



## CHAPTER 10 UNDERSTANDING WORK GROUPS AND TEAMS

### Learning Objectives

1. Describe formal and informal work groups.
2. Define group norms.
3. Explain group cohesiveness.
4. Define group conformity.
5. Outline the conditions under which individual members tend to conform to group norms.
6. Define groupthink.
7. Understand the concept of team building.
8. Explain idiosyncrasy credit.
9. Outline the phases in the life of teams.
10. Describe a quality circle.
11. Explain self-directed work teams.
12. Define virtual work teams.

### Chapter Overview

The eventual purpose of successful organizing is to form the organization into functioning and productive work groups. These groups may be formal or informal, but they are empowered with the responsibility of conducting the company's business and maintaining the company in the competitive environment.

Groups have been a concern of management since the advent of the Industrial Revolution. The study of groups concentrates on many behavioral variables and effects. Among those discussed in this chapter are group norms, group cohesiveness, and group conformity. The individual's acceptance or rejection of group and organizational norms is of constant concern to management. Even though conformity is necessary, it can also work against the purposes of the organization. "Groupthink" can stifle creativity and lead to unproductive and destructive decisions. Management must be aware of the phenomenon and constantly guard against its effects.

At the heart of the modern quality movement are leadership, empowerment, and team building. Effective team building is one of the key secrets to successful international competition. Such devices as the quality circle are discussed so a proper perspective can be given to the creative manager. A challenge for the coming 21st century will be to harness the creativity of the individual and bind it into a forceful and productive team. It is believed that this synergy will be a powerful managerial and competitive weapon.



## Lecture Outline

- I. Formal Work Groups
  - A. **Formal work groups** are established and formally recognized by the organizing function of management; these groups carry out specific tasks
  - B. Formal groups may exist for a short period (task force) or a long period of time (command group).
  
- II. Informal Work Groups
  - A. **Informal work groups** result from personal contacts and interactions among people and are not formally recognized by the organization; these groups meet social needs.
  - B. Interests groups are informal groups where members share a purpose or concern.
  - C. Informal groups formed around mutual interests fill important social needs.
  - D. Informal work groups affect productivity, employee morale, and managerial success.
  - E. The Hawthorne studies discovered that groups may set their own productivity levels and pressure workers to meet them.

Key Terms #1, 2; Learning Objective #1; Review Questions #1, 2

- III. **Group Norms**—informal rules a group adopts to regulate and regularize group members' behavior.
  - A. Norms only govern group actions that are important for survival.
  - B. Norms may not be written down or spoken.

Key Term #3; Learning Objective #2; Review Question #4

- IV. Group Behavior
  - A. Informal work groups share similar types of behaviors
  - B. **Group cohesiveness** is the degree of attraction that each member has for the group, or the “stick-togetherness” of the group.
    - 1. The greater the cohesiveness, the greater the individual member's conformity to group norms.
    - 2. Variables that affect cohesiveness include:
      - a. Size—smaller groups are more cohesive.
      - b. Success—successful groups are more cohesive.
      - c. Status—high-status groups tend to be more cohesive.



- d. Outside pressures—can increase group cohesiveness (e.g. conflict with management)
  - e. Stability of membership—a stable membership improves cohesiveness.
  - f. Ability to communicate—easy lines of communication increase cohesiveness.
  - g. Physical isolation—from other employees may increase cohesiveness.
- C. **Group conformity** is the degree to which the members of the group accept and abide by the norms of the group.
- 1. Groups generally try to control members' behavior for two reasons:
    - a. Independent behavior can cause disagreements and threaten the group's survival.
    - b. Consistent behavior creates an atmosphere of trust and predictability.
  - 2. Conformity usually happens when:
    - a. Group norms are similar to personal attitudes, beliefs, and behavior.
    - b. Members feel pressure even though they do not agree with group norms
    - c. The rewards for complying are valued or the sanctions for non-compliance are devalued.
- D. **Groupthink** is a dysfunctional syndrome that cohesive groups experience that causes the group to lose its critical evaluative capabilities; affects the ability to make logical decisions.
- 1. Members become unwilling to criticize each other.
  - 2. Symptoms that groupthink is happening include:
    - a. Illusions of group invulnerability.
    - b. Rationalizing actions.
    - c. Belief in group morality.
    - d. Negative stereotyping of outsiders.
    - e. Application of pressure to deviants within the group.

Key Terms #4, 5, 6; Learning Objectives #3, 4, 5, 6; Review Questions #5, 6, 7, 8; Figure 10.1

- V. The Importance of Teams
- A. Teams play an important part in helping an organization meet its goals.
    - 1. Groups have more knowledge and information than individuals.
    - 2. Groups make communicating and solving problems easier.
    - 3. Groups create a more efficient and effective company.
    - 4. Managers must work with groups to overcome cultural and gender differences.
  - B. Influencing work groups
    - 1. The **Hawthorne effect** states that giving special attention to a group of employees changes their behavior.



2. When groups of employees are singled out for attention, they tend to work more efficiently.
- C. Building effective teams
  1. Managers are responsible for developing shared values and group loyalty in formal work groups so that they will take on the favorable characteristics of informal work groups.
  2. **Linchpin concept**—because managers are members of overlapping groups, they link formal work groups to the total organization.
  3. **Team building** is a process by which the formal work group develops an awareness of those conditions that keep it from functioning effectively and then requires the group to eliminate those conditions.
    - a. To create a successful group, managers need to encourage fair play, select qualified employees, make the group attractive, and create a positive work environment.
    - b. Building trust, sharing information, and exhibiting honesty increase group cohesiveness.
    - c. Managers can influence group cohesiveness by
      - Keeping groups small.
      - Selecting group members carefully.
      - Finding a good personality fit between new and old employees.
      - Developing an office layout that improves communication.
      - Creating clear goals.
      - Inspiring group competition.
      - Rewarding groups rather than individuals.
      - Isolating groups from each other.
    - d. **Idiosyncrasy credit** occurs when certain group members who have made or are making significant contributions to the group's goals are allowed to take some liberties within the group.
  4. **Phases in the life of teams** – Effective work teams go through four phases of development.
    - a. **Forming** occurs when the team members first come together. Focus of this phase is for members of the team to get to know each other and have their questions answered.
    - b. **Norming** involves developing the informal rules that the team adopts to regulate the behavior of the team members.
    - c. **Storming** – members of the team begin to question the leadership and direction of the group.
    - d. **Performing** – team becomes an effective and high-performing team only if it has gone through the three previous phases.



Key Terms #7, 8, 9, 10; Learning Objectives #7, 8, 9; Review Questions 3, 9, 10, 11, 12; Figures 10.2, 10.3; Management Illustration 10.1, 10.2. 10.3

5. **Quality circles** are composed of a group of employees (usually from 5 to 15) who are members of a single work unit, section, or department.
  - a. The basic purpose of a quality circle is to discuss quality problems and generate ideas that might help improve quality.
  - b. Quality circles also encourage communication and trust among members and managers; they provide training while giving employees some control; and they may solve problems that have been around for years.
6. **Self-directed work teams** are teams where members are empowered to control the work they do without a formal supervisor.
7. **Virtual work teams** are responsible for making and/or implementing important decisions for the business, mainly use technology-supported communication, and whose members work and live in different locations.

Key Terms #11, 12; Learning Objectives # 10, 11, 12; Review Questions #13, 14, 15; Management Illustration 10.4

## VI. Groups and Leaders

- A. Informal groups select leaders who are the most capable of satisfying the group's needs. This leader needs strong communication skills, especially in setting objectives for the group, giving directions, and summarizing information.
- B. Gaining acceptance
  1. Managers assigned to formal work groups must work to gain acceptance as leaders.
  2. Managers should demonstrate knowledge, communicate information effectively, treat group members with respect, and make fair judgments.
  3. Managers must also track organizational changes that might affect the group.
- C. Encouraging participation
  1. Managers must encourage participation, share responsibility, and act more like a coach.
  2. Creating a group vision and leading by example are also important.

### **Barriers to Student Understanding**

1. Most students will understand the basics about groups because of their own personal involvement with them. However, they will not have experienced group dynamics from the perspective of the manager. The topics of group norms, cohesiveness, and conformity should be approached from a practical business point of view rather than a behavioral view. Have the students illustrate with examples group norms, cohesiveness, and conformity. Then ask them to discuss how they could

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use this knowledge as a manager. What are the advantages of cohesiveness and conformity? When can disadvantages exist? How does the manager truly manage groups? All of these questions will help their understanding of the group concept.

2. The next area to be discussed is the role of the informal group in the workplace. Is it a good or bad idea? How can the informal group be managed? How can it be the cornerstone upon which the team concept is built? Ask the students to relate personal experiences with informal groups. If they were in a position of management, how would they deal with and manage informal groups?
3. “Groupthink” should be a familiar in concept to the students but probably not as a term. Ask them to cite experiences with the “groupthink” phenomenon. Did they have good or bad experiences? How can the manager recognize “groupthink?” Is “groupthink” a natural result of the increasing emphasis on team concepts? If you try to make the team a tight functioning unit will “groupthink” always be the end result.

### **Key Terms**

1. Formal Work Groups
2. Informal Work Groups
3. Group Norms
4. Group Cohesiveness
5. Group Conformity
6. Groupthink
7. Hawthorne Effect
8. Linchpin Concept
9. Team Building
10. Idiosyncrasy Credit
11. Quality Circle
12. Self-directed Work Teams

### **Suggested Answers to Analyzing Management Skills**

Why do you think climbing mountains builds teams? Is such an exercise applicable to all organizations?



Mountain Climbing brings together disparate groups of people who become closely bonded units. It establishes a cohesive group that works together to achieve its goals. People come to rely on each other in a way that could never occur in an office environment. Involvement happens from the planning stage onwards, the event encourages discussion and agreement, with people accepting responsibility for different tasks. Everyone feels accountable and sees how their individual objective fits in to the team objective. Organizations can choose their own best ways to build successful teams.

### **Suggested Answers to Applying Management Skills**

Go to the Internet and find other examples of organizations using a team-based organizational structure. What successes or failures did you find?

The instructor can expect different responses to this exercise. However, it should be noted that not all team-based experiments are a success.

### **Answers to Review Questions**

1. Describe a formal work group.

**Formal work groups** are established in the organizing function. Their structure and membership are established and recognized by management.

2. Describe an informal work group.

**Informal work groups** result from the personal contacts and interactions of people within the organization; these groups are not formally recognized by the organization.

3. What is the Hawthorne effect?

The **Hawthorne effect** means that when special attention is given to a group of employees (for example, by involving them in an experimental situation), it changes their behavior. When groups of employees are singled out for attention, they tend to work more efficiently.

4. What is a group norm?

**Group norms** are the informal rules that a group adopts to regulate and regularize group members' behavior.

5. What is group cohesiveness?

**Group cohesiveness** refers to the degree of attraction that each member has for the group, or the "stick-togetherness" of the group.



6. What is group conformity?

**Group conformity** is the degree to which the members of a group accept and abide by the norms of the group.

7. What are some suggestions for building group cohesiveness?

- Make the group smaller.
- Encourage agreement with group goals.
- Stimulate competition with other groups.
- Give rewards to the group not individuals.
- Isolate the group.

8. Outline the conditions under which individual members of a group tend to conform to group norms.

When the norm is congruent with personal attitudes, beliefs, and behavioral predispositions of the members, individual members tend to conform. However, individuals may also conform when the norm is inconsistent with personal attitudes, beliefs, or behavioral predispositions, but strong pressures to comply are exerted by the group. Group members are likely to comply if the rewards of complying are valued or the sanctions imposed for noncompliance are devalued.

9. What is idiosyncrasy credit?

Certain members of the group who have made or are making significant contributions to the group's goals are allowed to take some liberties within the group. This phenomenon has been called **idiosyncrasy credit**.

10. List the four phases in the life of teams.

Effective work teams go through four phases of development.

1. **Forming** occurs when the team members first come together.
2. **Norming** involves developing the informal rules that the team adopts to regulate the behavior of the team members.
3. In the **storming** phase, members of the team begin to question the leadership and direction of the group.
4. In the final stage of **performing**, team becomes an effective and high-performing team only if it has gone through the three previous phases.

11. Explain the Linchpin concept.

The **Linchpin concept** holds that because managers are members of overlapping groups, they link formal work groups to the total organization. Managers improve communication and ensure that organizational and group goals are met. In other words, managers themselves are the linchpins.

12. What is team building?

**Team building** is a process that involves the formal work group developing an awareness of those conditions that keep it from functioning effectively. Then the team-building process requires the formal work group to take action to eliminate those negative conditions.

13. What is a quality circle?

A **quality circle** is composed of a group of employees (usually from 5 to 15 people) who are members of a single work unit, section, or department and who have as their basic purpose to discuss quality problems and to generate ideas that might help improve quality.

14. What is a self-directed work team?

**Self-directed work teams** are teams where members are empowered to control the work they do without a formal supervisor.

15. Define virtual work teams.

**Virtual work teams** are responsible for making and/or implementing decisions, use technology-supported communication, and whose members work and live in different locations.

### **Suggested Answers to Skill-Building Questions**

1. Do you think it is possible to eliminate the need for informal work groups? Explain.

Informal work groups are social in nature. They occur because of positive personal contacts and interactions among people. It is unlikely that informal work groups will be eliminated because the organization is not likely to fulfill all the social needs of its employees, which is not the primary purpose of the organization. Also, informal work groups are based on factors in common. However, it will always be true that employees will have to work with others who are different or disliked. Thus, formal work groups are not formed using the same criteria as informal work groups.



2. Discuss the following statement: The goals of informal work groups are never congruent with the goals of the formal organization.

Although informal work groups primarily fulfill the social needs of its members, at times the goals of informal work groups and the formal organization might be the same. For example, one of the primary goals of any organization is survival. If members of informal work groups want to continue working together, then they will also be concerned with the survival of the group. As a result, the survival of the informal work group may be dependent upon the survival of the formal organization.

3. Some employees are described as “marching to the beat of a different drummer.” In light of the discussion in this chapter, what does this statement mean to you?

This statement appears to be giving idiosyncrasy credit to those who may be different from other employees. As long as these employees are contributing, they are permitted to take certain liberties consistent with those differences.

4. Cite one business example and one social example of what you perceive to be groupthink mentality. Individual student experiences and observations will shape their responses to this question.

5. Why do you think quality circles can be effective?

Quality circles involve employees in decision making and focus attention on a specific type of problem. Because participation is usually voluntary, members share a common bond. Quality circles may also enhance communication and trust between employees and managers. Finally, quality circles help to provide training to employees and offer a sense of control.

### **Skill Building Exercise 10.1**

#### **PowerPoint Application on Self-Directed Work Teams**

This exercise will help students better understand teams and self-directed work teams. will also be a good discussion point.

### **Skill Building Exercise 10.2**

#### **Building a Team**

Students' should try and think of ways to increase group cohesiveness. Making the group attractive, creating a positive work environment, building trust, sharing information, and exhibiting honesty could be suggested ways for increasing group cohesiveness.



### **Skill Building Exercise 10.3**

#### **Characteristics of Effective Work Groups**

You would have to be a lifelong hermit not to be able to relate to this exercise. Students may be surprised to discover just how many groups they have been members of.

### **Skill Building Exercise 10.4**

#### **List of Questions**

Students' responses will vary.

### **Suggested Answers to Case Incident Questions**

#### **Case 10.1 A Successful Baseball Manager**

1. What attributes make Bobby Cox an effective team leader?

Bobby Cox's effectiveness lies in his ability to create a cohesive unit. He trusts his players, has faith in them, is fair and never criticizes any of them. Bobby's ability to communicate well with his team along with simple rules to bond employees, such as making a uniform dress code for batting practice, all make him an effective leader.

2. Do you feel that his rules are reasonable?

Student answers will vary. His rules are aimed at making the team into one cohesive unit.

3. Why do players like to play for him?

Bobby Cox has a knack for making people believe in the system and having pride in it. This makes people want to go out there and play. His team spirit makes players want to go and play for him.

#### **Case 10.2 Talkative Mike**

1. Do you agree with Mike and his group?

Not necessarily. Yes, life is too short, but when performing in a job, one's attention should be focused on improved productivity. There needs to be designated times set aside from work time to use as personal enjoyment.

2. Does the supervisor really have a complaint in light of the fact that Mike's group produces well above average?



The supervisor should recognize the above-average production level and is entitled to determining how to keep it continuously improving.

3. If you were the supervisor, what would you do next?

I would explain in more depth why their cooperation will result in better productivity for the entire company and, in turn, possibly more rewards for them. The supervisor also should recognize that the human tendency to release stress with conversation is helpful to productivity, within reason.

### **Suggested Student Projects**

1. By doing research in the library, find examples of how groups are changing in the modern workplace. Describe the nature of these groups and indicate how their effectiveness has been achieved and increased.
2. Describe five different examples where group cohesiveness and conformity is a positive force and five examples where group cohesiveness and conformity is a negative force.
3. Find examples where “groupthink” is at work. What suggestions can you offer for reducing the effect of “groupthink” in your examples?
4. Cite five examples from history where “groupthink” has led to problems. What methods do historians suggest would overcome the “groupthink” effect in your cited examples? How do you think history might have been changed without the “groupthink” effect?
5. Interview a local business person and record his/her attitudes, ideas, and experiences with formal and informal groups, “groupthink”, team building, and quality circles.
6. Do research on the Japanese form of quality circles. From your research, formulate an opinion as to whether quality circles are a good method of quality improvement or not. Justify your answer. How can you apply the quality circle concept to your daily life (if at all)?



**Chapter 10**

**Understanding Work Groups and Teams**

McGraw-Hill/Irwin

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## Learning Objectives

After studying this chapter, you will be able to:

1. Describe formal and informal work groups.
2. Define group norms.
3. Explain group cohesiveness.
4. Define group conformity.
5. Outline the conditions under which individual members tend to conform to group norms.
6. Define groupthink.

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## Learning Objectives (cont'd)

After studying this chapter, you will be able to:

7. Understand the concept of team building.
8. Explain idiosyncrasy credit.
9. Outline the phases in the life of teams.
10. Describe a quality circle.
11. Explain self-directed work teams.
12. Define virtual work teams.

10-3

## Work Groups

- A shared sense of purpose sets a group apart from just a gathering of people.
- Formal work groups
  - Work groups established and formally recognized by the organizing function of management.
  - Command (functional) groups
    - Consists of the manager and all the employees he or she supervises.
- Informal work groups
  - Work groups that result from personal contacts and interactions among people and are not formally recognized by the organization.
  - Interest groups
    - Members share a purpose or concern.

10-4

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## Group Norms and Behavior

- Group norms
  - Informal rules a group adopts to regulate and regularize group members' behavior.
  - Norms don't govern every action in a group, only those important for group survival.
  - Norms may not be written down or even spoken.
- Group behavior consists of:
  - Cohesiveness
  - Conformity
  - Groupthink

10-5

## Effect of Group Norms on a Member's Productivity

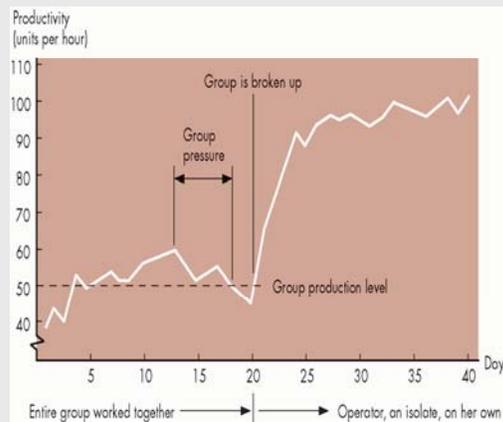


Figure 10.1

Source: Lester Coch and J. R. P. French, Jr., "Overcoming Resistance to Change," *Human Relations* (1948), pp. 519-20

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## Group Cohesiveness

- Group cohesiveness
  - Degree of attraction each member has for the group.
  - Factors that affect cohesiveness include:
    - Size
    - Success
    - Status
    - Outside pressures
    - Stability of membership
    - Communication
    - Physical isolation

10-7

## Group Conformity and Groupthink

- Group conformity
  - Degree to which the members of the group accept and abide by the norms of the group.
  - Individual members tend to conform to group norms under certain conditions.
    - Group norms are similar to personal attitudes, beliefs, and behavior.
    - Individuals feel pressure to accept group norms.
    - Rewards for compliance are highly valued.
    - Sanctions for non-compliance are devalued.
- Groupthink
  - Dysfunctional syndrome that cohesive groups experience that causes the group to lose its critical evaluative capabilities.

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## The Importance of Teams

- Groups are better informed and knowledgeable than individuals.
- Communicating and problem solving becomes easier.
- Creates a more efficient and effective company.
- Managers can overcome gender and cultural difference by working with groups.



10-9

## Influencing Work Groups and Building Effective Teams

- The Hawthorne Effect
  - Changes in behavior that results from giving special attention to a group of employees (such as involving them in an experiment).
- Linchpin concept
  - Because managers are members of overlapping groups, they link formal work groups to the total organization.
- Team building
  - Process by which the formal work group develops an awareness of conditions that keep it from functioning effectively.
  - Requires the group to eliminate those conditions.



10-10

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## Linchpin Concept

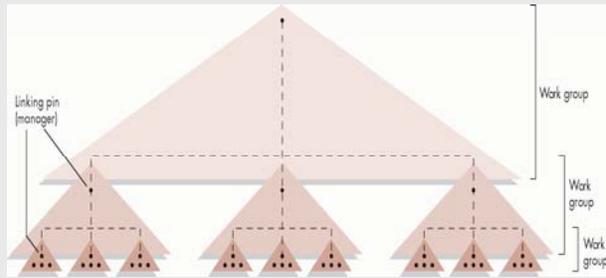


Figure 10.2

10-11

## Steps for Building Productive Teams

### 1. Selecting Individuals

The first step in building an effective team is finding the right people. Group members need to have the right skills and the right personality fit.

### 2. Building Trust

The second step is to build trust among group members and between the group and management.

### 3. Encouraging Group Cohesiveness

The third step is to develop a cohesive group that conforms to group norms. Managers can improve group cohesiveness by keeping groups small, giving them clear goals, and rewarding them as a team.

Figure 10.3

10-12

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## Enhancing Group Cohesiveness

- Managers can influence group cohesiveness by:
  - Keeping groups small.
  - Selecting group members carefully.
  - Finding a good personality fit between new and old employees.
  - Developing an office layout that improves communication.
  - Creating clear goals.
  - Inspiring group competition.
  - Rewarding groups rather than individuals.
  - Isolating groups from each other.
- Idiosyncrasy credit
  - Occurs when certain members who have made or are making significant contributions to the group's goals are allowed to take some liberties within the group.

10-13

## Phases in the Life of Teams

- Forming
  - Occurs when the team members first come together.
- Norming
  - Involves developing the informal rules that the team adopts to regulate the behavior of the team members.
- Storming
  - Members of the team begin to question the leadership and direction of the group.
- Performing
  - Team becomes an effective and high-performing team only if it has gone through the three previous phases.

10-14

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## Types of Formal Groups

- **Quality circles**
  - Established to discuss quality problems and generate ideas that might help improve quality.
  - Usually made up of 5 to 15 people serving voluntarily.
  - Typically members of a single work unit or department.
  - A popular current program on quality is called the six sigma program.
- **Self-directed work teams**
  - Teams in which members are empowered to control the work they do without a formal supervisor.
- **Virtual work teams**
  - Technology, globalization and fast responses to customer needs have been the impetus for this trend.

10-15

## Groups and Leaders

- **An informal group's leader needs strong communication skills to:**
  - Set objectives for the group.
  - Give directions.
  - Summarize information.
- **A formal group's leader can gain acceptance by:**
  - Possessing excellent subject knowledge and communicating information effectively.
  - Treating group members with respect and make fair judgments.
  - Keeping track of those changes capable of affecting the group.
  - Encouraging participation by:
    - Providing the group with a vision.
    - Leading by setting an example.

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