ORGANIZATIONAL WELFTH **BEHAVIOR** Managing People and Organizations

PART 3 Social and Group Processes in Organizations



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Chapter Learning Objectives After studying this chapter you should be able to:

- 1. Define groups and teams and identify and describe several types of each.
- 2. Identify the five core group performance factors and relate them to groups and teams in organizations.
- 3. Discuss the stages of group and team development, other team performance factors, and the implementation process in the context of creating new teams.
- 4. Identify the primary benefits and costs of teams, how managers can promote effective team performance, and important team competencies.
- 5. Describe emerging team opportunities and challenges related to virtual teams and diversity and multicultural teams.

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The Nature of Groups and Teams

Group Defined

-Two or more people who interact with one another such that each person influences and is influenced by each other person

Team Defined

-An interdependent group of at least two people who share a common goal and accountability for outcomes

Categorization of Groups

- -By degrees of formalization
 - Formal groups—established by organization
 - Informal groups—self-created by members

Workgroup

- A formal group established by the organization to do its work
- Types of Workgroups
 - -Command group: relatively permanent group with functional reporting relationships; usually included in org chart
 - Affinity group: relatively permanent collection of employees in the same hierarchical level who meet regularly to share information and solve problems

Functional Team

–Members come from the same department or functional area

Cross-Functional Team

- –Members come from different departments or functional areas
- -Can increase creativity
- -Can solve problems more quickly

• Problem-Solving Team

-Established to solve a problem and improve work

Self-Directed Team

- -Sets and pursues own goals
- -Team members responsible for managerial tasks such as scheduling and evaluation
- -Can improve commitment, quality, and efficiency

Venture Team

- -Operates semi-autonomously to create and develop new products, processes, or businesses
- -Separating team from the firm's formal structure can enhance innovation and speed up cycle times

Virtual Team

-Members are geographically dispersed

Global Team

- -Has members from different countries
- -Can be virtual or meet face-to-face

Types of Informal Groups

- Friendship Group
 - -Relatively permanent
 - Draws benefits from the social relationships among its members
- Interest Group
 - -Organized around a common activity or interest
 - -Relatively temporary



- Initiator suggests new goals or ideas
- Information seeker/giver clarifies key issues
- Opinion seeker/giver clarifies pertinent values
- Elaborator promotes greater understanding through examples or exploration of implications
- Coordinator pulls together ideas and suggestions

Task Roles

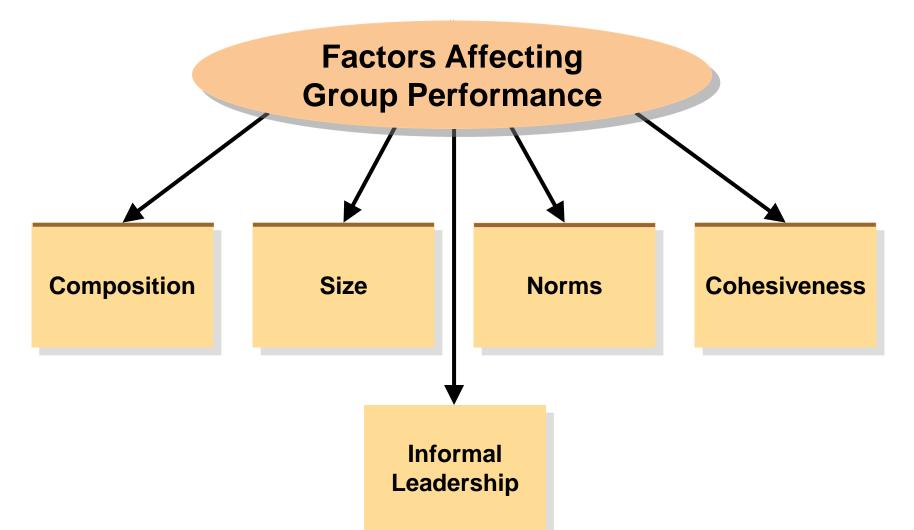
- Orienter keeps group headed toward its stated goal(s)
- Evaluator tests group's accomplishments with various criteria such as logic and practicality
- Energizer prods group
- Procedural technician performs routine duties
- Recorder performs a "group memory" function by documenting discussion and outcomes

Maintenance Roles

- Encourager fosters group solidarity by accepting and praising various points of view
- Harmonizer mediates conflict through reconciliation or humor
- Compromiser helps resolve conflict by meeting others "half way"
- Gatekeeper encourages all group members to participate
- Standard setter evaluates the quality of group processes
- Commentator records and comments on group processes/dynamics

• Follower serves as a passive audience McGraw-Hill Companies, Inc. All rights reserved.

Group Performance Factors



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Group Performance Factors

Group Composition

- -The degree of similarity or difference among group members on factors important to the group's work
 - Homogeneity
 - Degree to which members are similar in one or several ways that are critical to the group's work
 - Heterogeneity
 - Degree to which members differ in one or more ways that are critical to the group's work

- Group Composition (cont'd)
 - -Homogeneous groups are more productive when the task is simple, is sequential, requires cooperation, or requires quick action
 - -Heterogeneous groups are more productive when the task is complex, requires collective effort, demands creativity, and emphasizes thoroughness over speed

• Group Size

- -The number of members in the group
- -Affects resources available to perform the task
- -Affects degree of formalization of interactions, communication, and participation
- -Can increase the degree of social loafing

- Factors that Determine Ideal Group Size
 - -Group members' ability to interact and influence each other
 - -Maturity of the group
 - -Group tasks
 - -Ability of the group leader to deal with communication, conflict, and task activities



- Group size affects how a group performs.
 - Normally, small groups (2 to 9 members) interact better; 5 as ideal number
 - Larger groups can be used when more resources are needed and division of labour is possible

Group Norms

- -The standards against which the appropriateness of the behaviors of members are judged
- -Determine behavior expected in a certain situation

-Result from:

- Personality characteristics of members
- The situation
- The historical traditions of the group
- -Are enforced only for actions that are important to group members

Norms



• Norm : shared attitudes, opinions, feelings, or actions that guide social behavior

- Purposes of Norms
 - -Help the group survive
 - -Simplify and increase predictability of expected behaviors of group members
 - -Help the group to avoid embarrassing situations
 - -Express the group's central values for membership identification and identify the group to others

CONFORMITY

DEFINITION

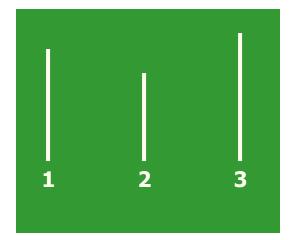
ASCH EFFECT

Threats to Group Effectiveness: The Asch Effect

Standard Line Card



Comparison Lines Card



RESEARCH FINDINGS NON-CONFORMIST/DEVIANT

-Conformity and Deviance

- Members conform to norms to obtain rewards, imitate respected members, and because they feel the behavior is right.
- When a member deviates, other members will try to make them conform, expel the member, or change the group norms to accommodate them.
- Conformity and deviance must be balanced for high performance from the group.
- Deviance allows for new ideas in the group.

- Group Cohesiveness
 - -The extent to which a group is committed to staying together
 - -Results from forces acting on the members
 - Attraction to the group
 - Resistance to leaving the group
 - Motivation to remain a member of the group

Figure 7.1

The factors that increase and decrease cohesiveness and the consequences of high and low cohesiveness indicate that although it is often preferable to have a highly cohesive group, in some situations the effects of a highly cohesive group can be negative for the organization.

Factors That Affect Group Cohesiveness and Consequences of Group Cohesiveness

Factors That Increase Cohesiveness

Homogeneous Composition Mature Development Relatively Small Size Frequent Interactions Clear Goals (Competition or External Threat) Success Consequences of High Cohesiveness

Goal Accomplishment Personal Satisfaction of Members Increased Quantity and Quality of Interactions Groupthink

Factors That Decrease Cohesiveness

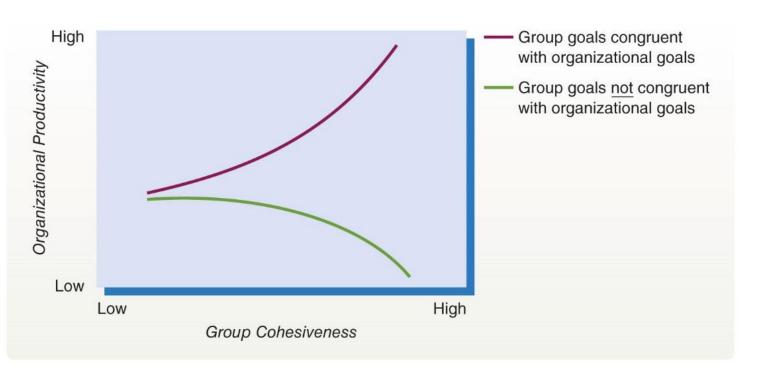
Heterogeneous Composition Recent Formation Large Size Physical Dispersion Ambiguous Goals Failure Consequences of Low Cohesiveness

Difficulty in Achieving Goals Increased Likelihood of Disbanding Fewer Interactions Individual Orientation Lower Commitment to Group Goals

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Figure 7.2

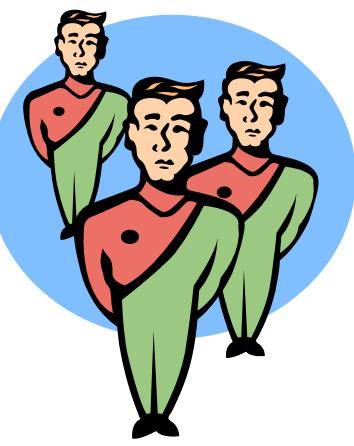
Group Cohesiveness, Goals, and Productivity



This figure shows that the best combination is for the group to be cohesive and for the group's goals to be congruent with the organization's goals. The lowest potential group performance also occurs with highly cohesive groups when the group's goals are not consistent with the organization's goals.

Threats to Group Effectiveness: Groupthink

- **Groupthink** term for a cohesive ingroup's unwillingness to realistically view alternatives
- Symptoms:
 - Invulnerability
 - Inherent morality
 - Rationalisation
 - Stereotyped views of opposition
 - Self-censorship
 - Illusion of unanimity
 - Peer pressure
 - Mind-guards



Symptoms of Groupthink Lead to Defective Decision Making

Symptoms of Groupthink

- Invulnerability
- Inherent morality
- Rationalisation
- Stereotyped views of opposition
- Self-censorship
- Illusion of unanimity
- Peer pressure
- Mind-guards

Decision-making Defects

- 1) Few alternatives
- 2) No re-examination of preferred alternatives
- 3) No re-examination of rejected alternatives
- 4) Rejection of expert opinions
- 5) Selective bias of new information
- 6) No contingency plans

Preventing Groupthink

- 1) Each member of the group should be assigned the role of critical evaluator
- 2) Top-level executives should not use company policy committees to rubberstamp decisions that have already been made
- 3) Different groups with different leaders should explore the same policy questions

Preventing Groupthink Cont.

- 4) Subgroup debates and outside experts should be used to introduce fresh perspectives
- 5) Someone should be given the role of devil's advocate when discussing major alternatives
- 6) Once a consensus has been reached, everyone should be encouraged to rethink their position to check for flaws

Informal Leaders

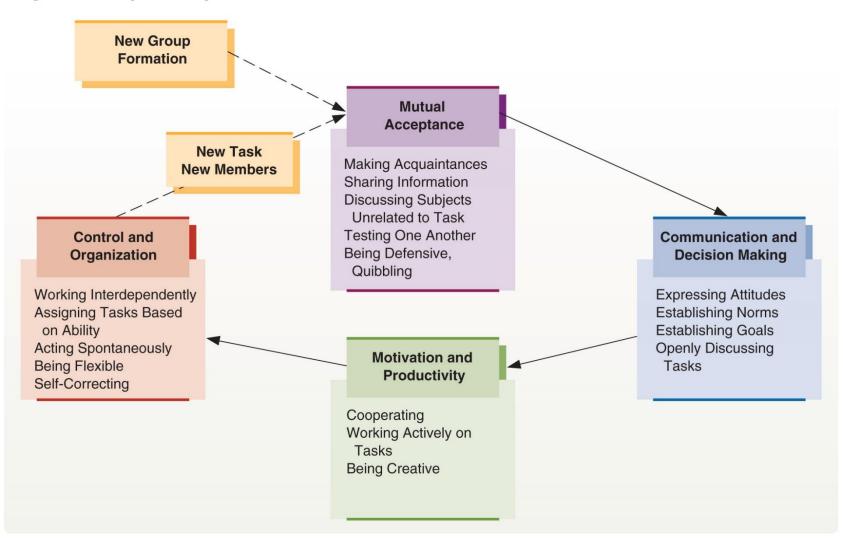
- Engage in leadership activities without a formally recognized right
- -Often draw from referent or expert power
- –Can be a tremendous asset when working in the firm's best interests
- -Can cause major disruption otherwise

Stages of Group Development

- Four-Stage Development Process of Groups
 - 1. Mutual acceptance
 - 2. Communication and decision making
 - 3. Motivation and productivity
 - 4. Control and organization

Figure 7.3

Stages of Group Development



This figure shows the stages of evolution from a newly formed group to a mature group. Note that as new members are added or an existing group gets a new task, the group needs to go through the stages again.

Team Performance Factors

Process Gain

- Performance improvements that occur because people work together rather than alone
- Process Loss
 - Performance decrements that occur when a team performs worse than the individual members would have had they worked alone
 - Social loafing is a common cause
- Team Efficacy
 - A team's shared belief that it can organize and execute the behaviors necessary to reach its goals

Team Performance Factors

• Trust

 Belief that other people will honor their commitments, especially when this is difficult to enforce

Trust

• Trust reciprocal faith in others' intentions and behaviour



How to Build Trust



- Communication
- Support
- Respect
- Fairness
- Predictability
- Competence

- Social Facilitation
 - Occurs when people are motivated to look good to others and want to maintain a positive self-image
 - The opposite of social loafing
 - Can be enhanced by keeping team size small, clarifying what's expected of each member, and making individual contributions identifiable

Team Performance Factors

Roles

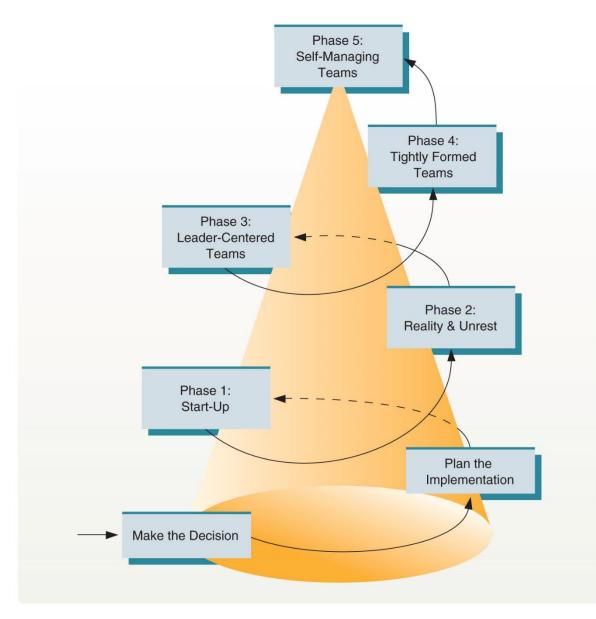
 Define the behaviors and tasks each team member is expected to perform because of the position she holds

Other Factors

- Positive norms
- Shared team goals
- Feedback
- Team rewards
- New member integration

Figure 7.4

Phases of Team Implementations



Implementation of teams in organizations is a long and arduous process. After the decision is made to initiate teams, the steering committee develops the plans for the design team, which plans the entire process. The goal is for teams to become self-managing. The time it takes for each stage varies with the organization.

- Changing to a Team-Based Situation (cont'd)
 - -Planning the Change
 - -Implementation Phases
 - Start-up
 - -Select and train team members
 - -Identify team boundaries
 - Adjust preliminary plan to fit the particular team situations

- Changing to a Team-Based Situation (cont'd)
 - -Planning the Change
 - -Implementation Phases
 - Start-up
 - Reality and unrest: Managers' roles
 - -Provide encouragement
 - -Monitor team performance
 - -Act as intermediaries between teams
 - -Help teams acquire needed resources
 - Foster the right type of communication
 - -Protect teams from those who want to see them fail

- Changing to a Team-Based Situation (cont'd)
 - -Planning the Change
 - -Implementation Phases
 - Start-up
 - Reality and unrest
 - Leader-centered teams
 - -Encourage strong internal team leaders
 - Assist each team in development of its own sense of identity

- Changing to a Team-Based Situation (cont'd)
 - -Planning the Change
 - -Implementation Phases
 - Start-up
 - Reality and unrest
 - Leader-centered teams
 - Tightly formed teams
 - -Keep communication channels with other teams open
 - -Provide performance feedback
 - -Transfer authority/responsibility to all team members

- Changing to a Team-Based Situation (cont'd)
 - -Planning the Change
 - -Implementation Phases
 - Start-up
 - Reality and Unrest
 - Leader-centered teams
 - Tightly formed teams
 - Self-managing teams: keeping teams on track
 - Continue job-team-interpersonal skill training
 - Improve support systems for facilitation of team development and productivity
 - Improve internal customer/supplier relationships

Team Implementation

Implementation Phases	Team Performance
Phase 1: Start-up	Performance is normal
Phase 2: Reality/Unrest	Performance declines due to confusion and frustration with training and lack of top management direction
Phase 3: Leader-centered teams	Performance increases due to increasing familiarity with the team process and restoration of internal leadership
Phase 4: Tightly-formed teams	Performance continues to increase
Phase 5: Self-managing teams	Performance peaks as teams mature and become more flexible

Benefits of Teams in Organizations

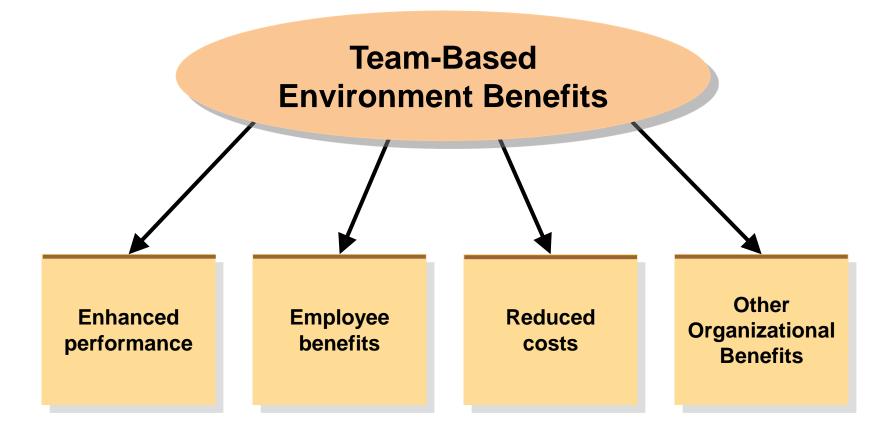
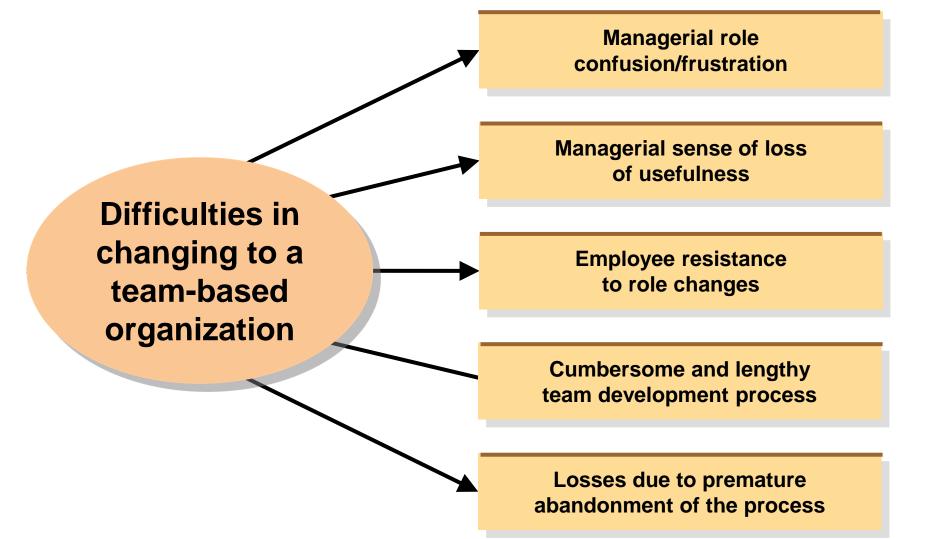
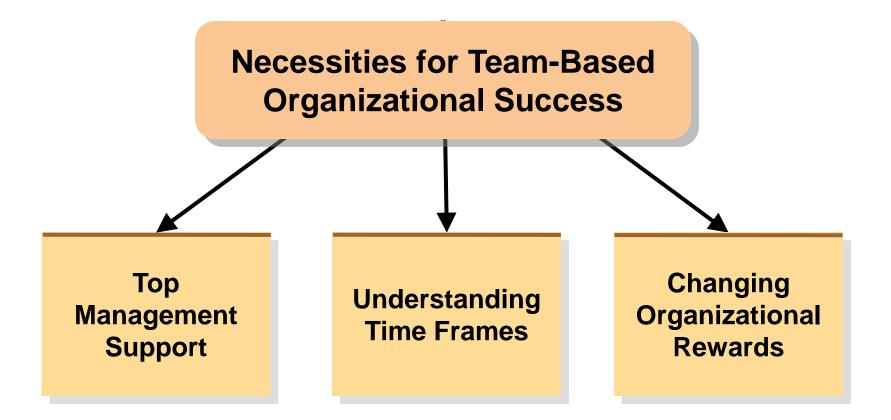


Table 7.2 Benefits of Teams in Organizations		
TYPE OF BENEFIT	SPECIFIC BENEFITS	ORGANIZATIONAL EXAMPLES
ENHANCED PERFORMANCE	 Increased productivity Improved quality Improved customer service 	 K Shoes: Rejects per million dropped from 5,000 to 250; 19% increase in productivity General Electric: One plant increased productivity by 20%
EMPLOYEE BENEFITS	 Quality of work life Lower stress 	 Milwaukee Mutual: Employee assistance program usage dropped to 40% below industry average
REDUCED COSTS	 Lower turnover, absenteeism Fewer injuries 	 Wilson Sporting Goods: saved \$10 million per year Colgate-Palmolive: 90% retention of technicians over a 5-year period
OTHER ORGANIZATIONAL BENEFITS	 Increased innovation, flexibility 	 Motorola: challenged a long-standing top- management policy, thereby reducing cycle times and improving delivery of crucial parts

Costs of Teams in Organizations



Promoting Effective Performance



Importance of Top Management in Promoting Team Success

 Decides to go to a team-based structure for sound business reasons

-Not just because everyone else is doing it

- Instrumental in communicating the reasons for change to the rest of the organization
- Must support the change effort during the difficult periods

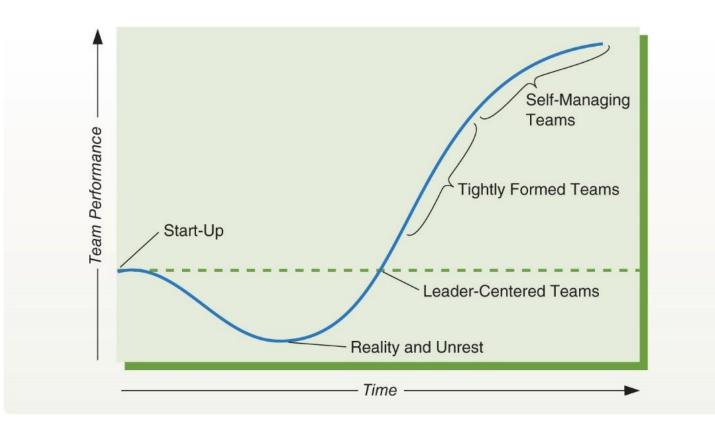
Importance of Understanding Time Frames in Promoting Team Success

- Things often get worse before they get better
- It often takes 1+ years before performance returns to pre-team levels
- If not enough time and diligence is devoted to planning the change, performance may never return to pre-team levels at all
- Don't expect too much too soon

Figure 7.5

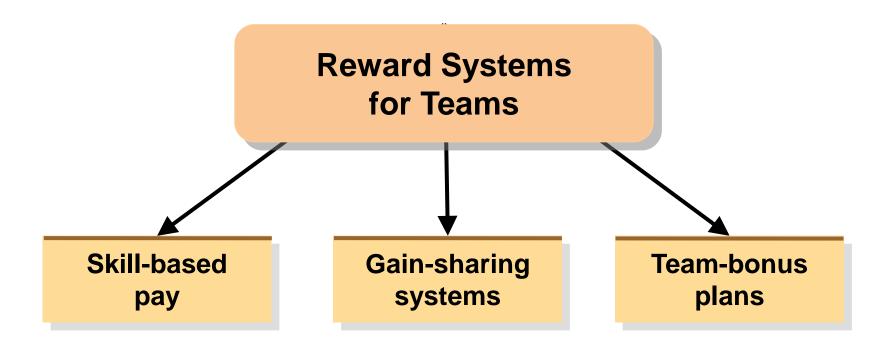
The team performance curve shows that performance initially drops as reality sets in, and team members experience frustration and unrest. However, performance soon increases and rises to record levels as the teams mature and become self-managing.

Performance and Implementation of Teams



Source: From Katzenbach, J. R., & Smith, D. K. (1993). *The Wisdom of Teams: Creating the High Performance Organization* (p. 84). Boston, MA: Harvard Business School Press.

Changing Organizational Rewards



Virtual Teams

• Challenges:

- -Geographic and temporal separation
- -Isolation: hard to feel "part of the team"
- -Difficult to perform standard integration, mentoring, and development functions
- -Many functions must be performed by the team without the leader being present

Virtual Teams (cont'd)

- Important Virtual Leadership Skills:
 - -Communicate effectively by matching technology to the situation
 - -Build community among members based on trust, respect, and fairness
 - Solicit and value all members' contributions
 - -Establish a clear and motivating shared vision, team purpose, goals, and expectations
 - -Lead by example and focus on measurable results
 - -Coordinate and collaborate across organizational boundaries

Diversity and Multicultural Teams

- Benefits of Diverse Teams:
 - -Creativity and innovation
 - -Improved decision making
 - -Improved problem solving
- Challenges of Diverse Teams:
 - -More misunderstandings and conflict
 - -Less integration and communication
 - -Less able to provide for all members' needs

Diversity and Multicultural Teams (cont'd)

Other Challenges

-Direct vs indirect communication

- In non-Western cultures, meaning is embedded in the way the message is presented
- Members of Western cultures have difficulty interpreting indirect communication

–Differing attitudes toward hierarchy and authority

 Members of status-oriented cultures feel uncomfortable arguing with the team leader, older people, or others perceived to have a greater status

-Conflicting decision making norms

 Cultures differ in how quickly and decisively decisions ought to be made

Organizational Behavior in Action

- After reading the chapter:
 - –What conflicts could occur when informal and formal groups overlap in an organization?
 - -How are families like teams? How are they unlike teams?
 - -Students frequently are required to participate as members of teams in their classes. What are the advantages? Disadvantages?