and Structure
  3. Climate of Trust
  4. Performance Evaluation and Reward Systems
- C. Team Composition (ppt10-11)
  1. Abilities of Members
    - a. Teams require three different types of skills:
      - i. Technical expertise
      - ii. Problem-solving and decision-making skills
      - iii. Good listening, feedback, conflict resolution, and other interpersonal skills
    - b. Research reveals some insights into team composition and performance.
    - c. The ability of the team's leader also matters.
  2. Personality of Members
    - a. Many of the dimensions identified in the Big Five personality model have shown to be relevant to team effectiveness.
    - b. Conscientious people are valuable in teams because they're good at backing up other team members, and they're also good at sensing when that support is truly needed.
    - c. Open team members communicate better with one another and throw out more ideas, which makes teams composed of open people more creative and innovative.
  3. Allocating Roles (ppt10-12)
    - a. Teams have different needs, and people should be selected for a team to ensure that there is diversity and that all various roles are filled.
    - b. Managers need to understand the individual strengths that each person can bring to a team, select members with their strengths in mind, and allocate work assignments accordingly.
    - c. Nine roles of potential teams members are found in Exhibit 10-4.
  4. Diversity of Members
    - a. Many of us hold the optimistic view that diversity should be a good thing— diverse teams should benefit from differing perspectives and do better.
    - b. Two meta-analytic reviews of the research literature show, however, that demographic diversity is essentially unrelated to team performance overall.
    - c. Proper leadership can also improve the performance of diverse teams.
    - d. The degree to which members of a work unit (group, team, or department) share a common demographic attribute, such as age, sex, race, educational level, or length of service in the organization, is the subject of organizational demography.
    - e. Conflict and power struggles are more likely and are more severe when they occur. Increased conflict makes membership less attractive, so employees are more likely to quit. Similarly, the losers in a power struggle are more apt to leave voluntarily or be forced out.
  5. Size of Teams

- a. The most effective teams are neither very small (under four or five) nor very large (over a dozen). Effective teams—managers should keep them about five to nine members.
- 6. Member Preferences
  - a. Not every employee is a team player.
- D. Team Processes (ppt10-14)
  - 1. Introduction
    - a. The final category related to team effectiveness is process variables such as member commitment to a common purpose, establishment of specific team goals, team efficacy, a managed level of conflict, and minimized social loafing.
    - b. Exhibit 10-5 illustrates how group processes can have an impact on a group's actual effectiveness.
  - 2. Common Plan and Purpose
    - a. Effective teams begin by analyzing the team's mission, developing goals to achieve that mission, and creating strategies for achieving the goals.
    - b. Effective teams also show reflexivity, meaning they reflect on and adjust their master plan when necessary.
  - 3. Specific Goals
    - a. Successful teams translate their common purpose into specific, measurable, and realistic performance goals. They energize the team.
- E. Team Efficacy
  - 1. Effective teams have confidence in themselves and believe they can succeed—this is team efficacy. Success breeds success.
  - 2. Management can increase team efficacy by helping the team to achieve small successes and skill training.
- F. Mental Models
  - 1. Effective teams share accurate mental models—knowledge and beliefs (a “psychological map”) about how the work gets done.
  - 2. If team members have different ideas about how to do things, the team will fight over how to do things rather than focus on what needs to be done.
- G. Conflict Levels
  - 1. Conflict on a team is not necessarily bad. Teams that are completely void of conflict are likely to become apathetic and stagnant.
  - 2. Relationship conflicts—those based on interpersonal incompatibilities, tension, and animosity toward others—are almost always dysfunctional.
- H. Social Loafing
  - 1. Individuals can hide inside a group. Effective teams undermine this tendency by holding themselves accountable at both the individual and team level.
- V. Turning Individuals into Team Players (ppt10-15)
  - A. Introduction
    - 1. Many people are not inherently team players. They are loners or want to be recognized for their own accomplishments.
  - B. Selecting: Hiring Team Players
    - 1. Some people already possess the interpersonal skills to be effective team players. Care should be taken to ensure that candidates could fulfill their team roles as well as technical requirements.
    - 2. Many job candidates do not have team skills.
      - a. In established organizations that decide to redesign jobs around teams, it should be expected that some employees will resist being team players and may be untrainable.

- C. Training: Creating Team Players
    - 1. A large proportion of people raised on the importance of individual accomplishment can be trained to become team players.
    - 2. Workshops help employees improve their problem-solving, communication, negotiation, conflict-management, and coaching skills.
  - D. Rewarding: Providing Incentives to Be a Good Team Player
    - 1. An organization's reward system must be reworked to encourage cooperative efforts rather than competitive ones.
    - 2. Apparently, the low trust that is typical of the competitive group will not be readily replaced by high trust with a quick change in reward systems.
    - 3. These problems are not seen in teams that have consistently cooperative systems.
    - 4. Promotions, pay raises, and other forms of recognition should be given to individuals who work effectively as team members by training new colleagues, sharing information, helping resolve team conflicts, and mastering needed new skills.
    - 5. Finally, don't forget the intrinsic rewards, such as camaraderie, that employees can receive from teamwork. It's exciting and satisfying to be part of a successful team.
- VI. Beware! Teams Are Not Always the Answer (ppt10-16)
- A. Teamwork takes more time and often more resources than individual work.
  - B. Teams have increased communication demands, conflicts to manage, and meetings to run.
  - C. The benefits of using teams have to exceed the costs, and that's not always the case.
  - D. Before you rush to implement teams, carefully assess whether the work requires or will benefit from a collective effort.
  - E. How do you know whether the work of your group would be better done in teams?
  - F. You can apply three tests to see whether a team fits your situation.
    - 1. First, can the work be done better by more than one person?
    - 2. Second, does the work create a common purpose or set of goals for the people in the group that is more than the aggregate of individual goals?
    - 3. The final test is to determine whether the members of the group are interdependent.
- VII. Global Implications (ppt10-17)
- A. Research on global considerations in the use of teams is just beginning, but three areas are particularly worth mentioning: the extent of teamwork, self-managed teams, and team cultural diversity.
  - B. Extent of Teamwork
  - C. Although work teams are pervasive in the United States, some evidence suggests the degree to which teams affect the way work is done is not as significant in the United States as in other countries.
  - D. Self-Managed Teams
    - 1. Evidence suggests self-managed teams have not fared well in Mexico, largely due to that culture's low tolerance of ambiguity and uncertainty and employees' strong respect for hierarchical authority.
    - 2. Thus, in countries relatively high in power distance—where roles of leaders and followers are clearly delineated—a team may need to be structured so leadership roles are spelled out and power relationships identified.
  - E. Team Cultural Diversity and Team Performance

1. Like the earlier research, evidence here indicates these elements of diversity interfere with team processes, at least in the short term.
2. Cultural diversity does seem to be an asset for tasks that call for a variety of viewpoints.

VIII. Summary and Implications for Managers (ppt10-18)

- A. Few trends have influenced jobs as much as the massive movement to introduce teams into the workplace. The shift from working alone to working on teams requires employees to cooperate with others, share information, confront differences, and sublimate personal interests for the greater good of the team.
- B. Effective teams have common characteristics. They have adequate resources, effective leadership, a climate of trust, and a performance evaluation and reward system that reflects team contributions. These teams have individuals with technical expertise as well as problem-solving, decision-making, and interpersonal skills and the right traits, especially conscientiousness and openness.
- C. Effective teams also tend to be small—with fewer than 10 people, preferably of diverse backgrounds.
- D. They have members who fill role demands and who prefer to be part of a group.
- E. And the work that members do provides freedom and autonomy, the opportunity to use different skills and talents, the ability to complete a whole and identifiable task or product, and work that has a substantial impact on others.
- F. Finally, effective teams have members who believe in the team's capabilities and are committed to a common plan and purpose, an accurate shared mental model of what is to be accomplished, specific team goals, a manageable level of conflict, and a minimal degree of social loafing.
- G. Because individualistic organizations and societies attract and reward individual accomplishments, it can be difficult to create team players in these environments.
- H. To make the conversion, management should try to select individuals who have the interpersonal skills to be effective team players, provide training to develop teamwork skills, and reward individuals for cooperative efforts.

## EXPANDED CHAPTER OUTLINE

- I. Why Have Teams Become So Popular?
  - A. Decades ago, it made news because no one else was doing it. Today, it is the organization that does not use teams that has become newsworthy.
  - B. The current popularity of teams seems based on the evidence that teams typically outperform individuals when the tasks being done require multiple skills, judgment, and experience.
  - C. As organizations have restructured, they have turned to teams to better utilize employee talents.
  - D. The motivational properties of teams = significant factor. The role of employee involvement as a motivator—teams facilitate employee participation in operating decisions.
  
- II. Differences Between Groups and Teams
  - A. Groups and teams are not the same thing. (Exhibit 10-1)
  - B. In the last chapter, we defined a group as “two or more individuals, interacting and interdependent, who have come together to achieve particular objectives.”
    1. A work group is a group that interacts primarily to share information and to make decisions to help each member perform within his or her area of responsibility.
    2. Work groups have no need or opportunity to engage in collective work that requires joint effort. Their performance is the summation of each group member’s individual contribution.
    3. There is no positive synergy.
  - C. A work team generates positive synergy through coordinated effort. Individual efforts result in a level of performance that is greater than the sum of those individual inputs.
    1. Management is looking for that positive synergy that will allow their organizations to increase performance. The extensive use of teams creates the potential for an organization to generate greater outputs with no increase in inputs. Merely calling a group a team doesn’t automatically increase its performance.
  
- III. Types of Teams (Exhibit 10-2)
  - A. Problem-Solving Team
    1. In the past, teams were typically composed of 5–12 hourly employees from the same department who met for a few hours each week to discuss ways of improving quality, efficiency, and the work environment.
    2. Members share ideas or offer suggestions on how work processes and methods can be improved. Rarely are they given the authority to unilaterally implement their suggested actions.
    3. One of the most widely practiced applications during the 1980s was quality circles.
  - B. Self-Managed Work Teams
    1. Problem-solving teams only make recommendations.
    2. Some organizations have created teams to not only make recommendations but also to implement solutions.
    3. These groups of employees (typically 10–15 in number) perform highly related or interdependent jobs and take on many of the responsibilities of their former supervisors.

4. This includes planning and scheduling of work, assigning tasks to members, collective control over the pace of work, making operating decisions, and taking action on problems.
  5. Fully self-managed work teams even select their own members and have the members evaluate each other's performance. As a result supervisory roles become less important.
  6. But research on the effectiveness of self-managed work teams has not been uniformly positive.
    - a. Self-managed teams do not typically manage conflicts well.
    - b. When disputes arise, members stop cooperating and power struggles ensue, which leads to lower group performance.
    - c. Moreover, although individuals on these teams report higher levels of job satisfaction than other individuals, they also sometimes have higher absenteeism and turnover rates.
- C. Cross-Functional Teams
1. These are teams made up of employees from about the same hierarchical level, but from different work areas, who come together to accomplish a task.
  2. Many organizations have used horizontal, boundary-spanning groups for years.
  3. IBM created a large task force in the 1960s—made up of employees from across departments in the company—to develop the highly successful System 360.
  4. A task force is really nothing other than a temporary cross-functional team.
  5. Cross-functional teams are an effective means of allowing people from diverse areas within or even between organizations to exchange information, develop new ideas, solve problems, and coordinate complex projects.
  6. Cross-functional teams are challenging to manage.
- D. Virtual Teams
1. The previous types of teams do their work face to face. Virtual teams use computer technology to tie together physically dispersed members in order to achieve a common goal.
  2. They allow people to collaborate online.
  3. Virtual teams can do all the things that other teams do.
  4. They can include members from the same organization or link an organization's members with employees from other organizations.
  5. Despite their ubiquity, virtual teams face special challenges.
    - a. They may suffer because there is less social rapport and direct interaction among members.
    - b. They aren't able to duplicate the normal give-and-take of face-to-face discussion. Especially when members haven't personally met, virtual teams tend to be more task oriented and exchange less social-emotional information than face-to-face teams do.
    - c. Not surprisingly, their members report less satisfaction with the group interaction process than do face-to-face teams.
    - d. For virtual teams to be effective, management should ensure that:
      - i. Trust is established among members (one inflammatory remark in a team member e-mail can severely undermine team trust)
      - ii. Team progress is monitored closely (so the team doesn't lose sight of its goals and no team member "disappears")
      - iii. The efforts and products of the team are publicized throughout the organization (so the team does not become invisible)

#### IV. Creating Effective Teams

##### A. Introduction

1. Factors for creating effective teams have been summarized in the model found in Exhibit 10–3.
2. Two caveats:
  - a. First, teams differ in form and structure—be careful not to rigidly apply the model’s predictions to all teams.
  - b. Second, the model assumes that it is already been determined that teamwork is preferable over individual work.
3. Four key components:
  - a. Contextual influences
  - b. Team’s composition
  - c. Work design
  - d. Process variables

##### B. Context: What Factors Determine Whether Teams Are Effective?

Four contextual factors most significant to team performance follow:

1. Adequate Resources
  - a. All work teams rely on resources outside the group to sustain it.
  - b. A scarcity of resources directly reduces the ability of the team to perform its job effectively.
  - c. As one set of researchers concluded, “perhaps one of the most important characteristics of an effective work group is the support the group receives from the organization.”
2. Leadership and Structure
  - a. Agreeing on the specifics of work and how they fit together to integrate individual skills requires team leadership and structure.
  - b. Leadership is not always needed. Self-managed work teams often perform better than teams with formally appointed leaders.
  - c. On traditionally managed teams, we find that two factors seem to influence team performance:
    - i. The leader’s expectations and his or her mood.
    - ii. Leaders who expect good things from their team are more likely to get them!
3. Climate of Trust
  - a. Members of effective teams trust each other and exhibit trust in their leaders.
  - b. When members trust each other, they are more willing to take risks.
  - c. When members trust their leadership, they are more willing to commit to their leader’s goals and decisions.
4. Performance Evaluation and Reward Systems
  - a. How do you get team members to be both individually and jointly accountable? The traditional, individually-oriented evaluation and reward system must be modified to reflect team performance.
  - b. Individual performance evaluations, fixed hourly wages, and individual incentives are not consistent with the development of high-performance teams.
  - c. Management should consider group-based appraisals, profit sharing, gainsharing, small-group incentives, and other system modifications that will reinforce team effort and commitment.

##### C. Team Composition

1. Abilities of Members
  - a. Teams require three different types of skills:
    - i. Technical expertise
    - ii. Problem-solving and decision-making skills

- iii. Good listening, feedback, conflict resolution, and other interpersonal skills.
  - b. Research reveals some insights into team composition and performance
    - i. First, when the task entails considerable thought (solving a complex problem such as reengineering an assembly line), high-ability teams (composed of mostly intelligent members) do better than lower-ability teams, especially when the workload is distributed evenly. That way, team performance does not depend on the weakest link. High-ability teams are also more adaptable to changing situations; they can more effectively apply existing knowledge to new problems.
    - ii. Second, when tasks are simple, high-ability teams do not perform as well, perhaps because members become bored and turn their attention to other activities that are more stimulating, whereas low-ability teams stay on task. High-ability teams should be reserved for tackling the tough problems. So matching team ability to the task is important.
  - c. The ability of the team's leader also matters.
    - i. Smart team leaders help less-intelligent team members when they struggle with a task.
    - ii. But a less-intelligent leader can neutralize the effect of a high-ability team.
2. Personality of Members
- a. Many of the dimensions identified in the Big Five personality model have shown to be relevant to team effectiveness.
  - b. Conscientious people are valuable in teams because they're good at backing up other team members, and they're also good at sensing when that support is truly needed.
  - c. Open team members communicate better with one another and throw out more ideas, which makes teams composed of open people more creative and innovative.
  - d. Performance across the teams will be higher if the organization forms 10 highly conscientious teams and 10 teams low in conscientiousness. "This may be because, in such teams, members who are highly conscientious not only must perform their own tasks but also must perform or re-do the tasks of low-conscientious members.
  - e. It may also be because such diversity leads to feelings of contribution inequity.
3. Allocating Roles
- a. Teams have different needs, and people should be selected for a team to ensure that there is diversity and that all various roles are filled.
  - b. Managers need to understand the individual strengths that each person can bring to a team, select members with their strengths in mind, and allocate work assignments accordingly.
  - c. Nine roles of potential team members are found in Exhibit 10-4.
4. Diversity of Members
- a. Many of us hold the optimistic view that diversity should be a good thing— diverse teams should benefit from differing perspectives and do better.
  - b. Two meta-analytic reviews of the research literature show, however, that demographic diversity is essentially unrelated to team performance overall.

- c. One qualifier is that gender and ethnic diversity have more negative effects in occupations dominated by white or male employees, but in more demographically balanced occupations diversity is less of a problem.
  - d. Diversity in function and expertise are positively related to group performance, but these effects are quite small and depend on the situation.
  - e. One of the pervasive challenges with teams is that while diversity may have real potential benefits, a team is deeply focused on commonly held information.
  - f. But to realize their creative potential, diverse teams need to focus not on their similarities but on their differences.
    - i. Some evidence suggests that when team members believe others have more expertise, they will work to support those members, leading to higher levels of effectiveness. The key is for members of diverse teams to communicate what they uniquely know and also what they don't know.
  - g. Proper leadership can also improve the performance of diverse teams.
    - i. When leaders provide an inspirational common goal for members with varying types of education and knowledge, teams are very creative. When leaders don't provide such goals, diverse teams fail to take advantage of their unique skills and are actually *less* creative than teams with homogeneous skills.
  - h. The degree to which members of a work unit (group, team, or department) share a common demographic attribute, such as age, sex, race, educational level, or length of service in the organization, is the subject of organizational demography.
    - i. Organizational demography suggests that attributes such as age or the date of joining should help us predict turnover.
    - ii. The logic goes like this:
      - (a) Turnover will be greater among those with dissimilar experiences because communication is more difficult.
  - i. Conflict and power struggles are more likely and are more severe when they occur. Increased conflict makes membership less attractive, so employees are more likely to quit. Similarly, the losers in a power struggle are more apt to leave voluntarily or be forced out.
5. Size of Teams
- a. The most effective teams are neither very small (under four or five) nor very large (over a dozen). Effective teams—managers should keep them about five to nine members.
  - b. Very small teams are likely to lack for diversity of views, requiring four to five members in a group to achieve a significant degree of diversity.
  - c. Large teams have difficulty getting much done; therefore, consider creating subgroups in large teams to achieve greater performance.
6. Member Preferences
- a. Not every employee is a team player.
  - b. Given the option, many employees will select themselves out of team participation.
  - c. High performing teams are likely to be composed of people who prefer working as part of a group.
- D. Team Processes
1. Introduction
- a. The final category related to team effectiveness is process variables such as member commitment to a common purpose, establishment

- of specific team goals, team efficacy, a managed level of conflict, and minimized social loafing.
  - b. These will be especially important in larger teams, and in teams that are highly interdependent.
  - c. Why are processes important to team effectiveness?
    - i. When each member's contribution is not clearly visible, individuals tend to decrease their effort.
    - ii. Social loafing, in other words, illustrates a process loss from using teams.
  - d. Exhibit 10-5 illustrates how group processes can have an impact on a group's actual effectiveness.
  - e. Teams are often used in research laboratories because they can draw on the diverse skills of various individuals to produce more meaningful research than could be generated by all the researchers working independently—that is, they produce positive synergy, and their process gains exceed their process losses.
2. Common Plan and Purpose
- a. Effective teams begin by analyzing the team's mission, developing goals to achieve that mission, and creating strategies for achieving the goals.
  - b. Teams that establish a clear sense of what needs to be done and how consistently perform better.
  - c. Members of successful teams put a tremendous amount of time and effort into discussing, shaping, and agreeing on a purpose that belongs to them both collectively and individually.
  - d. Effective teams also show reflexivity, meaning they reflect on and adjust their master plan when necessary.
3. Specific Goals
- a. Successful teams translate their common purpose into specific, measurable, and realistic performance goals. They energize the team.
  - b. Specific goals facilitate clear communication and help teams maintain their focus on results. Team goals should be challenging.
- E. Team Efficacy
- 1. Effective teams have confidence in themselves and believe they can succeed—this is team efficacy. Success breeds success.
  - 2. Management can increase team efficacy by helping the team to achieve small successes and skill training.
  - 3. Small successes build team confidence.
  - 4. The greater the abilities of team members, the greater the likelihood that the team will develop confidence and the capability to deliver that confidence.
- F. Mental Models
- 1. Effective teams share accurate mental models—knowledge and beliefs (a “psychological map”) about how the work gets done.
  - 2. If team members have the wrong mental models, which is particularly likely with teams under acute stress, their performance suffers.
  - 3. If team members have different ideas about how to do things, the team will fight over how to do things rather than focus on what needs to be done.
- G. Conflict Levels
- 1. Conflict on a team is not necessarily bad. Teams that are completely void of conflict are likely to become apathetic and stagnant.
  - 2. Relationship conflicts—those based on interpersonal incompatibilities, tension, and animosity toward others—are almost always dysfunctional.

3. On teams performing non-routine activities, disagreements among members about task content (called task conflicts) are not detrimental. It is often beneficial because it lessens the likelihood of groupthink.
- H. Social Loafing
1. Individuals can hide inside a group. Effective teams undermine this tendency by holding themselves accountable at both the individual and team level.
- V. Turning Individuals into Team Players
- A. Introduction
1. Many people are not inherently team players. They are loners or want to be recognized for their own accomplishments.
  2. There are also a great many organizations that have historically nurtured individual accomplishments. How do we introduce teams in highly individualistic environments?
- B. Selecting: Hiring Team Players
1. Some people already possess the interpersonal skills to be effective team players. Care should be taken to ensure that candidates could fulfill their team roles as well as technical requirements.
  2. Many job candidates do not have team skills.
    - a. This is especially true for those socialized around individual contributions.
    - b. The candidates can undergo training to “make them into team players.”
  3. In established organizations that decide to redesign jobs around teams, it should be expected that some employees will resist being team players and may be untrainable.
- C. Training: Creating Team Players
1. A large proportion of people raised on the importance of individual accomplishment can be trained to become team players.
  2. Workshops help employees improve their problem-solving, communication, negotiation, conflict-management, and coaching skills.
  3. Employees also learn the five-stage group development model.
- D. Rewarding: Providing Incentives to Be a Good Team Player
1. An organization’s reward system must be reworked to encourage cooperative efforts rather than competitive ones.
  2. Hallmark Cards, Inc., added to its basic individual-incentive system an annual bonus based on achievement of team goals.
  3. Whole Foods directs most of its performance-based rewards toward team performance.
    - a. As a result, teams select new members carefully so they will contribute to team effectiveness (and thus team bonuses).
    - b. It is usually best to set a cooperative tone as soon as possible in the life of a team.
    - c. As we already noted, teams that switch from a competitive to a cooperative system do not share information and make rushed, poor-quality decisions.
  4. Apparently, the low trust that is typical of the competitive group will not be readily replaced by high trust with a quick change in reward systems.
  5. These problems are not seen in teams that have consistently cooperative systems.
  6. Promotions, pay raises, and other forms of recognition should be given to individuals who work effectively as team members by training new colleagues, sharing information, helping resolve team conflicts, and mastering needed new skills.

7. This doesn't mean individual contributions should be ignored; rather, they should be balanced with selfless contributions to the team.
8. Finally, don't forget the intrinsic rewards, such as camaraderie, that employees can receive from teamwork. It's exciting and satisfying to be part of a successful team.
9. The opportunity for personal development of self and teammates can be a very satisfying and rewarding experience.

#### VI. Beware! Teams Are Not Always the Answer

- A. Teamwork takes more time and often more resources than individual work.
- B. Teams have increased communication demands, conflicts to manage, and meetings to run.
- C. The benefits of using teams have to exceed the costs, and that's not always the case.
- D. Before you rush to implement teams, carefully assess whether the work requires or will benefit from a collective effort.
- E. How do you know whether the work of your group would be better done in teams?
- F. You can apply three tests to see whether a team fits your situation.
  1. First, can the work be done better by more than one person? A good indicator is the complexity of the work and the need for different perspectives. Simple tasks that don't require diverse input are probably better left to individuals.
  2. Second, does the work create a common purpose or set of goals for the people in the group that is more than the aggregate of individual goals? Many service departments of new-vehicle dealers have introduced teams that link customer-service people, mechanics, parts specialists, and sales representatives. Such teams can better manage collective responsibility for ensuring customer needs are properly met.
  3. The final test is to determine whether the members of the group are interdependent.
    - a. Using teams makes sense when there is interdependence between tasks—the success of the whole depends on the success of each one, *and* the success of each one depends on the success of the others.
      - i. Soccer, for instance, is an obvious *team* sport. Success requires a great deal of coordination between interdependent players.
    - b. Conversely, except possibly for relays, swim teams are not really teams.
      - i. They're groups of individuals performing individually, whose total performance is merely the aggregate summation of their individual performances.

#### VII. Global Implications

- A. Research on global considerations in the use of teams is just beginning, but three areas are particularly worth mentioning: the extent of teamwork, self-managed teams, and team cultural diversity.
- B. Extent of Teamwork
  1. Although work teams are pervasive in the United States, some evidence suggests the degree to which teams affect the way work is done is not as significant in the United States as in other countries. One study comparing U.S. workers to Canadian and Asian workers revealed that 51 percent of workers in Asian-Pacific countries and 48 percent of Canadian employees report high levels of teamwork.
  2. But only 32 percent of U.S. employees say their organization has a high level of teamwork. Thus, there still is a heavy role for individual

contributions in the United States. Given that U.S. culture is highly individualistic, that may continue to be true for quite some time.

C. Self-Managed Teams

1. Evidence suggests self-managed teams have not fared well in Mexico, largely due to that culture's low tolerance of ambiguity and uncertainty and employees' strong respect for hierarchical authority.
2. Thus, in countries relatively high in power distance—where roles of leaders and followers are clearly delineated—a team may need to be structured so leadership roles are spelled out and power relationships identified.

D. Team Cultural Diversity and Team Performance

1. Like the earlier research, evidence here indicates these elements of diversity interfere with team processes, at least in the short term.
2. Cultural diversity does seem to be an asset for tasks that call for a variety of viewpoints.
  - a. But culturally heterogeneous teams have more difficulty learning to work with each other and solving problems.
  - b. The good news is that these difficulties seem to dissipate with time.
  - c. Although newly formed culturally diverse teams underperform newly formed culturally homogeneous teams, the differences disappear after about 3 months.
  - d. Fortunately, some team performance-enhancing strategies seem to work well in many cultures.
  - e. One study found that teams in the European Union made up of members from collectivist and individualist countries benefitted equally from group goals.

VIII. Summary and Implications for Managers

- A. Few trends have influenced jobs as much as the massive movement to introduce teams into the workplace. The shift from working alone to working on teams requires employees to cooperate with others, share information, confront differences, and sublimate personal interests for the greater good of the team.
- B. Effective teams have common characteristics. They have adequate resources, effective leadership, a climate of trust, and a performance evaluation and reward system that reflects team contributions. These teams have individuals with technical expertise as well as problem-solving, decision-making, and interpersonal skills and the right traits, especially conscientiousness and openness.
- C. Effective teams also tend to be small—with fewer than 10 people, preferably of diverse backgrounds.
- D. They have members who fill role demands and who prefer to be part of a group.
- E. And the work that members do provides freedom and autonomy, the opportunity to use different skills and talents, the ability to complete a whole and identifiable task or product, and work that has a substantial impact on others.
- F. Finally, effective teams have members who believe in the team's capabilities and are committed to a common plan and purpose, an accurate shared mental model of what is to be accomplished, specific team goals, a manageable level of conflict, and a minimal degree of social loafing.
- G. Because individualistic organizations and societies attract and reward individual accomplishments, it can be difficult to create team players in these environments.

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- H. To make the conversion, management should try to select individuals who have the interpersonal skills to be effective team players, provide training to develop teamwork skills, and reward individuals for cooperative efforts.

# International OB

## Global Virtual Teams

Years ago, before the vast working public ever dreamed of e-mail, instant messaging, or live videoconferencing, work teams used to be in the same locations, with possibly one or two members a train or plane ride away. Today, however, the reach of corporations spans many countries, so the need for teams to work together across international lines has increased. To deal with this challenge, multinationals use global virtual teams to gain a competitive advantage.

Global virtual teams have their advantages and disadvantages. On the positive side, because team members come from different countries with different knowledge and points of view, they may develop creative ideas and solutions to problems that work for multiple cultures. On the negative side, global virtual teams face more challenges than traditional teams that meet face-to-face. For one thing, miscommunication can lead to misunderstandings, which can create stress and conflict among team members. Also, members who do not accept individuals from different cultures may hesitate to share information openly, creating problems of trust.

To create and implement effective global virtual teams, managers must carefully select employees who they believe will thrive in such an environment. Employees must be comfortable with communicating electronically with others, and they must be open to different ideas. When dealing with team members in other countries, speaking multiple languages may also be necessary. Team members also must realize that the values they hold may be vastly different from their teammates' values. For instance, an individual from a country that values relationships and sensitivity, such as Sweden, might face a challenge when interacting with someone from Spain, which values assertiveness and competitiveness.

Though there are many challenges facing global virtual teams, companies that implement them effectively can realize tremendous rewards through the diverse knowledge they gain.

*Source:* Based on N. Zakaria, A. Amelinckx, and D. Wilemon, "Working Together Apart? Building a Knowledge-Sharing Culture for Global Virtual Teams," *Creativity and Innovation Management*, March 2004, pp 15–29.

### Class Exercise

1. Ask student to read:  
[http://en.wikibooks.org/wiki/Managing\\_Groups\\_and\\_Teams/How\\_Do\\_You\\_Manage\\_Global\\_Virtual\\_Teams%3F](http://en.wikibooks.org/wiki/Managing_Groups_and_Teams/How_Do_You_Manage_Global_Virtual_Teams%3F)
2. Assign groups of three to five students to create a plan for a multinational organization to expand into an Eastern European country (Poland, Czech Republic, Slovenia, Hungary, etc).
3. The groups' first step should be to create a virtual team to develop the expansion plans.

4. They could use resources such as the CIA Factbook [https://www.cia.gov/library/publications/the-world-factbook/region/region\\_eur.html](https://www.cia.gov/library/publications/the-world-factbook/region/region_eur.html)  
and WIKI (example, Poland <http://en.wikipedia.org/wiki/Poland> )
5. Students should identify cultural differences between the U.S. and the selected country. Other differences should be noted such as work environments, and other issues identified in the WIKI paper in question 1.
6. Students should give some thought as to how they would identify a company or individuals in the target country. For an example resource, see [http://www.buyusa.gov/poland/en/doing\\_business\\_in\\_poland1.html](http://www.buyusa.gov/poland/en/doing_business_in_poland1.html).
7. The students should complete a presentation to the class that details:
  - a. What are the potential markets like in target countries?
  - b. What are the cultural differences that could lead to difficulties in working with a planning team in the target country?
  - c. How will the selection process of virtual team members in the target country proceed?
  - d. What is the assessment of probability or success in the expansion?

# An Ethical Choice

## Preventing Team Mistakes

Surgery is almost always performed by a team, but in many cases it's a team in name only. So says a new study of more than 2,100 surgeons, anesthesiologists, and nurses.

Researchers asked the respondents to “describe the quality of communication and collaboration you have experienced” with other members of the surgical unit. Perhaps not surprisingly, surgeons were given the lowest ratings for teamwork and nurses the highest. “The study is somewhat humbling to me,” said Martin Makary, the lead author on the study and a surgeon at Johns Hopkins. “There’s a lot of pride in the surgical community. We need to balance out the captain-of-the-ship doctrine.”

The researchers attribute many operating room errors, such as sponges left in patients and operations performed on the wrong part of the body, to poor teamwork. But improving the system is easier said than done. One recent study in Pennsylvania found that, over an 18-month period, there were 174 cases of surgeons operating on the wrong limb or body part. Johns Hopkins is modeling surgical team training after airline crew training. “Teamwork is an important component of patient safety,” says Makary.

Tell that to a patient at Rhode Island Hospital. In 2009, a surgeon operated on the wrong side of a child’s mouth. No one on the surgical team bothered to check the surgeon’s mark. What’s especially discouraging about the case is that it appears the surgical team followed existing protocols, including a time-out in which all members agreed the surgery should take place on the right side of the mouth (when in fact it should have been the left). The error was the fourth wrong-site surgery at Rhode Island Hospital since 2007.

These cases are hardly unusual. One study of British surgical teams revealed errors in 40 percent of cases. In 2009, a surgical team at Atlanta’s Northside Hospital performed a double mastectomy when only one breast was to be removed. At Atlanta Medical Center, a surgical team mistakenly drilled into the wrong side of a patient’s head.

Assuming you aren’t headed for a career as a surgical team member, what can this research tell you about your individual ethical responsibilities as a team member?

1. Recognize that the pressure to be a good team player and the diffusion of responsibility often lead us to question too little and assume someone else will catch any error. Yes, by questioning, you run the risk of being labeled as “not a team player,” but if you accept errors or marginal performance, the outcomes may reflect negatively on your career.
2. Realize all members of teams are not created equal. A surgeon in the operating room and a pilot in the cockpit tend to dominate teams. That makes it all the more important that you question their decision making, taking care to be respectful and civil in so doing.

3. If you have a say in the composition of the team, aim for diversity. As we noted in Chapter 2, some evidence suggests diverse teams are less prone to groupthink.

Sources: A. Young, "Medical Mistakes Unhappy Reality," The Atlanta Journal- Constitution (May 03, 2009), [www.ajc.com](http://www.ajc.com); F. J. Freyer, "R.I. Hospital Says Marking Wasn't Verified in Wrong-Site Surgery," The Providence Journal (June 13, 2009), [www.projo.com](http://www.projo.com); E. Nagourney, "Surgical Teams Found Lacking in Teamwork," New York Times (May 9, 2006), p. D6; and "Nurses Give Surgeons Poor Grades on Teamwork in OR," Forbes (May 5, 2006), [www.forbes.com](http://www.forbes.com).

### **Class Exercise**

1. An optional suggestion about preventing groupthink may be found at <http://www.wikihow.com/Prevent-Groupthink>.
2. Ask students to read this view.
3. Ask students to discuss how they could shoulder the ethical responsibility of ensuring groupthink does not lead to bad decisions or bad actions.
4. They should include discussion about accepting the role of leadership to question actions that seem inappropriate. The discussion might include overcoming the natural tendency of subordinates to stay quiet to preserve their anonymity.

## Myth or Science? Old Teams Can Learn New Tricks

This statement is true for some types of teams and false for others. Let's look at why.

To study this question, researchers at Michigan State University composed 80 four-person teams from undergraduate business students. The teams engaged in a networked computer simulation that was developed for the Department of Defense. In the simulation, teams played a command-and-control simulation in which each team member sat at a networked computer connected to his or her other team members' computers. The team's mission was to monitor a geographic area, keep unfriendly forces from moving in, and support friendly forces. Performance was measured by both speed (how quickly they identified targets and friendly forces) and accuracy (the number of friendly-fire errors and missed opportunities).

Teams were rewarded either cooperatively (in which case team members shared rewards equally) or competitively (in which case team members were rewarded based on their individual contributions). After playing a few rounds, the reward structures were switched, so that the cooperatively rewarded teams were switched to competitive rewards and the competitively rewarded teams were now cooperatively rewarded.

The researchers found that the initially cooperatively rewarded teams easily adapted to the competitive reward conditions and learned to excel. However, the formerly competitively rewarded teams could not adapt to cooperative rewards. As the authors note, their results may shed light on the intelligence failures of the CIA and FBI; when these formerly separate organizations were asked to cooperate, they found it very difficult to do so.

If the results of this study generalize to actual teams, it seems that teams that "cut their teeth" being cooperative can learn to be competitive, but competitive teams find it much harder to learn to cooperate.

*Source:* M. D. Johnson, S. E. Humphrey, D. R. Ilgen, D. Jundt, and C. J. Meyer, "Cutthroat Cooperation: Asymmetrical Adaptation to Changes in Team Reward Structures," *Academy of Management Journal* 49, vol. 1 (2006), pp. 103-119.

### Class Exercise

1. Ask students to recall group activities in previous courses.
2. Were the activities successful? Do students have good feelings about the group work?
3. Can they recall how the instructor defined incentives for the group's outcome?
4. How would they describe the productivity based on the incentive?

# Point/CounterPoint

## Sports Teams Are Good Models for Work Teams

### Point

Studies from football, soccer, basketball, hockey, and baseball have found a number of elements of successful sports teams that can be extrapolated to successful work teams.

**Goals foster team cohesion.** A study of basketball teams found that while those that set team goals and those that did not had similar levels of cohesion when the season began, those with goals were more cohesive at the end of the season.

**Successful teams score early wins.** Early successes build teammates' faith in themselves and their capacity as a team. Research on hockey teams of relatively equal ability found that 72 percent of the time, the team leading at the end of the first period went on to win. So managers should provide teams with early tasks that are simple and provide "easy wins."

**Successful teams avoid losing streaks.** A couple of failures can lead to a downward spiral if a team becomes demoralized. Managers need to instill the confidence in team members that they can turn things around when they encounter setbacks.

**Practice makes perfect.** Successful sport teams execute on game day but learn from their mistakes in practice. Practice should be used to try new things and fail. A wise manager encourages work teams to experiment and learn.

**Successful teams use halftime breaks.** The best coaches in basketball and football use halftime during a game to reassess what is working and what isn't. Managers of work teams should similarly build in assessments at the approximate halfway point in a team project to evaluate what it can do to improve.

**Being slightly behind can be motivating.** A recent study of 6,572 NCAA basketball games revealed that the team slightly behind at halftime won more games than it lost. Teams that are slightly ahead may suffer from "victory disease" by relaxing and trying not to lose, whereas those slightly behind may be more motivated.

**Winning teams have stable membership.** Stability improves performance. Studies of professional basketball teams found that when teammates have more time together they can better anticipate one another's moves, and they are clearer about one another's roles.

### CounterPoint

There are flaws in using sports as a model for developing effective work teams. Here are five caveats.

**All sport teams aren't alike.** In baseball, for instance, there is little interaction among teammates. Rarely are more than two or three players directly involved in a play. The performance of the team is largely the sum of the performance of its individual players. In contrast, basketball has much more interdependence among players: team members are densely clustered and must switch from offense to defense at a moment's notice. The performance of this team is more than the sum of its individual players. So when using sports teams as a model for work teams, you have to make sure you're making the correct comparison. As one expert noted, "The problem with sports metaphors is that the meaning you extract from a sports metaphor is entirely dependent on the sport you pick."

**Work teams are more varied and complex than sports teams.** In an athletic league, the design of the task, the design of the team, and the team's context vary relatively little from team to team. But these variables can vary tremendously between work teams. As a result, coaching plays a much more significant part in a sports team's performance than in that of a work team. Performance of work teams is a function of getting the team's structural and design variables right. Managers of work teams should focus more on getting the team set up for success than on coaching.

**A lot of employees can't relate to sports metaphors.** Not everyone on work teams is interested in sports or savvy about sports terminology. And team members from different cultures may not know the sports metaphors you're using. Most U.S. workers, for instance, are unfamiliar with the rules and terminology of Australian Rules football.

**Work team outcomes aren't easily defined in terms of wins and losses.** Sports teams typically measure success in terms of wins and losses. Success is rarely as clear or black and white for work teams.

**Sports team metaphors oversimplify.** Sports team metaphors simplify a complicated world. While such shortcuts hold an intuitive appeal, we also have to recognize they serve as "mind funnels"—rather than expanding our minds to the full range of possibilities, sports metaphors reduce and simplify—not something to recommend to the enlightened manager.

### **Class Exercise**

This is another good topic for a class debate.

1. You can use the format for the debate from Chapter 1, or use a more formal format.
2. Before this debate, assign students to research this topic in greater depth.
3. Divide the class in half, each half researching their side of the team debate.
4. An informal debate structure is to read Point/Counterpoint as a starting point, and then have the two halves of the class debate the topic.

## Questions for Review

1. How do you explain the growing popularity of teams in organizations?
  - a. **Answer:** Although teams are not always effective they have become popular. Some of the reasons include:
    - i. Teams are a great way to use employee talents
    - ii. Teams are more flexible and responsive to changes in the environment
    - iii. Can quickly assemble, deploy, refocus, and disband
    - iv. Facilitate employee involvement
    - v. Increase employee participation in decision making
    - vi. Democratize an organization and increase motivation
2. What is the difference between a group and a team?

**Answer:** A group may just be individuals that are together. A work group is a group that interacts primarily to share information and to make decisions to help each group member perform within his or her area of responsibility. Often there is no joint effort required. A work team generates positive synergy through coordinated effort. The individual efforts result in a performance that is greater than the sum of the individual input. Teams have member commitment to a common purpose, establishment of specific team goals, team efficacy, a managed level of conflict, and minimization of social loafing.
3. What are the four types of teams?

**Answer:**

  1. Problem-Solving Teams - groups of 5 to 12 employees from the same department who meet for a few hours each week to discuss ways of improving quality, efficiency, and the work environment
  2. Self-Managed Work Teams - groups of 10 to 15 people who take on the responsibilities of their former supervisors
  3. Cross-Functional Teams - employees from about the same hierarchical level, but from different work areas, who come together to accomplish a task
  4. Virtual Teams - teams that use computer technology to tie together physically dispersed members in order to achieve a common goal
4. What conditions or context factors determine whether teams are effective?

**Answer:** The key components of an effective team are in four general categories including context; composition; work design; and process. See Exhibit 10-3. Effective teams have a common and meaningful purpose that provides direction, momentum, and commitment for members. This purpose is a vision. It is broader than specific goals.

One example is team efficacy, which is a process factor that means effective teams have confidence in themselves and believe they can succeed. Success breeds success. Management can increase team efficacy by helping the team to achieve small successes and skill training. Small successes build team confidence. The greater the abilities of team members, the greater the likelihood that the team will develop confidence and the capability to deliver on that confidence.

5. How can organizations create team players?

**Answer:** Organizations can create team players through:

1. Selection - make team skills one of the interpersonal skills in the hiring process
2. Training - individualistic people can learn
3. Reward - rework the reward system to encourage cooperative efforts rather than competitive (individual) ones
4. Continue to recognize individual contributions while still emphasizing the importance of teamwork.

6. When is work performed by individuals preferred over work performed by teams?

**Answer:** The complexity of the work can determine whether one or more people are needed. Teamwork often is more time consuming due to increased communication and potential conflicts. The three tests to determine whether individuals or team should be utilized are:

1. Is the work complex and is there a need for different perspectives – will it be better with the insights of more than one person?
2. Does the work create a common purpose or set of goals for the group that is larger than the aggregate of the goals for individuals?
3. Are members of the group involved in interdependent tasks?

7. What are three ways in which our understanding of teams differs in a global context?

**Answer:**

1. Extent of Teamwork - Other countries use teams more often than does the U.S.
2. Self-Managed Teams - Do not work well in countries with low tolerance for ambiguity and uncertainty and a high power distance
3. Team Cultural Diversity and Team Performance
  - a. Diversity caused by national differences interferes with team efficiency, at least in the short run.
  - b. After about three months the differences between diverse and non-diverse team performance disappear.

# Experiential Exercise

## Fixed Versus Variable Flight Crews

Break into teams of five. Your team is a panel appointed by the U.S. Federal Aviation Agency to consider the pros and cons of variable flight crews and to arrive at a recommendation on whether to continue this practice.

Almost all commercial airlines now operate with variable flight crews. Pilots, copilots, and flight attendants typically bid for schedules on specific planes (for instance, Boeing 737s, 757s, or 767s) based on seniority. Then they're given a monthly schedule made up of 1- to 4-day trips. So any given flight crew on a plane is rarely together for more than a few days at a time. A complicated system is required to complete the schedules; it's so complicated, in fact, that IBM recently designed a complex software system for El Al Airlines that works through billions of possible combinations to find the best algorithmic solution for crew assignments. Because of this system, it's not unusual for a senior pilot at a large airline to fly with a different copilot on every trip during any given month. And a pilot and copilot that work together for 3 days in January may never work together again the rest of the year.

Arguments can be made in support of the current system. However, it also has serious drawbacks. Each team is to carefully consider the advantages and disadvantages to the current system, consider its effect on airline performance and safety, then be prepared to present to the class its recommendation and justification.

### **Purpose**

This exercise is designed to allow class members to (a) experience working together as a team on a specific task and (b) analyze this experience.

### **Time**

Teams will have 90 minutes to engage in steps 2 and 3 that follow. Another 45–60 minutes will be used in class to critique and evaluate the exercise.

### **Instructions:**

1. Form into teams of 5.
2. Each team is a panel appointed by the U.S. Federal Aviation Agency.
3. Assign each team the task of considering the pros and cons of variable flight crews.
4. Each team must arrive at a recommendation on whether to continue the practice.
5. Be sure each team considers both the advantages and disadvantages.

### **Teaching Notes**

This exercise requires members of the class to work effectively in teams. Not all members of each team will be in agreement with the recommendations arrived at by the team. You can use evidence of this dynamic as a discussion point on how teams deal with diversity of opinion and conflict.



# Ethical Dilemma

## Pressure To Be a Team Player

“O.K., I admit it. I’m not a team player. I work best when I work alone and am left alone,” says Zachery Sanders.

Zach’s employer, an office furniture manufacturer, recently reorganized around teams. All production in the company’s Michigan factory is now done in teams. And Zach’s design department has been broken up into three design teams.

“I’ve worked here for 4 years. I’m very good at what I do. And my performance reviews confirm that. I’ve scored 96 percent or higher on my evaluations every year I’ve been here. But now everything is changing. I’m expected to be part of our modular-office design team. My evaluations and pay raises are going to depend on how well the team does. And, get this, 50 percent of my evaluation will be on how well I facilitate the performance of the team. I’m really frustrated and demoralized. They hired me for my design skills. They knew I wasn’t a social type. Now they’re forcing me to be a team player. This doesn’t play to my strengths at all.”

Is it unethical for Zach’s employer to force him to be a team player? Is his firm breaking an implied contract that it made with him at the time he was hired? Does this employer have any responsibility to provide Zach with an alternative that would allow him to continue to work independently? If you were Zach, how would you respond?

### **Suggested Answers:**

1. It is not unethical for Zach’s employer to “force” him to be a team player. The company’s structure is moving toward a modular (team-based) design. This is an issue of policy, organizational design, and management prerogative.
2. There is no “implied contract” that is at issue here. The conditions under which Zach was hired have changed. This is reasonable given the dynamic nature of business environments.
3. The employer does not assume any responsibility to provide Zach with an alternative to allow him to work independently. We assume that the organization has determined that team-based, cooperative work arrangements are more beneficial for the company’s products and services. Zach has a choice to make.
4. It depends. Learning to work as a team member is a good skill to develop. One way is to just embrace the situation and hone your skills. It may or may not be a strength. He needs to attempt a new role before he decides that he can’t change or adapt.

# Case Incident 1

## Toyota's Team Culture

Many companies proudly promote their team culture. At Toyota, the promotion seems sincere.

Teamwork is one of Toyota's core values, along with trust, continuous improvement, long-term thinking, standardization, innovation, and problem solving. The firm's value statement says the following: "To ensure the success of our company, each team member has the responsibility to work together, and communicate honestly, share ideas, and ensure team member understanding."

So how does Toyota's culture reflect its emphasis on teamwork?

First, although individualism is a prominent value in Western culture, it is deemphasized at Toyota. In its place is an emphasis on systems, in which people and products are seen as intertwined value streams and people are trained to be problem solvers so as to make the product system leaner and better.

Second, before hiring, Toyota tests candidates to ensure they are not only competent and technically skilled but also oriented toward teamwork—able to trust their team, be comfortable solving problems collaboratively, and motivated to achieve collective outcomes.

Third, and not surprisingly, Toyota structures its work around teams. Every Toyota employee knows the adage "All of us are smarter than any of us." Teams are used not only in the production process but also at every level and in every function: in sales and marketing, in finance, in engineering, in design, and at the executive level.

Fourth, Toyota considers the team to be the power center of the organization. The leader serves the team, not the other way around. When asked whether he would feature himself in advertisements the way other automakers had (most famously, "Dr. Z," Daimler's CEO Dieter Zetsche), Toyota USA's CEO, Yuki Funo, said, "No. We want to show everybody in the company. The heroes. Not one single person."

### Questions

1. Do you think Toyota has succeeded because of its team-oriented culture, or do you think it would have succeeded without it?  
**Answer:** Most likely students will perceive that Toyota's success is because of the teamwork approach. The team approach apparently empowers members to think, to be innovative, to be creative, and to want to perform well. These attributes lead to better performance with continuous improvement in productivity.
2. Do you think you would be comfortable working in Toyota's culture? Why or why not?

**Answer:** The answer will depend on a student's bias. If the student is an individualist, then he or she is not likely to see the Toyota environment as one he or she could work in.

3. In response to the recession and the firm's first-ever quarterly loss, Toyota's managers accepted a 10 percent pay cut in 2009 to avoid employee layoffs. Do you think such a response is a good means of promoting camaraderie? What are the risks in such a plan?

**Answer:** The move shows that management is a part of the team and contributes to trust in difficult times. Risks of such action will depend on students' opinions, but among them might be the possibility of key management people departing. Depending on what actions are taken for employees in the face of business downturn, employees may interpret that the managers are an elite group since they were not laid off.

4. Recently, DCH Group, a company comprised of 33 auto dealerships, decided to adapt Toyota's culture to its own, particularly its emphasis on teamwork. DCH's CEO, Susan Scarola, said, "Trying to bring it down to day-to-day operations is tough. It was not something that everybody immediately embraced, even at the senior level." Do you think the culture will work in what is typically the dog-eat-dog world of auto dealerships? Why or why not?

**Answer:** One of the possible answers to this question will revolve around whether or not the dealerships are unionized. This creates a potential conflict with a combination of adversarial relations between employees and management inherent in the union approach and the highly competitive nature of business. With this conflict, teams are not likely to take root in the dealerships the way they need to in order to affect productivity.

*Sources:* Based on A. Webb, "The Trials and Tribulations of Teamwork," *Automotive News* (March 2, 2009), [www.autonews.com](http://www.autonews.com); J. K. Liker and M. Hoseus, "Toyota's Powerful HR," *Human Resource Executive* (November 1, 2008), [www.hreonline.com](http://www.hreonline.com); J. K. Liker and M. Hoseus, *Toyota Culture: The Heart and Soul of the Toyota Way*, New

## Case Incident 2

### IBM's Multicultural Multinational Teams

Historically, IBM was one of the most tradition-bound companies on the planet. It was famous for its written and unwritten rules—such as its no-layoff policy, its focus on individual promotions and achievement, the expectation of lifetime service at the company, and its requirement of suits and white shirts at work.

How times have changed.

IBM has clients in 170 countries and now does two-thirds of its business outside the United States. As a result, it has overturned virtually all aspects of its old culture. One relatively new focus is in the teamwork area. While IBM, like almost all large organizations, uses work teams extensively, the way it does so is unique.

To instill in its managers an appreciation of local culture, and as a means of opening up emerging markets, IBM sends hundreds of its employees to month-long volunteer project teams in regions of the world where most big companies don't do business. Al Chakra, a software development manager located in Raleigh, North Carolina, was sent to join GreenForest, a furniture manufacturing team in Timisoara, Romania. With Chakra were IBM employees from five other countries. Together, the team helped GreenForest become more computer-savvy to help its business. In return for the IBM team's assistance, GreenForest was charged . . . well . . . nothing.

This is hardly pure altruism at work. IBM calculates these multicultural, multinational teams are good investments for several reasons. First, they help lay the groundwork for opening up business in emerging economies, many of which might be expected to enjoy greater future growth than mature markets. Stanley Litow, the IBM VP who oversees the program, also thinks it helps IBMers develop multicultural team skills and an appreciation of local markets. He notes, "We want to build a leadership cadre that learns about these places and also learns to exchange their diverse backgrounds and skills." Among the countries where IBM has sent its multicultural teams are Turkey, Tanzania, Vietnam, Ghana, and the Philippines.

As for Chakra, he was thrilled to be selected for the team. "I felt like I won the lottery," he said. He advised GreenForest on how to become a paperless company in 3 years and recommended computer systems to boost productivity and increase exports to western Europe.

Another team member, Bronwyn Grantham, an Australian who works at IBM in London, advised GreenForest about sales strategies. Describing her team experience, Grantham said, "I've never worked so closely with a team of IBMers from such a wide range of competencies."

#### Questions

1. If you calculate the person-hours devoted to IBM's team projects, they amount to more than 180,000 hours of management time each year. Do you think this is a wise investment of IBM's human resources? Why or why not?  
**Answer:** Yes, it is a wise investment. This practice empowers employees to more effectively and efficiently find solutions to problems and opportunities. Such improved productivity will pay for itself through increased ROI (return on investment).
2. Why do you think IBM's culture changed from formal, stable, and individualistic to informal, impermanent, and team oriented?  
**Answer:** It changed to be more responsive in the global market and to increase competitiveness. It worked!
3. Would you like to work on one of IBM's multicultural, multinational project teams? Why or why not?  
**Answer:** The answer to this question will depend on the student's personal opinions and attitudes.
4. Multicultural project teams often face problems with communication, expectations, and values. How do you think some of these challenges can be overcome?  
**Answer:** Have the students read [http://en.wikibooks.org/wiki/Managing\\_Groups\\_and\\_Teams/How\\_Do\\_You\\_Manage\\_Global\\_Virtual\\_Teams%3F](http://en.wikibooks.org/wiki/Managing_Groups_and_Teams/How_Do_You_Manage_Global_Virtual_Teams%3F) and have them suggest the challenges that must be addressed in the management of virtual teams.

Sources: Based on C. Hymowitz, "IBM Combines Volunteer Service, Teamwork to Cultivate Emerging Markets," *Wall Street Journal* (August 4, 2008), p. B6; S. Gupta, "Mine the Potential of Multicultural Teams," *HR Magazine* (October, 2008), pp. 79-84; and H. Aguinis and K. Kraiger, "Benefits of Training and Development

# Instructor's Choice

## Curtailing Social Loafing

As a good place to begin, have students read “Extrinsic and Intrinsic Origins of Perceived Social Loafing in Organizations,” *Academy of Management Journal* 3 (1992), pp. 191–202.

The primary task of the exercise is to design a plan of action to prevent and discourage social loafing. Review the chapter section on social loafing before beginning the design of your plan. The plan should identify the problem in the example, the potential for problems, corrective action, a time frame, and an assessment measure.



### EXPLORING OB TOPICS ON THE WORLD WIDE WEB

Search Engines are our navigational tools to explore the WWW. Some commonly used search engines are:

[www.goto.com](http://www.goto.com)  
[www.lycos.com](http://www.lycos.com)

[www.google.com](http://www.google.com)  
[www.hotbot.com](http://www.hotbot.com)

[www.yahoo.com](http://www.yahoo.com)  
[www.bing.com](http://www.bing.com)

1. Moving from a traditional hierarchical structure to teams requires thought and planning. How teams will be applied within the organization and their goals can be one of the most challenging aspects of the process. Go to the Web site <http://www.teamtechnology.co.uk/tt/t-articl/tb-basic.htm> to learn more about team building.
2. What is the difference between a self-managed team and a self-directed team? The following Web site [http://www.mapnp.org/library/grp\\_skill/slf\\_drct/slf\\_drct.htm](http://www.mapnp.org/library/grp_skill/slf_drct/slf_drct.htm) has a series of links on team topics where you can find the answer to the above questions and many other questions. Write a short reaction paper on one of the topics from this site.
3. Virtual teams require tools to support their effectiveness. For example, how do they hold meetings? We often assume the technology is there (e.g. the telephone), but most technology supports only one-on-one communication. When a meeting is held on the phone, there must be technology to support all members being on the line at once. Learn more about virtual team tools at <http://www.objs.com/survey/groupwar.htm>. Write five facts you learned about groupware and collaboration support and bring the list to class for further discussion.

4. For a brief overview of the characteristics of effective teams, go to <http://www.stanford.edu/class/e140/e140a/effective.html>. After reviewing this list, think of a team or group you have worked with in the past. Do not name names, but take each characteristic listed and apply your experience to it. For example, characteristic number one is, “There is a clear unity of purpose.” Did your group have that unity? Why or why not? How did you know? Was there a mission statement (or lack of one)? Were there goals (or no goals)? etc. Bring your completed analysis to class for group discussion.
  
5. What can be learned from a WebMonkey? Eight ways to find and keep Web team players. Go to: [http://hotwired.lycos.com/webmonkey/98/22/index0a\\_page3.html](http://hotwired.lycos.com/webmonkey/98/22/index0a_page3.html). How do WebMonkey’s recommendations compare to what we have learned in class? Write a paragraph or two as to why you agree or disagree with these recommendations and what you would change if necessary. Bring to class for further discussion.