

## *What can companies do to improve team effectiveness?*

**T**he idea of the team is one that has caught hold of the imagination of modern management. Recent statistics point to a persistent organizational trend towards group and teamworking. 54% of the leading 600 enterprises in the USA use self-directed teams. Likewise, 54% of employees in the core workforce work in some form of team.

Teams have come to be perceived as the building block of organizations - expected to improve performance, reduce production costs, speed up innovations, enhance product quality, utilize new technologies, and increase employee participation, thus meeting the challenges of the global company. Such enthusiasm for, and belief in the power of the team have led some critics to call this the 'romance of teams'.

### *To what extent is this 'faith' in teams borne out by actual team performance?*

Results from a survey of project teams in 88 companies appear to indicate that companies might need to do more to build more effective teams. Areas of weakness include inadequate individual and team goal setting, performance feedback mechanisms, effective reward systems, and project management skills.

While there are references to 'high performance' teams - teams that outperform all reasonable expectations, as well as other similarly situated teams, they don't manifest as often as organizations would hope. The 'high performance' team is more an aspiration for teams and organizations.

The reality is that teamwork can be very difficult because is open to complex interpersonal psychological issues. The effect of putting individuals to work together in a team can result in positive synergy (where the interaction of two or more components produce a positive reaction greater than the sum of individual components, such that  $2 + 2 = 5$ ), OR negative synergy (where  $2+2 = 3$ ). The flip side of 'social facilitation', where

the presence of others causes 'arousal' with enhanced performance, is 'social loafing', also referred to as 'freeriding' where individuals expend less effort in a group. Consider too the dangers of 'groupthink', where a high level of cohesiveness may mean that members become reluctant to disrupt consensus, and succumb to group pressure to conform, possibly leading to bad, and sometimes disastrous decisions. It requires substantial time and effort to build and manage teams well.

*So, what can companies do to improve team effectiveness?*

To start, management systems should be designed to provide a team environment. HR policies that support a team infrastructure should be put in place. Recruitment drives could stress 'team-working' capability. Design recruitment and selection strategies that look for team-working ability more stringently. Develop team skills and behaviors through training. Reinforce these through the appraisal and reward systems.

Understanding what drives team effectiveness is complex as teams operate in a multifaceted context. However, speaking generally, 'performance' and 'viability' are important dimensions of team effectiveness. Performance entails the successful delivery of an output to internal or external customers, while group viability is more future oriented, and includes dimensions of continuity, commitment, cohesion and capability.

Let's take the team performance equation as  $AP = PP + S - T$  (Thompson 2004), where the actual productivity of a team is a function of 3 key factors: potential productivity, synergy and threats, while potential productivity comprises 3 subfactors: task demands, resources and process, synergy refers to everything that goes better in a team compared with individuals working alone, and threats are everything that can go wrong in a team. It's probably easier to control 'threats' than induce 'synergy'. So, one way of looking at improving team performance would be to make sure that 'threats' are minimized at every stage. This calls for vigilance on the part of both team managers/leaders and team members themselves.

In building the team for example, the key dimensions of task, people and relationships would need to be analyzed and considered. Exactly what work needs to be performed by the team – is this a tactical team, is creativity required, or is it a problem-solving approach that is needed? For people – how should team members be selected, what kinds of technical, task management and interpersonal skills are required, what level of diversity is optimal. For relationships, how do people work together, how can cohesiveness be engendered, what norms should be in place, what roles will be negotiated? These 3 elements form the basic, internal system of teamwork, and it would be important to get them ‘right’.

Then, as the team moves forward, it is important to monitor team patterns of collaboration and interaction. Is there evidence of collaboration and information sharing among team members? How well do team members learn from each other? If there is conflict, what is the nature of the conflict, and how should it be negotiated?

Finally, performance evaluation is an important part of team operations. It is important not just to measure the results, but also the process. Aside from productivity, basic performance criteria should include dimensions of cohesion, learning and integration.

All of these aspects need to be managed for effectiveness, on an ongoing basis. Throwing a group of people together with some objectives, and hoping that they will turn into a high performance team is just not good enough! © CHUNG Yuen Kay, 2008