Team Processes: Developing Synergistic Team Relations

Unit 3 focuses on team interaction processes. A case description of the Fitzgerald Battery Plant first reports conversations and interactions among team members. A theory and research section then describes processes within teams by examining team development, socialization, power, influence, conflict, and leadership. Two additional case descriptions follow. One focuses on the interactions among supervisors as Charrette Corporation introduced teams into its warehouse facility. The other case examines how the introduction of teams in an insurance firm created social processes that reduced the individual autonomy of workers. Taken together, these cases and research summary provide insight into social relationships and interaction processes within teams.

CASE

3.1 Team Processes at the Fitzgerald Battery Plant

This case was written by Henry P. Sims, Jr., and Charles C. Manz.1

On a day-to-day basis, the interaction process of a team is expressed in conversations between members. In this case, we describe conversations within teams and how these conversations relate to processes that affect productivity and performance. In addition, we analyze team leadership, a particularly critical influence on team interaction processes. A facilitative leadership role was found to be more effective than a directive leadership role.

As discussed in Unit 2 (Case 2.2), the Fitzgerald Battery Plant of General Motors is designed around self-managing teams. These teams are relatively advanced in their level
of team self-leadership; thus, team members rather than traditional managers complete many supervisory tasks. The process of internal coordination and self-leadership within these teams is highly visible in team meetings. We therefore observed several team meetings in order to learn about the internal relationships of these teams. We also observed how team leaders influenced internal team processes. In particular, we focused on how their actions differed from those of traditional supervisors.

**Team Meetings**

Team meetings proved to be a rich source of information about how team members interacted with one another. During these team meetings we explored what team members said, what they talked about, whether they dealt with serious productivity issues or just fooled around, and how their conversation was linked with the operations of the plant. By examining patterns of verbal behavior, we can gain some insight into the process that teams use to synergistically coordinate the efforts of team members.

**Conversations about Rewards and Reprimands**

Team members frequently exchanged verbal rewards—a compliment, thanks, or praise given in response to an action seen as useful or helpful. Sometimes the exchange was a one-on-one interaction: “Bobby, thanks for helping me with that No. 1 machine last night.” At other times, verbal rewards were given in front of the whole team, frequently delivered by the team leader: “We owe a special thanks to Emily for making sure that the materials were ready last Monday. We would have had to shut down if she hadn’t looked ahead and gotten what we needed.” These conversations were particularly important in building team cohesion, cooperation, and esprit de corps. They reinforced helping behavior within teams and promoted the practice of working together to achieve objectives.

The counterpoint to verbal rewards is verbal reprimands, by which one team member directs displeasure or criticism toward one or more fellow team members. (Both positive rewards and criticism were technically designated as “giving feedback.” A verbal reprimand was called “negative feedback.”) We observed an especially dramatic incident of verbal reprimand at a regular team meeting after several items of routine business were completed. The team leader looked at one of the members and said, “Jerry, we want to talk to you now about your absenteeism.” He went on to recount Jerry’s record of absenteeism, referring to his record of dates on which Jerry had been absent, and then he asked Jerry if he had anything to say about the absenteeism. Jerry briefly mumbled excuses. The team leader continued by describing the effect of his absenteeism on the other team members; the others had to work harder because of Jerry’s absences, and the absences were hurting team performance. He called Jerry’s absences unacceptable and said, “We won’t allow it to continue.” One more incident of absenteeism, and Jerry would face a formal disciplinary charge that would be entered into the record. The team leader concluded by asking Jerry about his intentions. Jerry replied, “I guess I’ve been absent about as much as I can get away with. I guess I better come to work.”

The question of discipline within the team is highly controversial. Many managers who have not had direct experience with self-managing teams believe that team members are incapable of disciplining their own members. Yet our example shows that self-discipline can take place, and in many ways peer pressure is the most effective form of employee control.

**Conversations about Task Assignments and Work Scheduling**

Teams used conversation to carry out the allocation of task assignments. Each self-managed team made its own decision as to who would perform which job. Some teams
had relatively permanent task assignments based on seniority. Others traded assignments on almost an hour-by-hour basis, and still others on a daily or weekly basis, so that each person would have an equal share of both the “dog” tasks and the “gravy” tasks.

This exercise of control over their own tasks had a significant effect on employees’ motivation. We sometimes observed employees negotiating with other team members about job allocation. Most of the time, they handled these negotiations without substantial conflict, but we observed one incident where emotions ran high. In this case, a six-man team was split across three shifts, and a dispute arose over which shift had the responsibility of completing a particularly dirty and physically demanding task. Finally, the coordinator virtually locked the team members in a room and demanded that they remain there until they worked out a solution. “I could make the decision for them,” he told us, “but it will be a better decision, and they will do a better job, if they work it out among themselves.”

This incident was atypical in arousing such intense emotions, but it was representative of the way role assignments and other issues were worked out. The usual procedure was to get those involved with a particular problem to sit down and work it out themselves. Hard feelings and bruised egos sometimes resulted, but solutions had a greater chance of enduring because they were agreed upon by the participants themselves and not imposed from the outside.

Many decisions revolved around issues of production scheduling. That is, which specific product should be produced at a particular time? Because of decreasing product demand, this plant had recently undergone a reduction of total production volume but without an employee layoff. One response to this crisis was a significant attempt to reduce in-process inventories. Less inventory also meant less room for mistakes and errors, less flexibility if a particular part was not ready, and, in general, a more intense problem of managing the day-to-day, and even the hour-by-hour, production.

We observed an interesting conversation revolving around this issue. One employee, vigorously complaining about the trouble caused by the lack of buffer inventories, asked why inventories had been cut so low. A fellow team member replied: “Do you know what the cost of interest is these days? For every piece that we have in inventory, we have to pay a finance charge, man! That comes straight out of profits. We have to keep inventories low if our business is going to make a profit!” He was referring to his own team when he used the word “business.”

These conversations about production scheduling saved the company a significant amount of money, we believe. In a traditional plant, the scheduling role would be handled by forepersons and general forepersons. If a production section ran out of material or parts, it would cease operations until the foreperson got the necessary parts. In this plant, shortages severe enough to shut down production were rare because team members were able to anticipate problems and take corrective action in time.

**Conversations about Production Goal Setting and Performance Feedback**

The overall plant production goal for task performance is determined by corporate and division requirements. Therefore, for the most part, the employees do not participate in setting overall goals. Nevertheless, they are very much involved in deciding how these overall goals are to be achieved within their team. Teams are also involved in nonproduction goal setting. One conversation, concerned with making a weekly production quota, began: “We won’t have materials to run [product X] on Wednesday. We won’t be able to meet our goal this week.” A reply: “Why don’t we shift over to [product Y] on Wednesday and build up a bank for next week? We’ll be short of [X] this week, but we
can get a jump on [Y] for next week, and then we can make up [X] next week." The important factor here is that the team had discretionary authority to alter its roles and thereby shift product mixes within certain time limits, and it used its leeway to overcome short-term difficulties.

Goal setting also occurred in other areas, especially quality and safety. For example, "Our rejection rate last month was 5.8 percent. We need to get it down to below 5 percent for this month. How are we going to do it?" This problem was raised within the team and was not an exhortation from a foreperson or supervisor.

There was constant feedback to the teams—not only personal feedback but also daily, weekly, monthly, and quarterly quantitative feedback about their performance. Each team maintained charts of quantity, quality, and safety performance. Frequently, we heard reports such as, "We made 3,948 units yesterday. We got ahead about 10 percent." Another interesting comment was, "Have you heard about the safety results? The plant is now in the top one-third of the company."

Charts were everywhere. Formal charts posted on walls showed long-term trends in performance. Sloppier informal charts hung on hooks and clipboards and were posted near machines. Feedback was a critical aspect of the information shared within teams at this plant.

Conversations about Announcements and Problem Resolution

Routine announcements were part of the team conversation—for example, "The Holiday party will be on Monday. Give George three dollars if you are planning to come." However, significant conversations also related to the resolution of special problems. One incident revolved around the quality of an in-process product. A young production worker entered the quality control laboratory one afternoon carrying several production pieces. He said to the lab coordinator, "The color just doesn't look right. I'm going to check the chemistry." After doing a quick spot test on the pieces, he announced, "They're out of control. We have to see how much we're in trouble." During the following hour, the workers scurried about a great deal assessing the extent of the problem, and in the end it was determined that about one-quarter of a day's production of the piece was unacceptable. Adjustments were made to correct the problem and to remove the bad pieces. The worker who noticed the problem stayed two hours beyond his regular quitting time to help find a solution; he was compensated by early time off the next Friday.

This young worker did not have a special quality control role. He was a production worker within the team that worked on these pieces. He demonstrated significant initiative by spotting the problem early and by voluntarily acquiring the technical testing knowledge to make an informed judgment. Later a manager said to us, "You know, it's bad enough when we make a mistake and lose a quarter day's production on those pieces. But think how much more extensive it would have been if he hadn't caught the problem. We probably would have had to scrap several days' production of the full assembly."

In another incident, workers dealt with a different quality problem. A coordinator had called a meeting to discuss a certain deficiency. Four members from two different teams were present with the coordinator and a quality control technician. The coordinator presented the problem, citing statistics that showed a gradual rise in the reject rate over several weeks. He asked: "What's the problem? What can we do to correct it?" No one had an immediate solution. But the coordinator was patient, and he listened carefully, encouraging workers who spoke. After about five minutes, the meeting seemed to become more productive. Over the next half-hour, several causes of the problem were suggested
and several “fixes” were proposed. Finally, the group listed the proposed solutions according to ease of implementation and agreed to begin applying them in an attempt to eliminate the problem. Afterward, we asked the coordinator whether he had learned anything new or was just going through the motions for the sake of participation. He replied, “I wasn’t aware of many of the ideas they brought out. But most of all, they’ve now taken it on as their problem, and they will do whatever has to be done to solve it.”

Both of these examples concerning special problems involved quality issues. Although the self-managing teams were not quality circles, they devoted considerable effort to solving quality problems.

**Conversations about Interteam Communication**

Conversations often dealt with issues between teams. For example, one team might complain about the quality of the product that another team produced earlier in the production process. One solution we saw was the temporary exchange of team members. Working with the other team for a week or so resulted in an improved shared understanding of why particular problems occurred, why certain procedures were important, and how negligence could affect other workers.

**Conversations about Evaluation and Team Membership**

Because team members rather than managers conducted performance evaluations for pay raises, conversations addressed this issue. For example, in a team meeting, a member said to the team leader: “How about running a performance test on the [Z] machine? I think I’m ready.” The reply was, “O.K. I’ll try to schedule it this week.”

Teams also talked about entry to and exit from the team. We attempted to determine rules for assigning employees to teams but never discerned any. A typical answer was, “Well, we just work it out.” One team meeting we observed addressed this issue. Because of lower production levels, this team had been asked to reduce its number by one person, who would be assigned to a role with a temporary construction team that was being formed to undertake repair and cleanup work. The team leader presented the decision issue to the group and asked, “How should we handle it?” The first reply was, “Well, unless someone wants to go we should do it by seniority.” The man with the least seniority then spoke up: “Well, that’s me, and I don’t want to go.” The team leader asked, “Does anyone want to go?” One person asked, “Would they be working outside? Is there any carpentry work?” Eventually this person volunteered to move to the construction team. He wanted to be outside and to do some craft work.

**Team Leadership**

The above examples describe how team members influenced one another through conversation. Another particularly important influence came from the teams’ leaders. Teams at the Fitzgerald plant had two leaders. One leader, a within-group leader, is a member of and elected by the team. Another leader is external to the team and simultaneously coordinates several teams. We will refer to the internal person as the team leader and the external person as the team coordinator.

In this case we focus specifically on the role of the coordinator—the external leader. Coordinators are in a hierarchical position that in a more traditional production plant would be occupied by forepersons and general forepersons. Often some confusion surrounds the responsibilities of a coordinator in a team system. He or she is positioned over and is responsible for work groups that are deliberately intended to be self-managing, an inherent contradiction. The question, “How does one lead employees who are supposed to lead themselves?” represents this dilemma.
What do “coordinators” do? What behaviors and actions do effective coordinators display? If employee work teams are supposed to be “participative,” or “self-managing,” then how should coordinators attempt to influence team processes?

The coordinators are jointly selected by management and by the coordinator team. Many are former team leaders; others are selected because they have a desirable technical ability. Most do not have a college degree. The pay level of coordinators is roughly equivalent to that of forepersons and general forepersons in more traditional plants. Each team is assigned to a coordinator, who may have responsibility for one to three teams.

Traditionally, the appointed leader is a legitimate authority figure and therefore acts like a “boss.” With self-managing teams, however, this fundamental assumption is largely rejected. At Fitzgerald coordinators of self-managing work groups do not use traditional legitimate authority and do not act as bosses. We thus sought to determine answers to a few questions. To what extent do the coordinators give directions, assign tasks, evaluate performance, and dispense rewards and reprimands as traditional bosses typically do? To what extent should they act as facilitators and communicators who typically do not invoke direct authority over the work team? Who makes the myriad decisions needed to carry out the group’s daily tasks? Furthermore, how does the role of the external leader differ from the role of leaders who emerge from within the team? Finally, what behaviors differentiate effective leaders?

There are no formal guidelines regarding a coordinator’s duties; rather, coordinator behaviors seem to be loosely defined according to social convention rather than any structured set of rules and regulations.

Role of the Coordinator

Our inquiry into the role of the coordinator was intended to answer the question, “What important behaviors can coordinators use in their work to influence teams?” We first posed this question to upper plant management and elicited the following answers (listed in order of importance):

1. Try to get a team to solve a problem on its own.
2. Help a team solve conflict within its group.
3. Tell people (teams and individuals) when they do something well.
4. Tell the truth even when it may be disagreeable or painful.
5. Encourage team members to discuss problems openly.
6. Ask for a solution to a problem rather than proposing (or telling) a solution. People promote what they create.
7. Encourage teams to set performance goals.
8. Provide teams with the information they need to run their business.
9. Anticipate future problems or situations (planning).
10. Encourage team self-evaluation.
11. Train teams in the philosophy of the plant.
12. Be a resource to a team.

The list provides some interesting insights. First, several of the behaviors, including the behavior obtaining the highest importance, reveal an emphasis on getting teams to manage their own efforts (for example, behaviors 1, 6, and 7). We also noted this emphasis on passing control to work teams during our numerous observations at the plant. Coordinators often purposely avoided providing answers or direction to employees even
when they possessed the ability to do so, at times, to the extent of frustrating the workers. In one instance, an employee ran into a problem when welding a guardrail on a ramp and asked the coordinator what he should do. The coordinator responded by asking the worker what he thought he should do. The employee thought a moment, gave his opinion, and proceeded to act on it.

Another major theme of the behaviors is a focus on some form of communication (for example, behaviors 3, 4, 5). Observations indicated that communication—a coordinator’s direct communication with team members, as well as efforts to facilitate communication within and between teams—is crucial, and most coordinators realized the importance, sometimes facilitating temporary exchanges of members between teams in order to improve interteam communications. Problems observed on the plant floor and discussed during team meetings often pointed to communication as both a cause and potential cure.

Finally, several behaviors indicated directly what many of the behaviors discussed so far have suggested indirectly: a coordinator should be a facilitator (behaviors 2 and 8). For example, in the incident already noted, employees asked a coordinator to make a decision and resolve a conflict over who should do a particularly unpleasant job. Instead of making the decision, the coordinator facilitated an energetic conflict resolution meeting that helped the team to make its own decision.

We also asked the elected internal team leaders—who were also members of the teams—to identify important behaviors for coordinators to use in their work. We got the following replies:

1. Ask for solutions to problems.
2. Be a resource to a team (concerning both technical and personnel problems).
3. Create an atmosphere of mutual trust and understanding between the coordinator and the team and within the team.
4. Provide honest feedback.
5. Communicate production schedule changes to teams.
6. Arrange problem solving and present possible solutions.
7. Get tooling, supplies, and materials for a team.
8. Provide backing and communication to the team leader.
9. Learn details about team operations.
10. Provide information to a team to solve its problems.
11. Help with interteam problem solving concerning quality control.
12. Try to get the team to set performance goals.
13. Recheck production schedule and inventory.
14. Help in the maintenance of equipment (e.g., get parts, needed personnel).
15. Support the team leader in the support group.
16. Communicate a problem solution of one team to another team that can help.
17. Keep abreast of new machines and processes (innovation).
18. Encourage a team to solve its own problems.
19. Maintain good communication between coordinators (to coordinate efforts throughout the plant).
20. Keep the team leader in the chain of communication.
21. Encourage a team to evaluate itself.
Team leaders seem to place especially high importance on the facilitative role as opposed to a directive role of coordinators. The two top-ranked behaviors support this interpretation. Observations generally support the importance that internal team leaders place on the external coordinator’s facilitative behavior and their apparent dislike of external direction. Views obtained from team members through discussion and observations (including those of team leaders) indicated that they often wished to be left to do their work on their own and solve their own problems. It was generally understood that teams resented overly directive coordinator behavior.

One team meeting we observed was convened and run by a team to solve an urgent quality problem. The coordinator was present but served only as an information resource. In another case, however, we observed a coordinator get impatient with the team’s progress in solving a problem. Consequently, he essentially took charge and dictated a course of action to the team. Prior to his intervention, the team members were interested and highly involved in problem solving. The subsequent tone of the meeting, however, reflected their low interest and irritation. We thought that implementation would surely suffer because of this overly directive coordinator.

At the same time, however, some teams left totally on their own to solve problems became frustrated and dissatisfied with difficult situations in which a coordinator provided what they believed was inadequate direction. We concluded that there is a fine line between overdirection and underdirection on the part of coordinators. Team members placed a high value on independence to manage themselves, but sometimes they needed—and wanted—guidance and assistance. Coordinators must make a decision regarding the appropriate level of involvement based on each situation.

A second pattern of responses from team leaders concerns the degree of truthfulness with which coordinators deal with work groups. The suggested coordinator behaviors, “creating an atmosphere of mutual trust and understanding” and “providing honest feedback” reflect this type of behavior. Again observations supported this view. One team distrusted and disliked a particular coordinator who apparently had presented a work team’s position to upper management differently from the way in which he had led the group to believe that he would. Both individual discussions with team members and observations of weekly team meetings indicated the strong value placed on having a coordinator whom the team could count on and trust.

The Paradox of Team Leadership
At Fitzgerald, there sometimes seems to be a contradiction between semantics and reality. The teams are regarded to be self-managing. Yet we are exploring and discussing the role of an appointed external leader to these groups. The essence of this dilemma can be captured by the question: If these groups are supposed to be self-managing, then why is an external leader needed at all?

First, upper plant management saw the coordinator’s role as that of a facilitator to help work teams manage themselves. By facilitating the problem solving of team members and communication throughout the work system, coordinators can help to ensure that teams are working properly.

Team leaders see the coordinator’s job as a balance between a facilitator who does not interfere with group functioning and a resource to provide some direction. This is a precarious position for coordinators. They must take action when needed but be essentially a backdrop for the team’s activities when they are not needed. According to team leaders, truthfulness and trustworthiness are important characteristics for coordinators to possess in carrying out this role.
Case 3.1

The ultimate question concerns what sort of expertise the coordinators should have in this type of work organization. Although technical expertise is useful and appropriate (especially to establish baseline credibility), the coordinator’s social skills seem to be much more critical. In many ways, the coordinator acts as a counselor and a communication facilitator. Perhaps the most frequent type of coordinator verbal behavior that we heard was the reflective question, throwing the burden of judgment and decision back on the team leader or team member. Coordinators become applied day-by-day “organizational development” specialists, spending a significant amount of their time facilitating a team’s capabilities to manage itself.

Overall, a new and sensitive role is prescribed for leaders of the self-managing. This role may initially cause uneasiness in its performers and inadvertently prompt a search for concrete tasks when compared to more traditional supervisory positions. The effective coordinator may be primarily a facilitator who relies heavily on communication and who carefully balances a hands-off and a directive style according to the requirements of each unique situation.

The Connection Between Teams and Productivity

Our investigation into intrateam processes yielded rich evidence of team members and leaders positively influencing the team. The conversations were particularly enlightening. While verbal behavior inevitably reflected some amount of self-concern and was sometimes trivial, the organizational commitment and motivation of these employees were among the highest we have ever observed.

What was the connection between effective team processes and the high level of motivation and commitment? How do team conversations and leadership get translated into bottom-line productivity results?

First, we should ask whether this plant was considered to be effective. Specific data are proprietary, but we did have access to internal data that showed good performance. At the bottom line, it had demonstrated the capability to produce products at a cost significantly lower than similar plants without innovative teams. The turnover at the plant has been extremely low. One manager listed on the fingers of one hand the people who had voluntarily resigned. Finally, overall attitude survey results showed that the levels of satisfaction in the plant were among the highest in the entire company, exceeding even those of many white-collar groups. Most important, many prominent people whom we talked to in the corporation regarded the innovative work structure at the plant as a success. This success has sustained itself over several years and through the transition of several plant managers. (General Motors is now attempting to extrapolate and apply throughout the corporation the lessons learned from this plant, although this issue of diffusion is another story and is not without controversy. Perhaps the success with the Saturn venture is a preliminary indication that General Motors has made significant progress.)

Once we assume productivity success, the next question focuses on the connection between teams and productivity. What is there about what team members and leaders say that gets translated into bottom-line results? Why is talk more than talk? Part of the reason that conversations get turned into productivity is the effect of information sharing, and part is influence on employee motivation to carry out roles.

Information Sharing

Ask any executive what his or her major problem is, and the chances are good that the reply will be something like: “Communication. Our communication is not what it should
be. We just never seem to have the right information at the right place at the right time.” Inadequate communication often means inadequate information sharing. More often than not, this problem is the result of a policy of secrecy: tell employees only what they need to know to do their jobs. But frequently a significant difference exists between what a manager thinks an employee needs to know and what the employee needs to know. The result is that the employee often lacks the optimal information needed to perform the job.

At Fitzgerald, management shared virtually all information that was not considered personal. The guiding belief was that only the individual employee and the team itself, not management, were in a position to know just which information was important. The net result was a climate of openness that we found virtually unprecedented in our previous experience. Furthermore, this information sharing provided a basis for employees to engage in roles consistent with proactive problem solving; they did not need to wait for management to present a problem for solution, instead discovering and correcting problems at a relatively early stage.

**Individual Motivation**

Conversations also seemed to affect productivity through their influence on individual motivation. Over and over again, we observed individuals positively affecting the team. If an individual performed well, the team as a whole was seen to be the beneficiary; on the other hand, when an individual fell down, the group was seen to be hurt. The net result was strong peer pressure to contribute to the efforts and performance of the team. Motivation and discipline came from processes within the team, not from management. This motivation and peer pressure were manifested mainly through positive group conversations.

The important point is that management’s role was not to provide motivation and discipline directly to individual employees, as is the case in traditional plants. Instead, management created a climate in which motivation and discipline came mainly from within the individual employee and from fellow team members. In our opinion, this is the most effective form of motivation, and it translates into bottom-line productivity. In this case, people who wished to perform well and achieve seemed more likely to do so with the team system. Conversations within work teams are the means by which interpersonal influence was translated into motivation and, ultimately, bottom-line results.

We do not wish to leave the impression that the plant was a model of tranquillity and harmony. On the contrary, the members of the self-managing teams were tough and intense. We observed emotional conflict, but the prevailing mode seemed to be to deal with the conflict openly and directly. Overall, the level of motivation and commitment was high.

**KEY LESSONS FROM THIS CASE**

1. For a team to succeed, team members need to effectively communicate with one another. Through communication, team members control their interpersonal processes to coordinate effort and increase motivation.

2. Team members—including lower skilled employees—can effectively manage their internal dynamics when given the opportunity.

3. A facilitative leader can have a positive influence on team processes. This leadership role often includes asking the right questions rather than giving answers.
NOTE FOR CASE 3.1

1. We acknowledge the support of Richard Cherry, who helped to provide access to collect the data for this case and has served as a colleague and adviser over several years. We also acknowledge the exceptional helpfulness and cooperation of management and employees at Fitzgerald.


TEAM PROCESSES

“Why did I agree to accept this job?” Sue mumbled to herself as she sat down and began to plan for the team meeting. Just last week she had accepted a new assignment to take over as leader of the Green Team—a project development team that had been formed a little over six months ago. She knew that this assignment was her chance to prove her value to the company. However, after meeting the team members and beginning her new responsibilities, she was beginning to rethink the wisdom of accepting the promotion.

The Green Team had started with high aspirations. Each team member had been carefully selected to ensure that all the required skills were present. The tasks and goals had been carefully laid out, and the Green Team was touted as a model for how teams would be designed in the future. Yet, the team never seemed to gel. Tom, the previous team leader, had asked for a transfer to a different division, saying that his job just didn’t seem fulfilling anymore. Sue had heard rumors that several of the Green Team’s recent meetings had ended in heated discussions, with team members blaming each other for the team’s inability to progress toward its goals.

Sue’s train of thought was disrupted by the sound of a knock at her office door. As she opened the door she was surprised to find Jan and George—two members of the Green Team. “We would like to speak to you about tomorrow’s meeting,” Jan said as she and George entered Sue’s office.

George began to describe the history of the Green Team. “At first we were all really excited and it looked like we were going to make exceptional progress,” he said. “That was until we had to start making some tough decisions,” added Jan. “Yeah, and then we all looked to Tom—our leader—to tell us how to solve our problems and proceed, but he refused to do anything,” George said.

Sue listened for awhile and then asked Jan and George to describe how team members currently interacted with one another.

“Oh, well it’s not good,” said Jan. “Everyone is always fighting.”

“There isn’t any real communication, and we just don’t feel like a team,” George affirmed.

“But believe it or not some of the arguments and fighting within the team have actually led us to new and creative insights,” Jan quipped.

The conversation ended, and Jan and George left Sue to continue her preparations for the meeting. She began to ask herself if there was any hope for the Green Team. Was conflict really harming the team? Could she learn to effectively lead a team with such problems? How could she build camaraderie and get team members to work together?

The above case illustrates some common obstacles that many teams face. Even the best designed teams can only be effective to the extent that team members work cooperatively with one another. If team members do not work together in a manner that creates synergy (where the total effect is greater than just the sum of individual inputs), then the potential benefits of designing work around teams never accrue.
Unit 3 focuses on intragroup processes related to the various interactions between team members. First, we will look at the development stages that most teams pass through. An understanding of this development process provides insight into how interactions and intrateam processes change over time. We will also examine how socialization processes develop team identity and influence team members to sacrifice personal interests for the betterment of the team. This will lead us to a discussion about power, influence, and conflict within teams. We will then conclude this unit by focusing on how leadership affects team processes and interactions.

TEAM DEVELOPMENT

Imagine a team of product engineers who are called together to develop a new type of CD player. At first team members are reserved, and they approach group interactions cautiously, especially if they were not previously acquainted with one another. After a short phase of getting to know each other, the team will likely experience conflict. Differences in opinion surface, and members begin to disagree about significant issues. Team members then give and take until compromises are worked out. Agreements associated with the various compromises then provide guidance for how team members will work together to accomplish their tasks. The team builds on this cooperative foundation and moves into a productive phase where work is completed and the new CD player is developed. After the work is finished, the team may dissolve, and the various team members will move on to other teams and new assignments.

This example illustrates how processes and interactions among team members change over time. Even though each team is somewhat unique, most teams follow a pattern similar to the one described for the product development team. Of course, some teams are relatively permanent and do not dissolve, as their work is ongoing. Nevertheless, understanding the development process is critical for discerning how team processes and interactions evolve. In order to better understand this process of change, we describe a process of team development that is common to many teams.

The process of team development is usually summarized by five stages: forming, storming, norming, performing, and adjourning. Although many teams seem to move chronologically through the five stages, the development process of other teams does not fit neatly into the categories. Teams may skip over a stage. The length of time in each stage may be different for each team. Some teams may experience the stages in a different sequence. Nevertheless, the basic process outlined by the five stages is common enough to provide a framework for understanding much of the process of team development.

Forming

The first stage of team development is forming. Forming occurs when a group of individuals come together and begin to think of themselves as members of a team. This initial phase is marked by apprehension. Team members are often becoming
acquainted for the very first time. They are uncertain about how other members will react to them, and each person is unsure if he or she will be accepted by the team. Team members do not know exactly what is expected of them, and there is hesitation about how to proceed and accomplish the team’s tasks.

During the forming stage everyone is generally on his best behavior, but there is an underlying tension that prevents team members from feeling comfortable and trusting one another. This tension begins to break down as members work together and share information about themselves and their expectations for the team. The personalities of the various individuals begin to express themselves, and members start to develop expectations for the behavior of their teammates. A sense of contentment sets in and group members begin to feel comfortable working together.

One of us recently experienced the forming stage of team development with a committee appointed to make some decisions about university curriculum. The Dean of the College appointed a group of professors to study the courses being offered and to make recommendations about changes that might help our school keep up with changes in the business world. All of the professors chosen for the committee knew one another to an extent, but most had not worked closely together on specific projects. At the first meeting most professors said very little. The person serving as the team leader described the committee’s overall goal, and the members sat back and waited for others to express their opinions and make recommendations about how the work should progress. After several minutes of virtual silence, a few people began to assert themselves and make suggestions about how the committee might proceed. Yet, throughout the meeting team members were very careful about how they framed their comments, and nobody was willing to disagree openly with the comments made by another committee member.

**Storming**

The forming stage is usually followed by the emergence of conflict between team members. This stage is known as *storming*, which occurs as team members begin to disagree with one another. Being part of a team means that individuals may need to sacrifice many of their personal desires. Seeing areas where they might be required to sacrifice often leads members to resist the influence of others. Team members begin to argue with each other. Arguments about roles and procedures surface, and the pleasant social interactions of the forming stage cease. Team members often experience negative emotion and become uncomfortable interacting with one another.

The conflict that occurs during the storming stage may seem undesirable. However, most observers of team processes would agree that some conflict is beneficial, especially if it revolves around issues rather than individual personalities. Team members almost always have areas of disagreement. A moderate amount of conflict is needed to bring out these differences and begin the process of compromise. Too little conflict may lead team members to suppress their differences without resolving them. These differences frequently resurface at a later
time, and the team is thrown back into the storming stage until it resolves these areas of conflict. On the other hand, too much conflict may permanently destroy social relationships and leave team members unable to work together. Effective storming results in the discussion of key differences among members and the establishment of working compromises. Once these compromises are developed, team members often feel closer to each other than they did before the conflict occurred.

The university curriculum committee mentioned above moved into the storming stage at its second meeting. Not long after the meeting began, the generally cordial atmosphere of the first meeting eroded into a rather serious debate. A somewhat controversial plan for accomplishing the committee’s tasks was presented. Several committee members disagreed with it and argued that the committee should not proceed with the plan. Individuals expressed their fears that the proposed plan would lead to an improper emphasis in some areas and to overly costly changes in the curriculum. Other committee members supported the plan and saw it as an opportunity to effect real change. The two sides continued to express their opposing viewpoints, and it appeared that a compromise was impossible. At the conclusion of the meeting, it seemed as if very little had been accomplished. Many faculty members stated that they did not think the committee would ever be able to agree on an approach that was satisfactory for all members.

Norming

Most teams make it through the storming stage and enter the norming stage. Norming is the phase of development in which team members come together and begin to feel a sense of belonging. Unity increases and team members once again feel comfortable working together. Members feel a greater sense of belonging to and identity with the team. An increase in cohesiveness is perhaps the most significant outcome at this stage of development.

Cohesiveness is defined as a strong sense of connectedness between team members that causes them to work together to attain an objective. Historically, there has been a great deal of debate about the desirability of cohesiveness. Some have argued that highly cohesive teams are dysfunctional because they force team members to give up their individuality. A potentially negative outcome of extreme cohesion is groupthink. Groupthink is a distorted style of thinking that leads to ineffective group decisions when high cohesiveness coexists with significant conformity within the group. In some highly cohesive groups, each individual member censors her comments so that she will not be perceived as someone who is “not a team player.” The leader in these groups is often someone who is highly charismatic; that is, group members willingly follow her comments without thinking through all of the alternatives. The group develops feelings of unanimity and invulnerability, which often result in a failure to explore the possible effects of their decisions. For instance, the faulty decision to launch the Challenger Space Shuttle in 1986 is often described as a result of
groupthink. The ramifications of the decision were not clearly discussed, and many people on the team charged with making the launch decision had private reservations that were never expressed. The high cohesion of the launch team helped create a setting in which group pressure seemingly overwhelmed the better judgment of many individuals. The result was a life-ending disaster.

Others have claimed that group cohesion is good because it forms strong bonds between team members and thereby influences them to work harder to achieve the collective goal. The majority of evidence seems to support this claim, as highly cohesive teams seem to be more effective than teams without cohesion. Effectiveness can be particularly high if teams vigilantly check the quality of their decisions, and strive to help team members retain their individuality. Helping teams successfully move beyond the storming stage and into the norming stage is therefore critical for ensuring their effectiveness.

A set of organizational development techniques known as team building can help increase team cohesiveness. Unit 4 will discuss some of these techniques and methods. A common purpose of the methods is to create interdependence among team members by challenging them with tasks like rope climbing that they must complete cooperatively. This necessity for cooperation builds relationships and teaches team members how to work together. Overcoming obstacles also builds a sense of accomplishment that helps develop camaraderie.

The norming stage is also important because it is during this phase that team norms develop. Norms are informal rules that teams adopt to regulate their behavior. Informal rules develop in areas that are important to the team but not in areas that are unrelated to team activities. For instance, a basketball team is likely to develop norms about practice and discipline but not about the movies its members see. These norms provide cues for appropriate behavior and increase the predictability of team member behavior. A norm of practicing basketball during the summer provides individual team members with guidance about how they should act in order to remain a member of the team. The norm of practicing during the summer also provides team members with information that helps them coordinate their own actions with the actions of their teammates.

Norms increase the team's ability to stay together and accomplish its goals. A group of workers may establish informal rules about acceptable levels of productivity. These rules can have a positive impact when they encourage high performance, but they can also have a negative influence when they limit outputs. However, in either case the norms ensure that the team will accomplish its goal, even if its goal is to exert only a minimal amount of effort. Norms also help teams solve interpersonal problems. Rules develop about topics of conversation that should be avoided to reduce confrontation. They can also encourage compromise and define the roles of individual members.

One important source of norms—statements that team members and leaders make—was illustrated in the Fitzgerald case at the opening of this Unit. When team members consistently criticized someone for arriving late, a norm of arriving on time developed. Critical events in a team's history can also create norms. For instance, if a team of financial customer service representatives
receives an award for exceptional service, the team may establish a norm to continue to go above and beyond the call of duty and provide great service to passengers. Norms are also created by the expectations members bring with them to the team. If a member has enjoyed open communication in a prior team, he might encourage his present team to adopt norms that encourage members to talk freely.6

Once norms are established, they are very difficult to change; hence, the early phases of group development are critical. Effort needs to be directed toward ensuring that statements from team leaders and members are positive and develop functional norms. Critical events should be monitored, and the positive norms that develop should be reinforced. If effective norms develop, the team is well on its way to achieving exceptional performance.

The norming stage did occur for the faculty curriculum team. Between the second and third meetings, several committee members with opposing views met in private and discussed their differences. These one-on-one conversations built personal ties between team members. A deeper sense of commitment to the task developed, and committee members began to agree that there must be a way to work out their differences of opinion. Team members began to refer to the whole team as “us” rather than to the one subgroup as “us” and the other as “them.” A norm for listening and trying to understand the other side of issues developed. A norm also developed that encouraged conversation outside the formal meetings. Thus, much of the actual work of the committee was later accomplished as individual members met in one-on-one conferences and worked through issues.

Performing

The performing stage occurs when members work synergistically to accomplish their collective objectives. Not all groups arrive at this stage, but those that do are highly productive. Social relationships have developed, team members understand one another’s roles, and a strong sense of commitment to the team exists. These factors drive the team toward high performance that exceeds the productivity of individuals working independently. Teams that maintain this phase over an extended period of time are truly exceptional. For example, Table 3.1 provides a summary of eight specific guidelines that can be used to help teams reach this point of development in terms of their management of time. Effective time management is an important part of being productive, and the table illustrates the kind of guidelines that might be identified for other areas as well. Another example would be in terms of a new perspective for enhancing group decision making. This new perspective is called “Teamthink.” Some key aspects of Teamthink, as well as its contrasts with the earlier described detrimental effects of groupthink, are summarized in Table 3.2.

Research does, however, suggest that performance is frequently not consistent, even once the team has reached the performing stage. Teams tend to experience peaks of performance.7 These peaks often correspond with dead-
As deadlines approach, teams that have developed effective norms are able to come together and exceed expectations for performance. This often means that a team spends a great deal of time preparing and developing critical relationships so that it can experience peak performance when time pressures arise.

The faculty curriculum team experienced the performing stage of development as it faced a deadline and felt increased pressure to perform. A faculty meeting had been scheduled at which the committee was expected to propose several changes for the curriculum. The team had overcome its initial conflict, and strong working relationships had developed. Committee members sacrificed many of their other projects to put extra effort into completing the proposal. Members who had once opposed each other now worked together on a plan to improve team time management.

### Table 3.1 Ways to Improve Team Time Management

- Recognize that your team’s time is scarce.
- Arrange your work area so that it is neat.
- Recognize and use time when you get the most work done (mornings, afternoons).
- Pace yourself by establishing a routine to help members be aware of what they need to do.
- Develop a plan that identifies your team’s goals.
- Focus your team’s energy on the tasks with the highest priorities.
- Effectively use pockets of time that result from things not going as planned.


### Table 3.2 Moving from Groupthink to Teamthink

<table>
<thead>
<tr>
<th>To Teamthink</th>
<th>From Groupthink</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teams recognize and value member uniqueness.</td>
<td>Teams experience an illusion of unanimity.</td>
</tr>
<tr>
<td>Teams understand their limitations and threats.</td>
<td>Teams believe they can’t fail.</td>
</tr>
<tr>
<td>Differing views are encouraged.</td>
<td>Social pressure impedes differing views.</td>
</tr>
<tr>
<td>The team recognizes the ethical and moral consequences of decisions.</td>
<td>The team has an illusion of morality.</td>
</tr>
<tr>
<td>Stereotypes are discounted.</td>
<td>Enemy leaders are perceived through stereotypes.</td>
</tr>
<tr>
<td>Team members openly express concerns and ideas.</td>
<td>Team members practice self-censorship.</td>
</tr>
<tr>
<td>Views outside the group are sought.</td>
<td>Mind guards screen external information.</td>
</tr>
</tbody>
</table>

that appeared acceptable from all viewpoints. The end result was an innovative recommendation for curriculum change that was much better than had originally been offered by any of the individual committee members.

**Adjourning**

The final stage of team development (at least for teams that are not permanent) is adjourning. *Adjourning* takes place as the team begins to break up and individual members move on to other activities. Sometimes adjournment is planned, such as when a team completes its objectives and no longer has a reason to function. At other times, adjournment is unexpected, and the team breaks apart because members unexpectedly withdraw. Teams may also fade because members are unable to move beyond the storming stage. External constraints such as organizational mergers and downsizing can also cause a team to terminate before it completes its objectives.

The adjournment stage can be particularly stressful for some team members. Over time team members have melded their personal identity with the identity of the team. Many team members look to the team as a source for positive feelings of self-worth and personal achievement. As the team dissolves, members feel threatened and perceive a significant loss in their lives. One solution to this problem is to hold a sort of wake for the team.\(^8\) During the wake, team accomplishments are highlighted. Members begin to look to the future and seek understanding about how their experiences with the team can aid them in their future endeavors. The wake can help team members deal positively with their emotions and provide a sense of closure for the team and its activities.

The faculty curriculum committee disbanded once their recommended changes were enacted. Although no formal meeting marked the team’s adjournment, committee members who met in the hallways were often observed talking about the team’s accomplishments. As individuals participated in other committees, they sometimes referred back positively to their experiences with the curriculum committee. Curriculum team members took the planning, management, negotiation, and conflict resolution skills they had learned and applied them to other teams.

**SOCIALIZATION**

A team influences the behavior of its members. The process through which this influence occurs is known as socialization. *Socialization* takes place as members learn the behaviors that are required for them to either become or remain members of the team. Similar to the team development process, socialization tends to occur in stages. The three stages are anticipation, accommodation, and acceptance.\(^9\)

The first stage of socialization occurs before members actually join the team. This is the *anticipation* stage during which expectations about team membership are developed. Information about what to expect from membership is
processed. An example can be seen in the process that occurs when a couple becomes engaged. In a sense, each person is joining the family of the other person, meaning that each must be socialized into the other person’s family. Stories are shared before family members are introduced, and these stories provide information about what it is like to be a member of that family. Familiarity with the family helps the future spouse to understand the behavior that can be expected of family members, and communicates expectations about what behavior will be seen as acceptable from him.

The second stage is accommodation. Accommodation takes place as members become involved with the day-to-day activities of the team. This is the stage during which interpersonal relationships are developed. Team members are taught what it means to be included in the team, and basic expectations for behavior are communicated. Team members accept the group’s norms and values and begin to intertwine their personal identity with the team’s identity. Roles develop for the team member, and she must learn to balance those roles with the other roles that are a part of her life both internal and external to the workplace. In the marriage example, this is the phase that occurs just after the wedding. If the spouse is to be accepted into the new family, she must begin to develop relationships with family members. This means that she will internalize many of the family’s values and begin a new role that defines how she interacts with the members of her new family.

The third stage is acceptance. Acceptance occurs as members fulfill their roles within the team. During this stage, a bond forms between team members and the team as a collective. Team members begin to feel like they make an important contribution to the team. They are committed to seeing that the team succeeds. Team members can take up to two years to arrive at this stage, but this is the point where they are fully integrated into the team. Acceptance in the marriage example occurs when the spouse begins to feel like he belongs to the family. This is largely psychological and might be manifested when a husband begins to refer to his mother-in-law simply as “mom.”

The process of socialization can occur simultaneously for all team members when a new team is formed. Socialization can also occur when a single team member is added to the team. In either case, team members go through the process of taking on the values, beliefs, and norms of the team. Resocialization may also be needed if a team member starts to withdraw from the team. The process of resocialization is similar to that of socialization except the team and the member are trying to redefine their relationship rather than establish it.

In many ways the stages of socialization correspond with the stages of team development. Figure 3.1 illustrates these similarities. Just prior to forming, team members engage in anticipatory socialization that establishes expectations for performance. Once the team is formed, team members experience accommodation where they become integrated into the team. This causes conflict and corresponds with the storming stage. As members accept the values of the team and establish their roles, the team moves through the
norming phase. Performing is then possible because team members have been accepted into the team.

As described above, a critical lesson from both team development and socialization is the importance of the early stages of the team’s life cycle. During the early phases of development, teams often use socialization to establish norms that guide their behavior throughout the team’s existence. Successful implementation of teams thus depends largely on effective guidance and socialization of newly formed teams.

**POWER AND INFLUENCE**

Inherent in the process of socialization is the notion that team members influence one another. However, team members are not equally able to wield influence. One reason is that members have varying levels of power. **Power** is defined as the capacity to influence others. Power derives from a number of sources; however, five common power bases have been identified: reward, coercive, referent, expert, and legitimate power.

**Power Bases**

**Reward Power**

Reward power comes from a team member’s ability to provide other members with something they find desirable. This power is based on the capability to administer reinforcement. The idea of reinforcement suggests that people engage and persist in behaviors that are associated with desirable rewards. Accordingly, employees provide labor, at least in part, because of the compensation they receive from the organization. Historically, supervisors have held reward power. However, team members who are not supervisors can also possess reward power. This power may come through formalized mechanisms such as the use of peer ratings to determine individual pay levels, a practice that is currently being experimented with in some organizations. Reward power may also come through less formalized processes, such as a team member’s ability to determine who enacts which roles within the team. Allowing peers to work on desirable tasks
can be used as a reinforcer to influence the behavior of teammates. Recognition and social approval are other rewards that team members can provide to one another.

Reward power was demonstrated in the Fitzgerald teams (Case 3.1) when coordinators praised team members during team meetings. The leader’s position allowed him to influence the meeting agenda and thereby determine who received special praise. However, because team members were consistently motivated by the positive comments they received from their peers, team members who were not formal leaders or coordinators also possessed some reward power at Fitzgerald.

**Coercive Power**

Coercive power derives from a team member’s ability to give punishment. Parents often invoke this power base when they take away a child’s privileges. A common example of coercive power in the workplace is the threat to terminate someone’s employment. Similar to reward power, coercive power has historically resided with supervisors. However, the trend is toward more coercive power for team members. In particular, the Fitzgerald case described earlier illustrated how other team members can use coercive power by threatening a frequently tardy member with dismissal from the team.

**Referent Power**

Team members who are respected and liked by others possess referent power. Frequently, the personalities of these members are attractive to others, and in many ways teammates desire to become like the person who has referent power. An everyday example of this effect is the power of celebrities to influence others. People identify with celebrities and want to emulate their characteristics. Members of work teams with referent power may possess strong ethical values. They may also be hard working and intelligent. Often a team member with referent power is one who has received special recognition for his work skills or one who is connected with important people. Referent power can also exist when a team member is just plain likable so that others want to be associated with him.

**Expert Power**

Expert power is associated with knowledge, skill, and ability. A team member with this power is seen by others as having expertise that is superior to theirs in some area. Interestingly, it matters little if the person really has the expertise. The key is that others believe his or her relevant knowledge, skill, or ability is superior to theirs. Examples in work teams might include ability to operate a specialized machine, knowledge of legal issues, or skill at negotiation. Team members who are perceived to possess these strengths can generally influence their peers to agree with them and to carry out their agendas. Teams benefit when members recognize true expertise because it ensures that individuals will have influence in areas where they are best qualified to provide inputs.
In the Fitzgerald case, the young worker who noticed the quality problem and halted the production process had expert power. Because he had taken the time to train himself in a technical area, he had the power to influence other team members to alter what they were doing and to help him solve the quality problem. Without his expertise he likely would not have been able to influence the team to such an extent.

**Legitimate Power**

Legitimate power is based on formal authority. Supervisors have this power because they are seen as having a right to direct the actions of others. This right may come from an appointment or from an election. In either case, other members of the team usually accept the legitimacy of the role for the person who serves as leader and must do so in order for legitimate power to exist. The leader's ability to influence others comes not so much from his personal characteristics, but from the role that the group has given to him. While the leader may have reward and coercive power, legitimate power derives fundamentally from a sense of obligation to follow, meaning that others will follow even if the leader loses his ability to control rewards and punishments.

Self-leading work teams place a reduced emphasis on legitimate power; however, team coordinators at the Fitzgerald plant possess a sense of legitimate power. In one case a coordinator became impatient with a team's attempts to solve a problem. He asserted his legitimate power and dictated a course of action for the team. The long-term ramifications were harmful, for this action appeared to reduce team member motivation. In a more positive way, another coordinator at Fitzgerald used his legitimate power to facilitate conflict resolution. Rather than stepping in and taking control of team interactions, he used his authority to get team members to communicate and interact until they had reached a resolution themselves.

**Influence Strategies**

Another way of understanding how team members interact with one another is to examine the influence strategies that people use. Many influence strategies are associated with the power bases discussed above, for these strategies are often used to assert power. Common influence strategies include reason, friendliness, coalition, bargaining, assertiveness, higher authority, and sanctions.11 Short descriptions of each strategy are provided in Table 3.3.

One way that these strategies differ is in their directness. Assertiveness and sanctions are direct strategies because the target of the influence attempt will surely become aware that he is being influenced. For instance, one team leader at the Fitzgerald plant (Case 3.1) used a direct tactic when he bluntly told a team member that “we won’t allow it (absenteeism) to continue.” Such direct strategies are normally used only if the influence initiator has a relatively strong power base such as legitimate, reward, or coercive power. In contrast, friendliness is an indirect strategy. A team member may use such an indirect strategy when she wants
her intent to influence to remain concealed. Indirect strategies are generally used when a person has little power and must therefore rely on subtle influence.

Influence strategies also differ in the extent to which they are rational. Reason is a rational strategy that focuses on the use of logical argument and data. Bargaining is a rational strategy that focuses on the potential exchange of benefits. A team member using rational strategies might present an objective analysis that shows how the team could improve performance by changing a technical procedure. These rational strategies are most often used when the objective of influence is to benefit the organization as a whole. Less rational strategies focus on emotions and are often relied on when influence is being used to benefit an individual rather than the organization. One example is friendliness, whereby the creation of goodwill is used to influence another team member to take one's place on an undesirable shift because he or she does not want you as a friend to be inconvenienced.

Another way that influence strategies differ is in their incorporation of other people. Sanctions, reason, friendliness, and assertiveness can be carried out by a single individual. However, coalition building and appealing to higher authority require the cooperation of others before influence can be asserted. People with low power tend to use strategies that enlist the aid of others by essentially borrowing the power of someone else. For instance, a new team member may have little power but may be able to wield influence if she presents her ideas to a few individuals that form a coalition to support her attempts at changing a manufacturing process.

Every influence strategy has both potential benefits and potential problems. The effect of a particular strategy frequently depends on specific circumstances and on the norms that have developed for the team. Indirect strategies can be problematic when they establish a climate of distrust, whereas direct strategies often eliminate confusion because they are candid. Yet, direct strategies can also result in explicit confrontations between team members. As discussed in the following section, this confrontation can be detrimental unless team norms ensure

---

### Table 3.3 Influence Strategies

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reason</td>
<td>Using facts and data to support and develop logical arguments</td>
</tr>
<tr>
<td>Friendliness</td>
<td>Using impression management, flattery, and the creation of good will</td>
</tr>
<tr>
<td>Coalition</td>
<td>Mobilizing other people to join forces</td>
</tr>
<tr>
<td>Bargaining</td>
<td>Using negotiation through the exchange of benefits and favors</td>
</tr>
<tr>
<td>Assertiveness</td>
<td>Using direct force</td>
</tr>
<tr>
<td>Higher Authority</td>
<td>Gaining the support of higher levels in the organization</td>
</tr>
<tr>
<td>Sanctions</td>
<td>Using rewards and punishments</td>
</tr>
</tbody>
</table>

that disagreements and criticism are directed toward concepts rather than toward individuals. Rational tactics are usually superior to nonrational tactics because they focus on improving situations rather than playing to emotions. Understanding and adapting to the emotions of teammates can, however, improve cohesiveness and ensure the development of strong interpersonal relationships. Strategies that can be carried out even if cooperation from others is absent are usually more efficient than strategies that require coordination. However, strategies that enlist the help of others provide an opportunity for low status team members to influence others.

CONFLICT

Here’s an unusual team to think about: a congressional committee. For most of us this thought evokes an image of conflict. Members of the committee each have their own agendas (often driven by different party lines and constituencies), and the goals for some members can often be met only at the expense of the goals for other members. Thus, even though they are formed for the purpose of solving problems, many congressional committees experience strife and end up creating more problems than they solve. Yet, some congressional committees are able to work through their differences and arrive at creative solutions. Members of the committee influence one another to see issues differently, and the end result is cooperation. In either case, conflict and influence attempts greatly affect both interpersonal processes and outcomes of the team.

Although conflict may be less prevalent in work organizations than in political committees, employees in business organizations do disagree. Moreover, working in teams requires employees to interact more frequently than does working as individuals; this suggests that conflict can often be magnified in team-based organizations. Some of this conflict arises from the incompatibility of team personalities. This type of conflict is usually emotion laden and seldom beneficial. Other conflict in teams can be explained by understanding that team members have diverse goals both for themselves and for the team as a whole. Because this type of conflict can be beneficial to teams and deserves further attention, we explore the reasons behind conflict that goes beyond social incompatibility.

Sources of Conflict

In some teams, the goals of individual members may be different but compatible. One team member’s goal may be to earn a lot of money. Another team member may have the goal to create a socially supportive work environment. Belonging to the same team may provide them with both financial rewards and social support. In such cases, a team can provide different members a common path to separate individual goals, and conflict arising from diversity in member goals is minimal.

At other times team member goals may not be compatible. As with political committees, the goals for some team members may seemingly be achieved only at the expense of the goals of other team members. This might happen in
a work team where one member has a primary goal of job security and another a primary goal of expanding operations. The risk inherent in expansion may create a situation in which the interests of the two members are in direct opposition. Opposing individual goals can often lead to conflict and disagreement among team members.

Whether or not they are compatible, the achievement of a large number of team member goals is dependent on the interactions within a team. This need to rely on the team for individual goal achievement can create conflict between the team and the individual. A social trap occurs when an individual's goals, at least in the short run, can best be achieved at the expense of the team's collective goal.\(^\text{12}\) For instance, an individual team member may desire a promotion. In order to obtain the promotion, he might perceive a need to stand out and appear to perform better than his teammates. This may lead him to focus on contributions that are clearly his and to thereby cooperate less with his coworkers. This lack of cooperation may allow him to perform some specific tasks better, and it may even help him to achieve the promotion. However, the lack of cooperation has a negative effect on the team, for cooperation is necessary for the team to reach peak levels of performance. A social trap is created because the team member's promotion may occur only if he maximizes his individual output at the expense of the team's overall productivity. The inherent trade-off between individual and team goals often fosters conflict.

A somewhat different effect occurs when teams force individuals to give up significant personal autonomy. Because teams require the coordination of inputs, they can often limit the discretion of individual members. For instance, a member of a computer programming team may prefer to take extended vacations and then work long hours just before a deadline for completing a project. This scheduling may be very effective when he works alone, but it can create significant coordination problems when he is part of a team. The need to coordinate with other team members reduces his ability to control his own schedule and can place his interests in conflict with the interests of the team as a collective whole. This conflict between individual autonomy and team coordination is illustrated in Case 3.3. When the CEO of the insurance agency desired greater coordination and standardization, he created teams. Although these teams were labeled “self-managing,” they increased supervisor control and limited individual autonomy.

Types of Conflict

Not all conflict within teams is the same. Some types of conflict seem to be beneficial for a team, whereas other types of conflict appear to be detrimental. The most basic and useful distinction between conflict types seems to be between relationship-oriented conflict (sometimes referred to as affective conflict) and task-oriented conflict (sometimes labeled cognitive conflict).\(^\text{13}\) Relationship conflict occurs when team members experience interpersonal incompatibility; task conflict occurs when team members disagree about the tasks that should be performed and how they should be accomplished.
Relationship conflict is generally detrimental to teams. For instance, team members may experience conflict because they differ in their preferences for communication and social interaction. This conflict is usually referred to in terms of personality differences and can take on a rather childish tone when team members bicker about things such as how others dress. Seemingly insignificant differences escalate into a negative spiral, with one person’s negative comments eliciting equally negative responses from another. Breaking the cycle of negative reciprocation is difficult, and the team can be paralyzed by expanding conflict. Outside observers of the conflict usually agree that the source of the conflict is insignificant, but the negative cycle that is created can be immensely damaging. Such a cycle of negatively spiraling relationship conflict is often seen as the major cause of failure for perhaps the most common team in existence: a married couple.

On the other hand, task conflict can sometimes be beneficial for teams. This type of conflict centers not around interpersonal difference but around team tasks. Team members disagree about what tasks should be done and how those tasks should be carried out; yet issues don’t become personal. A moderate amount of this type of conflict is beneficial because it leads teams to critical evaluation of what the team should be doing. This critical evaluation is especially important for creative teams that face nonroutine tasks. These teams succeed from looking at diverse perspectives of problems and developing creative solutions. In essence, these teams prevent groupthink from occurring. However, very high levels of task conflict can be damaging for teams, regardless of the tasks they must perform. When task conflict exceeds a certain threshold, it prohibits teams from cooperating and developing synergy. The result is less than optimal team performance. Thus, a moderate amount of task conflict seems to be optimal for teams, especially creative teams.

Both types of conflict occur in almost all teams. For example, the team of supervisors at Charette (Case 3.2) experienced both relationship and task conflict. Negative, relationship-oriented, conflict surfaced when a manager confronted the consultant and accused him of moving the organization in self-serving directions that would personally benefit the consultant. The manager was worried about his own survival in the organization and personally attacked others in order to thwart the group from accomplishing its goals. In contrast, the team of managers later experienced positive, task-oriented conflict when they discussed what they would do if the teams they supervised wanted to dismiss a member. Several different ideas and opinions were expressed, and the managers argued about their relative merit. In the end, a compromise was reached that incorporated many benefits of the different original proposals.

**Conflict Resolution**

Teams can have several possible reactions to conflict. One reaction is *avoidance*. This occurs when team members do not take steps to resolve the conflict. They try to ignore their differences and hope that they will not be required to integrate their positions. Some evidence suggests that avoidance is an effective method of dealing with relationship conflict. Teams with norms that
require members to ignore interpersonal differences often perform better than
teams with norms that encourage members to voice all of their likes and dis-
likes about one another. However, long-term avoidance can also allow conflict
to build up to the point where team members become so angry with each other
that they are unable to continue working together.

Another method of conflict resolution is imposition, whereby a team mem-
ber is forced to concede his position. This may occur when a team member
lacks a strong power base. For instance, a new team member may be forced to
complete undesirable tasks because he has not yet developed the power bases
that are needed to influence other members of the team. Imposition fails to ac-
knowledge the interests of some team members and can often result in dissat-
sisfaction and reduced motivation.

A third method of conflict resolution is compromise. Compromise requires
that each side of a dispute make concessions. For instance, a team may need
to decide if it will work overtime. Some members may desire the additional pay,
while others may want to go home and spend time with their families. A com-
promise could be reached by the team agreeing to work a limited amount of
overtime that would provide some additional pay, yet would not greatly impose
on family time. Compromise ensures that diverse interests are accounted for but
fails to find a resolution strategy that allows all team members to most fully pur-
sue their interests and attain their individual goals. Relying too much on com-
promise may cause team members to get too comfortable with using it whenever
conflict arises and thereby rob the team of the benefits of constructive dis-
agreement and the potential to reach more optimal solutions.

A final method of conflict resolution is integrative bargaining. Integrative
procedures bring together parties in a dispute and help them to search for a
win/win solution. These procedures require trust and openness. Team members
engaged in integrative bargaining work cooperatively to determine the source
of conflict, and then explore alternatives that eliminate the conflict without sig-
nificantly damaging the interests of either person. For instance, a marketing team
that disagrees about the best marketing plan would examine the reasons why
they disagree and then seek an alternative that maximizes the desirable out-
comes of all perspectives. Integrative bargaining is the most effective method
for resolving task conflict (although it can take more time and effort and may
not be desirable to use in all—especially unimportant—situations). A key to in-
tegrative bargaining is assertive problem solving. In order to effectively deal with
conflict, team members must know how to be assertive without being over-
bearing. Table 3.4 provides a list of five steps that can help team members to
overcome task conflict with assertiveness.

**LEADERSHIP**

Perhaps the most pervasive influence on team process comes from leadership. A
basic issue is whether teams (especially empowered ones) really need leaders. In
fact, the term **leaderless teams** is popular in some circles. However, when one stops
and thinks about the meaning of leadership, such terms are really inaccurate.
One definition of leadership is the act of influencing others. This definition implies that any team member can exercise leadership and influence over her peers, meaning that the existence of a team without leadership is not possible, even though it may not have a formal leader. However, in this section we focus mainly on the role of formal leaders and how their actions can affect teams. We do this by examining different team leadership structures, forms of leadership influence, and effects of leadership behaviors.

Leadership Structures

Leadership structure addresses the following questions. How is the leader appointed (and, perhaps, unappointed)? Is the team leader a member and co-performer on the team or someone outside the team? And to what degree is formal authority given to the leader versus the team itself? In response to these questions, team leadership structure may be expressed in one of three ways: an external supervisor, an external facilitator, or an internally elected leader. Note how these structures vary in the extent to which they encourage team self-leadership.

External Supervisor

The most common and well-known leadership structure is to appoint a traditional external supervisor or foreperson. This person, typically appointed by management, has legitimate power that stems from the position itself; this authority allows the leader to make job assignments, give instructions and commands, and allocate some rewards and reprimands. Control over the team’s activities is vested mainly in this appointed leader rather than the team itself. Usually this person is not a team member and is at least one step removed from carrying out the work tasks.

External Facilitator

Another type of leadership structure occurs when a leader, often called a facilitator (or coordinator, counselor, or coach), is appointed to facilitate empowered workers. This is the role that coordinators fill in the Fitzgerald Battery Plant.
A facilitator is usually not part of the team; he or she does not carry out team tasks, but rather offers advice and counsel on how the team itself might perform activities. A facilitator is usually appointed by management, similar to a supervisor, but the expected behavior or role of the facilitator is quite different. Whereas a supervisor retains a high degree of control and decision making, a facilitator typically attempts to encourage a team to undertake self-control activities such as self-job assignments or self-goal setting.

Internally Elected Leader

An internally elected team leader is another type of structure that might be utilized for team leadership. Teams at the Fitzgerald Battery Plant had this type of internal leader in addition to the coordinators. These leaders are usually team members who engage in most of the typical day-to-day activities of the team in addition to carrying out leadership responsibilities. They frequently come to the position as a result of some type of team election (or even team leader rotation) and thus might be considered an emergent leader. Of course, if the team leader is elected, some method of replacement must be devised to deal with turnover of the leadership role. A specified term of office may be invoked, at the end of which the leader may or may not be reelected. Other mechanisms might include a runoff to choose between alternative candidates or a vote of confidence in which a leader might be unelected or deposed. This approach is quite unusual, however, for elected team leaders who are having difficulty with the team usually volunteer to step down before an “unelection” is necessary.

A fellow worker who is also a team leader can have advantages and obstacles in terms of group norms, interpersonal relationships, and so forth that are not shared by external team leaders. For example, within-team leaders may be in a better position to contribute to the social well-being (group maintenance) of the group but face difficulties in emphasizing task performance because of personal relationships with other members. Moreover, an elected leader is empowered from below. That is, the elected leader acts to organize, motivate, and influence the team, but the power and authority to do so come from the very people the leader is attempting to influence.

The three leadership structures vary considerably in terms of the degree of team self-leadership that is established or, in other words, in terms of the amount of direct control that is vested in the team itself versus direct control retained by management. In the case of the traditional foreperson or supervisor, management retains virtually all control, since most of the power is vested in the supervisor, who represents management. Thus, these teams tend to be externally managed. On the other end of the spectrum, with an internally elected team leader, high team self-leadership is established as a great deal of control is vested in the team itself, which “delegates upward” to the elected team leader. The appointed external facilitator represents a role that falls somewhere in between in terms of empowerment, with the philosophy and practice typically moving in the direction of greater team self-leadership. A facilitator attempts to
move more control into the hands of the team, although in reality management retains a great deal of control through the power to appoint or remove the facilitator.

**Leadership Behaviors**

Although leadership structure tells us something about how the leader’s role fits into an organization’s overall control structure, it does little to describe what leaders actually do. One way of thinking about leadership is to ask yourself what image you see when you envision a great leader. Is it an image of a “white knight” riding in to save his people by crushing and defeating their enemies? Is it an image of a football coach screaming at his players to motivate them? Is it an inspirational speaker who is effective at creating a vision for the people she leads?¹⁷

Although there have been numerous studies related to leadership, there is still uncertainty about which type of leader is most effective. The most consistent finding in leadership research seems to be that effective leadership must be adapted to the conditions and needs of specific situations. Perhaps this is best shown in leadership theories that suggest leaders tend to focus on either accomplishing tasks or building positive relationships, and that the appropriateness of the focus depends on the conditions present in the leadership situation.¹⁸

Our intent here is not to present a detailed description of each of the various theories of leadership; we leave this task to Organizational Behavior textbooks. Rather our purpose is to provide an overview of some common leadership behaviors and then examine their effect on teams. This limited focus provides insight into the question of how team leadership should be adapted to fit the conditions of certain teams, and therefore provides a team perspective of leadership.

We describe leadership behaviors by grouping them together into descriptive categories called archetypes. Each archetype represents a related set of behaviors. In accordance with common images and patterns of leadership behavior, we identify the following four archetypes: the Strongman, the Transactor, the Visionary Hero, and the SuperLeader.¹⁹

The **Strongman** pattern of leadership concentrates on command and instruction to influence followers. We acknowledge that this archetype label sounds sexist, but historically this type of leadership behavior has been associated more with men than with women. A strongman’s source of power is the coercion that stems from the authority of his/her position. It is a top-down type of leadership that produces a fear-based compliance in followers. The behaviors most frequently used by this leader are instruction, command, assigned goals, threat, intimidation, and reprimand. One good example of this type of leader is the military dictator who uses sheer power to coerce his followers.

The **Transactor** leader enters into an exchange relationship with followers. Rewards are the major source of influence, with the follower displaying a calculative compliance with the leader’s wishes, in order to secure rewards that
are controlled by the leader. The behaviors most frequently used by this leader are the dispensation of personal and material rewards in return for effort, performance, and loyalty. For instance, a leader may offer a raise to her subordinates if they achieve the goals that she sets for them.

The **Visionary Hero** leader is a source of inspiration to the follower. This leader uses a top-down vision to inspire and stimulate followers, who make emotional commitments based on the leader’s vision and charisma. This leader uses behaviors such as communicating a vision, exhortation, inspiration and persuasion, and challenge to the status quo. Other terms that describe the visionary hero are transformational leader and charismatic leader. Modern-day examples include politicians who focus on outlining agendas and programs designed to inspire people to improve society.

The **SuperLeader** focuses primarily on the development of the follower. Sometimes called an “empowering” leader, this leader has a strength that can be super because it is based on the strength of many followers. These leaders lead others to lead themselves. The SuperLeader models, encourages, and reinforces follower initiative, self-responsibility, self-confidence, self-goal setting, positive opportunity thinking, and self-problem solving. Power is more balanced between the leader and the followers. In contrast to the other archetypes that focus on the leader, this viewpoint seeks to focus on the followers. Expected positive returns include heightened follower commitment and psychological ownership, especially the development of self-leadership skills in followers so that they can provide leadership for themselves.

### How Leadership Affects Teams

Building on the four archetypes of leadership, we can now describe how various leadership influences affect teams. Another way of grouping the various leadership theories is to focus on two broad dimensions that underlie most perspectives of leadership. The first leadership dimension is concerned with the leader’s power orientation. Some leaders (e.g., Strongman leaders) are very autocratic and tend to use commands and threats to get followers to comply with their wishes. Other leaders are more democratic and allow their followers to have substantial latitude in determining courses of direction (e.g., SuperLeaders).

The second dimension centers on leader involvement. Some leaders are highly involved in day-to-day activities, whereas others are more “hands-off” and allow their followers a great deal of freedom. Combining these two dimensions yields a typology of leadership that we will use to illustrate the effects of leadership on teams. The typology is shown in Figure 3.2.\(^{20}\)

The cell labels in the typology do not describe the leader behaviors; rather, they describe how a team typically reacts to the leadership behaviors associated with each cell. Thus, overpowering leadership occurs when the team is overpowered by the leader, whereas powerless leadership leaves the team—not necessarily the leader—powerless. Examining the typology provides us with a link between leader behaviors and the way teams tend to respond.
### Overpowering Leadership

**Leader Behaviors**
- Coercion, reinforcement, punishment, autocratic decision making, structuring
- Team Reactions
- Compliance, conformance, skepticism

**Outcome**
- Submissive teams–teams that acquiesce to leader control

### Power Building Leadership

**Leader Behaviors**
- Guidance, encouragement, delegation, reinforcement, culture building
- Team Reactions
- Learning, skill development

**Outcome**
- Self-managing teams–teams control how work is done

### Powerless Leadership

**Leader Behaviors**
- Intermittent structuring, enforcing of sanctions, psychological distancing
- Team Reactions
- Lack of direction, power struggles

**Outcome**
- Alienated teams–teams and leaders struggle for control


**Figure 3.2** Typology of leadership’s effect on teams

---

**Overpowering Leadership**

An active and autocratic leader spends a lot of time imposing his/her will on the team. Strongman leaders are usually overpowering, and they are actively involved in everything the team does. They see their way as the right way to accomplish things. These tendencies often lead to the use of threat and intimidation in order to get team members to perform. Active and autocratic leaders can be effective in situations that require team members to quickly respond to the leader’s requests. An example might be a military team facing battle; a clear image is that of many of the character roles enacted by the late actor John Wayne. In his movies John Wayne frequently portrayed a leader who coerced the teams he led. He would threaten them with dire consequences if they did not obey his commands. He would also use his large physical stature to intimidate team members into performing as he desired. This form of leadership was often beneficial because the teams he led usually performed fighting tasks that required exact obedience and minimal deviation from the leader’s plan. Modern examples of overpowering leadership include Frank Lorenzo at Eastern Airlines and Al Dunlap at Sunbeam Corporation.

Unfortunately, active and autocratic leaders can overpower the creativity and enthusiasm of teams. Team members have few opportunities to do what they think is best when the leader is closely involved in all team activities. This can be problematic in many business organizations, particularly when teams are ex-
pected to come up with novel approaches to work. Instead of exhibiting creativeness, team members are submissive and succumb to the leader. They fail to make intellectual and creative contributions of thinking power. Business teams thus run the risk of becoming overpowered when their leader is both active and autocratic.

**Powerless Leadership**

A passive and autocratic leader is perhaps difficult to imagine. This type of leader is not closely involved in the day-to-day activities of the team. However, he or she retains significant control over the team and ultimately determines how the team will function. Many of these leaders fit the transactor archetype. They appear to give a team a great deal of latitude to make its own decisions, but freedom and autonomy quickly disappear when the team’s choices are not congruent with the actions the leader desires. The leader may intermittently step in and take control of team activities for short periods of time. The leader may also use subtle contacts and pressure points to quietly influence the team. Either way the leader is autocratic in that he uses reward power to ensure that his desires are ultimately carried out by the team.

The CEO of the insurance firm described in Case 3.3 is a good example of a leader who leaves a team powerless. The leader instituted “self-managing” teams with the underlying objective of reducing the individual autonomy of team members. He helped ensure the selection of team leaders who would carry out his personal agenda. He also used strict rules and policies to control the teams. In the end, the teams became powerless to make choices about their work, and many team members reported decreasing levels of job satisfaction.

A major problem associated with a “hands-off” approach to autocratic leadership is therefore its failure to allow the team to develop the skills needed to manage its activities. Moreover, team members are unsure about what they should be doing, so they spend a great deal of time and energy in trying to determine what the leader wants. The work climate for teams experiencing this form of leadership is often very political. Team members battle with one another to become the leader’s contact and thereby gain power to influence the team. Team members also fear the possible sanctions that might be imposed if their actions are not in line with the leader’s desires, even though those desires may not be known to them. In the end, the team is left powerless to actually perform quality work.

**Power-Building Leadership**

An active and democratic leader can be beneficial for teams, especially in their early development stages. This type of leadership encompasses elements of both the Visionary Hero and the SuperLeader archetypes, and to a lesser degree the Transactor archetype. These leaders provide guidance and teach important skills; yet, they are careful to allow the team itself to exercise substantial discretion in determining how work will be done. They delegate, encourage, reinforce, and cooperate. They help create a vision of successful team self-leadership, and their
main focus is on helping the team develop power to lead itself. They do this by teaching technical skills, self-leadership skills like goal setting, and conflict-reduction techniques. Active and democratic leaders are often thought of as great teachers because they help others learn how to lead themselves. This requires a particularly difficult balance of freedom and direction for team members. This means that the leader will sometimes allow team members to fail and learn from their mistakes. Such learning is a critical part of building power so that the team can eventually become proficient at leading itself.

Facilitators at the Fitzgerald Battery Plant (Case 3.1) effectively used leadership to build power within teams. A good example is the leader who refused to solve the problems that team members brought to him. The employee needed encouragement and some initial guidance; however, the leader refrained from simply providing the employee with an answer that would solve the problem for him. This action had the long-term effect of helping employees believe in their abilities. As future problems arose, team members were increasingly likely to resolve them without relying on the leader.

A leader who is highly involved in team activities will, nevertheless, exert substantial influence over the team, even if her underlying style is democratic. The strategic direction of the team is likely to be set by the leader. This can be beneficial when the team does not have the expertise and skills needed to truly lead itself.

Empowered Leadership

A passive and democratic leader allows the team to design its own work processes and to determine its strategic direction. This type of leadership is consistent with the SuperLeader archetype. The traditional roles of the leader are carried out predominantly by the team. However, this does not mean that the leader is not needed. The leader's role changes to facilitator and coach. Perhaps most importantly, the leader becomes a living model of desirable behavior. Modeling is a passive form of influence that is often more powerful than active forms. The leader also becomes a resource for the team when it needs help. Rather than actively guiding the team, the leader usually waits until the team requests her inputs. The leader also helps coordinate the team's efforts with the efforts of other teams and individuals in the organization. This can be particularly beneficial, especially when the leader is an advocate who protects the interests and autonomy of the team.

To some observers, the actions of a passive and democratic leader may not appear to be leadership at all, but this form of leadership is critical for truly self-leading teams. Passive leadership will likely fail if the team does not have capability to lead itself. Therefore, active democratic leadership should usually precede passive democratic leadership in the earlier stages of team development. Once a team has developed the needed skills, however, it is ready to exercise its discretion and determine its own work routines. This freedom can allow the team to unleash its creativity and thereby pursue new avenues for accomplishing work. In many cases, such empowerment can radically improve
how work gets done, as well as encourage a sense of ownership over team outcomes, thus helping teams with passive democratic leaders to be effective over extended periods of time.

**Supervisor Resistance to Teams**

As implied in the discussion so far, leaders are an important key to the successful launch of teams. However, in many cases team leaders, especially those occupying roles more consistent with the traditional supervisor position, can represent a barrier that makes it impossible for teams to succeed. Supervisors often see teams as a threat to their power and role as a leader. This resistance became clear when the Charette Corporation decided to implement teams (see Case 3.2). The first-line supervisors initially resisted the transition to teams but eventually embraced the concept and helped ensure success for the warehouse teams.

A classic theory of organizational development and change can be used to summarize a process for helping supervisors to overcome initial resistance to teams.\(^{21}\) The theory suggests a three-step change process: unfreezing, changing, refreezing. The *unfreezing* stage requires a breakdown of current attitudes and behaviors. The key at this stage of the process is to help managers feel a desire to change. Providing them with information about the potential improvements associated with teams is one method of cultivating this desire to change. Benchmarking with other organizations that have successfully implemented teams can be particularly helpful. This occurred at Charette when the consultant pointed out the benefits of teams. The managers gradually came to believe that teams could make their work more enjoyable and productive.

The *changing* stage requires first-line managers to learn new behaviors. Throughout this unit we have described many of the new roles that a team leader must enact, but these roles are often difficult to learn. A great deal of training is required before change can occur. At Charette this training consisted of role-playing exercises that were designed to help supervisors learn a new set of leadership skills. This was a very difficult and time-consuming process, but it had to be done to guarantee that supervisors had the skills required for adopting the new leadership style.

The final stage of *refreezing* requires the development of systems that ensure that newly learned leadership behaviors will be transferred to the workplace. This can be done with compensation systems that reward managers for developing teams rather than solely for short-term profits. Although this step may not have been fully implemented at Charette, a follow-up four years later did find that leaders were continuing to use many of the skills they learned during the transition to a team-based work system.

Although the process of unfreezing, changing, and refreezing provides a nice framework for understanding dimensions of change, the refreezing step may not be applicable for many contemporary organizations. These organizations change so rapidly that continuous change and learning may be a more appropriate model. From this perspective, supervisor resistance can be decreased.
by creating a learning environment where supervisors are encouraged to con-

tinually search for new and better methods of leading teams.22

WHAT WE HOPE YOU LEARN IN THIS UNIT

After studying this unit, you should have a better understanding of the internal

processes that take place in teams. Understanding these processes, and being

able to apply them to work teams, can help you facilitate team effectiveness.

The first process that we examined is how teams develop over time. An un-

derstanding of the five development stages is critical for discerning the troubles

that a team may be facing. The proper method for facilitating a newly formed

team will of necessity be very different from the method for facilitating an es-

tablished team. An effective member or team manager can significantly aid a

team by helping it to move through the conflict stage. The norming stage then

becomes critical, for events and statements made by leaders can have a signif-

icant effect on the team’s long-term development and success. Teams that de-

velop good norms and a sense of cohesion in this stage will be more likely to

reach the critical stage of performing.

Our discussion about socialization also pointed out the importance of early

events in the relationship between teams and individuals. Teams need to ac-

commodate the individual requirements and desires of team members, whereas

team members need to subjugate some of their own interests for the better-

ment of the team. Effectively managing this give-and-take process is one way

to ensure that team members are not only gaining satisfaction from their in-

teractions with the team, but are also equipping them to significantly contribute

to performance.

In order to influence others, team members should possess a power base.

Legitimate and coercive power are becoming less frequent in team environments.

However, both individuals and teams can benefit from acknowledging expert

power. If team members are able to influence others in areas where they have

valuable expertise, then the team is better able to take advantage of diverse

skills. Influence strategies should also fit the situation in which they are used.

For the most part, teams succeed when they use direct and logical strategies

that foster open communication and a reliance on relevant information.

Conflict, though perhaps inevitable in teams, is not always a bad thing.

When conflict centers around tasks rather than people, it can have the effect of

guaranteeing that all points of view are taken into account when making deci-

sions. Usually the best method for accomplishing conflict resolution is to use

integrative bargaining tactics, especially when addressing important issues.

Leadership has a particularly strong influence on team processes. Externally

appointed leaders tend to exercise more control over a team than do internally

elected leaders; thus, leadership structure should be matched with intended lev-

eels of team self-management. Specific leader behaviors also have varying effects

on teams. A Strongman type of leadership tends to overpower a team. Ineffective

use of Transactor leadership maintains a subtle form of leader influence that can

leave a team powerless to establish its own direction. Visionary leadership can
help establish a goal for the team to grow in its capacity for self-leadership but may interfere with team growth and development in later stages. SuperLeadership allows team members themselves to solve problems and set their direction. However, passive aspects of Super Leadership should not be used until a team has developed the skills needed to lead itself.

NOTES FOR UNIT 3

8. This concept of parting ceremonies has been developed by S. G. Harris and R. I. Sutton, “Functions of Parting Ceremonies in Dying Organizations,” *Academy of Management Journal* 29 (1986): 5–30.


---

**CASE 3.2**

**Overcoming Supervisor Resistance at Charrette**

This case was written by Charles C. Manz, David Keating, and Anne Donnellon.¹

Success or failure of teams is often dependent on effective leadership. In this case we describe how managers of a warehouse operation prepared themselves to lead self-managing teams. The managers themselves formed a support team that aided them in their transition from traditional supervisors to team facilitators. They struggled with accepting and learning a new role for creating positive interactions between team members.
Charrette Corporation, located in the greater Boston area, is a nonunion wholesale distributor and retailer of architectural, engineering, and commercial art supplies and furnishings, with a current annual sales volume exceeding $50 million. It was cofounded in 1964 by the company’s current chairman and its current president, who together totally own the company.

Our focus was on the organization’s warehouse distribution center operation. The distribution center is broken into four basic parts: receiving/stocking, order filling, order packing, and shipping. The study centered on managers directly involved with the order-filling and order-packing workforce, approximately 65 persons.

The core management team consisted of seven persons: the director of operations, who is responsible for coordinating all aspects of the distribution center’s four basic parts; the day and night managers who oversee all day-to-day operational details of order filling and order packing; and four day and night order-packing and -filling supervisors, who report directly to those two managers. The four supervisors handle all minute-to-minute concerns regarding workforce and production flow and because of heavy order volume, they often fill and pack orders.

Most of the core management team had been with the company for at least four years, about five times longer than the average worker, and most had come up through the ranks of order filling and order packing. The usual management style had been a traditional autocratic approach with a punitive emphasis. The typical perception of a good manager/leader in the organization in the past was one of doing “whatever it took” to get the job done, with a heavy emphasis on exerting tight control over the workforce.

The old management approach was not paying off. The operations efficiency and productivity levels were problematic. Current operating statistics on an annualized basis estimated absenteeism to be about 10 percent, turnover 250 percent, productivity utilization 60 percent, and errors at about 1.8 percent of all orders. Average cost of inefficiencies was estimated to be about 30 percent of earnings. Despite the clear need for change, the move to a self-managing team approach, decided upon by the CEO and a consultant, posed a direct conflict in management philosophy with the old management system and required significant unlearning on the part of the managers.

Several workforce characteristics made this an especially interesting organization to study in terms of the transition of management thinking. First, the average age of the employees involved in the change was 19, significantly younger than many other self-managed team applications. A majority of the workers were recent high school graduates or dropouts. Coupled with the relatively young age of the workforce were several other sources of tension and personal difficulties for the workers. There was some covert tension within the racially mixed workforce that consisted of approximately 75 percent white, 12.5 percent black, and 14.5 percent Hispanic employees. This tension showed up in hostile written exchanges on the bathroom walls and some uncooperative behavior during normal work operations. Often white male employees mocked the speech and behavior patterns of their minority counterparts. Rarely did white and black employees work together or socialize. In addition, several employees had been arrested for possession and dealing of illegal drugs.

All of these factors made an organizational change to the concept of worker self-managing teams particularly challenging for members of management. It was apparent to management that organizational change was needed to improve employee productivity and morale, but whether this young and troubled workforce could handle a self-managed team environment was uncertain. The managers’ role in the transi-
tion and functioning of these teams would be critical to achieving a successful implementation.

Gathering Information

We used several methods for gathering information in studying the transition. First, the second author of this case (Keating) was a consultant to the company. He proposed and paved the way for implementing the transition to self-managed teams. (Enlisting the help of an outside consultant is not a necessity for introducing teams, but many organizations find the support and guidance of a consultant to be useful.) He worked with the company for a little more than two months. During this period, he analyzed the existing operating approach, proposed a self-managed work team design, and then worked directly with the core management team to facilitate their preparation for the change. This close work enabled very rich, first-hand observation and interaction with the management team during its transition toward a team structure. Detailed documentation was kept in a journal during this process.

In addition, multiple interviews and discussions were conducted with individual members of the management team from the time the proposed change approach was accepted until implementation was begun. Some of the key interactions of managers concerning managing in an employee self-managing environment were videotaped. The taping focused primarily on the role of managers as they began to practice and converse about managing teams of workers who were being encouraged and helped to be increasingly self-managing. The taping thus provided an especially detailed source of insight into the managers’ thoughts, feelings and behavior during the transition to teams and self-management.

Primary Themes of the Managerial Transition

Our study of the management team’s struggle with the pending organizational change identified several primary themes. These episodes not only revealed the process but also seemed to provide the raw material for the construction and evolution of the change in management philosophy and action.

Theme 1: Initial Suspicion, Uncertainty, and Resistance

During the transition, the managers felt threatened by and resented the forthcoming change. They were concerned over having what might be viewed as past personal performance failings come to the attention of upper management. They also resented the idea that the change plan would be credited to the consultant, and they were sure that the new system would fail. In other words, they believed that an analysis of the system that revealed a need for change threatened to make them look bad. They also perceived that the new work design plan, even if it worked, would only enhance the image of the consultant and not the managers.

The day manager led the initial resistance. The existing system, he said, had “evolved over time” and was “designed for maximum flexibility” (that is, *bis* flexibility in assigning orders to and maintaining control over the workers). He believed that if a team approach were instituted, orders would not be filled and shipped, since more of the decisions and responsibilities would be left to the employees and would be out of his control. He feared that missed shipments would cost him his job. In addition, gaining approval from senior management for the new system would require exposing the distribution center’s inefficiencies, and he feared that this would cost him his job (especially precious because of a wife, a child, and another baby “on the way”). To overcome
this resistance, the consultant had to ensure that this manager was insulated from senior management.

Senior management approved the new approach without firing the day manager, but he continued to resist the change. His response to the news that senior management had approved the change was to throw his cigarette lighter across his desk in disgust. Through the first several days of meetings, he displayed closed body language and offered little to group discussion.

At the end of one of the first days, he directly confronted the consultant with the argument that the design would mainly benefit him—the consultant. After the consultant pointed to the potential benefits to the organization, the manager again raised his accusation of personal gain for the consultant, which the consultant then acknowledged. (This manager later realized the positive possibilities of the new system and publicly apologized to the consultant. He began making excellent contributions to the change and was often instrumental in helping the core group develop a language for their new roles as facilitators. He was thus given the nickname “Wordman.”)

A variety of comments made during these early stages of the transition indicated an attachment to the company’s traditional style of management. One manager emphasized the inadequacies of the workers and pointed out, “We have to step in and solve the problem for them.” Another manager revealed his impatience with the shortcomings of the workforce: “We can’t be bothered by people that don’t work.” In general, the core group’s behaviors suggested a belief that their workers were too immature and irresponsible to handle the change.

In summary, the initial responses to the change were suspicion, uncertainty, and resistance. Conversations during the early core management meetings placed a significant emphasis on these concerns. These conversations appeared to serve as a venting process for the internal pressure felt by some of the core management group members, and they seemed to be symptomatic of a last-ditch effort to stop the change.

Theme 2: Gradual Realization of the Positive Possibilities in the New System

The second theme was the managers’ growing belief that the new system could work. This realization gradually emerged after hours of struggle and discussion about the possibilities and challenges of the team approach. The belief that the workers were competent and responsible emerged as the managers began to grasp the potential advantages of the new system. In addition, the core managers began to recognize that they had to assume a new role as facilitators, moving away from traditional thinking about management.

As they went through their transition, the core managers questioned and tested the boundaries of the new system. Questions ranged from “Can groups really facilitate themselves?” to such basic operational questions as, “Can groups train new people (a task previously assigned only to managers)?” These managers gradually switched from questioning their employees’ competence to exploring ways of empowering them with the authority to perform management tasks.

In addition, the core group discussed a plan to have workers call customers for feedback on orders for which their group was responsible. The managers, recognizing that the company’s success depends on courteous employees and accurate orders, voiced their concern that workers might be vulgar or unable to respond diplomatically to an angry customer. Nevertheless, they decided that it was an idea worth pursuing. This communication with customers would help build worker identification with and empathy for customers—a radical shift away from managers’ previous belief that they should “keep the animals in the warehouse as far away from customers as possible!”
The core managers developed an understanding that the program’s success depended on workers’ placing significant value on group membership, that is, peer acceptance. This belief grew out of the managers’ frustration over their inability to control absenteeism and unprofessional behavior. As they probed the issue with the help of the consultant, they realized that line authority over a worker does not necessarily equate to behavioral control. From this realization, the managers reached the conclusion that peer pressure often is more effective than managerial threats and that a worker would be less likely to call in sick if he or she had to face team members the next morning.

The core group came to realize that the new system might also change some enjoyable aspects of their old roles, such as identifying and developing rising stars. At first, they were concerned that their new role of facilitator was too indirect to be effective. Over time, they came to accept the idea that as workers became self-managing, they would have more time to develop key people, although in a new manner.

Finally, the core group developed an understanding of their new roles as resources to their teams, as well as a support group among themselves. Previously when workers were unsure of what to do, the managers would either tell them what to do or step in and solve the problem themselves. As the core group developed, they created and practiced techniques for facilitating worker problem solving. These techniques centered on asking questions rather than giving answers and allowing workers to make mistakes without reprimand as they struggled to solve problems on their own.

Throughout the whole process, the core group became a resource to itself. In the beginning, they doubted the value of spending so much of their time in discussion. “Well I’m off to group therapy,” one manager would quip as he left for the meetings. By the end of the process, they were pleased with their ability to wrestle with complicated issues. They had solved problems that had stumped the department for years and attributed this success to the group process.

The group developed its own informal leaders and inside jokes. One member could always be counted on to supply candy during the three- to four-hour meetings. Other members used humor to break frequent tension. One member became known as “The Tower of Compassion,” because of such statements as, “We can’t be bothered by people who don’t fit in (to the new program).” The group also occasionally engaged in storytelling about important accomplishments of the past.

Officially, they named themselves the Advisory Board. Their charter was to create policy and serve as informal judicial review for worker grievances. As a group, they took on increasingly more difficult tasks, including a multimedia presentation (proposing their plan for the new self-managed system) to the company’s chairman and senior management.

In summary, conversations and interactions within the management team revealed their gradual realization of the potential benefits of the new system. During this shift in their beliefs and attitudes, the managers learned from and supported each other in a manner most members of the group felt to be more effective than any previous management training.

The final two themes reveal our findings from detailed analysis of some of these conversations, particularly the conversations captured on videotape. Our intent here is to show how the managers’ interaction produced the new roles and behavior required for managing the self-managed.

Theme 3: Wrestling with a New Role

Throughout the process, the core management group wrestled with the question about their new role: What exactly is a facilitator? How is it different from or better than being a manager? In other words, they were asking, “How does the philosophy of team self-
management influence managerial behavior?” This influence was seen in frequent references to the self-management philosophy as a guide to communication behavior. These references were mentioned by the managers of the core group, the consultant, and occasionally by the participating managers during role-playing. Whether the managers would grasp the full meaning of this philosophy and alter their image of their role ultimately would determine how effective they would be in managing the teams.

In role-playing about a team seeking to remove one of its members, one manager proposed to meet with each of the team members individually to determine the reasons for the request and the degree to which each person supported it. Recognizing this behavior as a violation of the team philosophy, one of his colleagues asked him to consider “what that will do to the group mentality.”

Another manager, while practicing his new role as a facilitator, was reminded that “the facilitator’s role is not to work with the individual but with the group.” These managers did not overlook the challenge of managing both the individual and the team, as was obvious when one manager posed the dilemma: “What do we do if a person (whose teammates want him out) wants to stay in the group?” After much discussion of alternative responses, he stated the philosophy that was to guide all such communication with the teams: “So what we all agreed is, no matter what we do, we’re gonna do everything on our part to keep the group intact.” When another manager proposed dealing with team complaints about a poor performer by saying, “Maybe we say, ‘Hey somebody’s gotta baby-sit him; we’ll do that on a rotating basis,’” he was quickly reminded that the facilitator role did not include baby-sitting.

The managers openly explored the motivation for adopting the philosophy of being a facilitator. One manager proposed that “the facilitator has a vested interest in making the group work.” Other managers supported this argument by pointing out that the manager’s motivation was more than monetary: “This group is his. If they fail, he fails. There’s the psychological thing of ‘I failed; I wasn’t able to pull this group together.’”

Perhaps the most compelling evidence that the managers were consciously grappling with their new role was in the following statement: “They know you’re in an uncomfortable role, and they’re gonna push and push and push, and when you slip, they’re gonna say, ‘There he goes, acting like a son of a bitch again,’ and that’s gonna undermine the whole effort. They’re gonna look at the whole thing as a manipulative effort.” This manager clearly understands the challenge of the new role, and he implies that effective performance of the role will depend on the managers’ genuine acceptance of the self-management philosophy.

Acting in their new roles as facilitators of self-managing teams, managers must be aware of what the new philosophy logically entails. Two such subthemes were discussed in the conversations we observed. One was the argument that the self-managing teams “can solve anything.” The other subtheme dealt with appropriate styles of communicating within the team.

In scenarios that dealt with self-managing teams as potential sources of interpersonal conflict and coordination problems, these managers occasionally had to remind one another of an important aspect of the self-management philosophy: the teams were formed to be problem-solving groups. They proposed language that would remind the teams of this aspect of the new structure. During a role-play, the “facilitator” affirmed his team by saying, “We can solve it.” When a member of the team apologized, the facilitator reminded him, “Apologies don’t solve problems.” Thus, they coached one another in the underlying philosophy of their new role and at the same time identified behavior that would be effective in such a situation.
The subtheme dealing with appropriate communication styles in the teams appeared to be more of a problem for the group of managers, particularly when serving as a guide to selecting and acting out effective behavior. On a number of occasions, the consultant responded to a role-play by asking the managers to critique and correct the language used by a management team member. A manager’s response to one role-playing situation was the following:

He just said he “snorted his paycheck,” but that’s not relevant. It doesn’t matter why he’s out; his absenteeism is the problem. You can’t let anyone attack him. You’ve got to let just enough negative energy out to make him realize he’s done something wrong that he needs to correct. And anything else is unnecessary and destructive. Insults are unacceptable.

The consultant argued that constructive communication is the goal of facilitation; the facilitator should counter destructive behavior and instruct team members in how to express themselves constructively. One manager, however, expressed concern about the potential for altering the language without solving the problem.

I don’t think that (saying he snorted his paycheck) was an insult . . . and I know he’s got a drug problem. I’ve seen him, and it affects his work.

This interaction and others indicated the tension felt between working to foster open, honest communication of thoughts and feelings and working to block communication that could degenerate into emotional outbursts. The consultant put the problem on the table as a policy issue: “Is it going to be the role of the facilitator to say we’re not going to use language that’s inflammatory in this room, or do you feel it’s the way they express themselves and you shouldn’t inhibit that?”

The question of how to act when team members communicated negative emotion honestly was not directly posed or resolved by the consultant or the managers. However, guides to action were articulated, with the managers left to find their own motivation and produce their own responses: “That might be something to apply down the road,” or “It would be unwise to inhibit them initially; they need to be able to swear to get loosened up.”

Theme 4: Learning a New Language

The purpose of the training role-plays during the managers’ transition to self-managing teams was to provide opportunities for the managers to rehearse appropriate behaviors for their new roles. The consultant told them, “We want you to have as many possible scenarios as could come up. We want you to be as equipped as possible so you don’t sit there and say, ‘Good grief I’m in this new role and I have anarchy on my hands,’ and your first reaction is to pull out the fists and go back to being a supervisor again. When that happens, we’ve lost.”

Preparing as a group, they experimented with the new ways of speaking and tested the effectiveness of this new speech with one another. For example, after one role-play, a manager offered the following critique to his colleague: “But doesn’t that put me on the defensive again?” Another responded, “That sounds kinda hokey to me.”

In these discussions of possible conversations with their teams, the managers and consultant produced action plans, or “scripts,” for dealing with various contingencies. These discussions dealt with physical arrangements, word choices and sequences of dialogue, and even audience expectations and reactions.

Prompted by the consultant, one manager presented his plan of action for addressing team concerns about a member whose absenteeism was affecting their bonuses. The
manager began by specifying that he would not have the accused person sit next to him, “just to make this individual not feel separated. If he’s next to me, they’ll be looking at me, and he’ll feel their stares.”

In the role-play of this interaction, another participant responded to the question of whether a person was entitled to a leave of absence by saying he would need to appeal to “the judicial board (a group created to deal with special issues such as this).” This discussion caused one of the managers to react negatively to the group’s name: “judicial board” is kinda strong. Doesn’t that sound kinda scary?” Several other possible names for the body were proposed, including the “People’s Board.” (The interaction concluded with references to a popular television show, “The People’s Court.”) The managers realized that they needed to develop a name that commanded respect and yet was not intimidating.

In working to identify appropriate ways for the facilitators to communicate with their groups, the managers recognized that the team context heightened the importance of the words chosen to deal with workers. After one role-play, for example, one manager pointed out, “But three people (on the team) have a specific agenda they want addressed, and to just skirt around it and not get to the meat of it might be unwise.” With this comment, he called his colleagues’ attention to the fact that, in team conversations, the facilitator’s words must be chosen with regard not just to the self-management philosophy or to creating the desired effect on the focal individual but to the audience of other team members as well. Another manager offered an interesting perspective on the team audience: “They’ve always seen authority figures, and they’ve never been invited to be a peer of that person. We’re inviting them to be peers with us, and they’re not gonna buy that right away.” Obviously, he was concerned with the audience’s expectations, which are based on prior experience and understanding of the roles each party typically plays. His words served as a sober reminder to his colleagues of the magnitude of change that self-managed teams represented in this company and the challenge of communicating effectively as a facilitator.

By this point in the process, all of the managers were convinced of the challenge they faced as team facilitators. They applied considerable energy to developing and practicing the verbal skills required for effective performance of the facilitator role. They had to establish the underlying motivation for their new role in their own minds, produce new plans to act out when confronted with difficult situations that they anticipated, and stop occasionally to reconsider audience expectations. Another obvious skill was to recall (or improvise) and deliver the right words at the right time.

The role-plays offered an opportunity to practice these skills. Dialogue lines that flowed from their newly developed language such as the following were quite common in the conversations: “I’m not here to solve the problem. I’m here to assist you in solving the problem.” In the group training context, the role-plays also provided opportunities for feedback. For example, when, in the heat of dialogue, one manager used the line, “That’s not up to me; it’s up to you,” he was reminded that the facilitator is also “part of the team, so you should have said, ‘It’s up to us.’” In self-evaluations, two of the managers said that they shouldn’t have used the term “individual.”

Although the bulk of their conversations was generally devoted to creating and practicing this new language, the managers and consultant also recognized the need for skill in improvising. As one manager pointed out, “They (the team) will push you. They know you’re in an uncomfortable role, and they’ll push you to react. It’s gonna get heated, confrontational.” Other managers proposed ways of developing the improvisational skill to deal with these pressures—for example, “Before you call a meeting, before you go to
a meeting, it’s up to the facilitator to assess the situation. You should know what’s going on with your group; you should be able to assess what topics are gonna come up in the conversation and should come with all the ammunition.” The consultant seconded this idea and advised, “Don’t get thrown off guard, and if you are, don’t get flustered. Throw it back to the group.”

Summary
One of the challenging and often-overlooked aspects of implementing a change to teams, particularly self-managing work teams, concerns the transition from supervisor to facilitator. Frequently in the literature, the implementation of this innovative work design approach is viewed primarily in terms of the challenges and difficulties posed for workers. When supervisors and managers are considered, it is usually an afterthought—after the implementation has already occurred and when these individuals are trying to go about their business of managing. The initial transition of managers—after they learn about a self-managing team system but before it is actually implemented—is critical to the ultimate success of the team approach.

This transition for managers is challenging for two primary reasons: they experience a perceived loss of power and control as they realize that their subordinates are to become their own managers, and they recognize that their repertoire of management skills, often developed over years of experience and struggle, will become somewhat obsolete. Consequently, they are expected to learn a whole new set of managerial skills that they are not certain they can successfully master and apply. Managers’ adjustment to these perceived threats and challenges was the primary focus of our study.

The warehouse distribution center of Charrette Corporation was a good one for examining the adjustments required of managers facing the transition to self-managed teams. The employees were part of a very young and perhaps troubled workforce. In addition, the dominant traditional management style used in the operation was autocratic, with an emphasis on punishment. Indeed, the managers we studied faced a significant challenge in establishing ways that they could act out a new role to help the system succeed in their organization.

The story examined here underlines the critical role that supervisory and managerial training fulfills during this sensitive transition. Managers can make or break a team implementation. Training is a critical element that helps to overcome initial suspicion and develop necessary facilitator skills and behaviors. In many ways, this transition might be described as the foundation for the future success or failure of the new work system.

Epilogue
Four years later, teams at the Charrette Corporation continued to achieve steady productivity improvements (approximately 10 percent per year), and the overall cost savings approached 10 to 20 percent of earnings. Quality levels averaged 99.8 percent of all customer items requested.

The management group, including supervisors, was still in place in the warehouse. The teams themselves had been reduced from five or six members per team to two members per team, but they retained their cross-functional nature; that is, one member picks items from the shelf, and the other packages them. This cross-functionality contributed to the high-quality levels being achieved. The management group decided to reduce the team size because of what they described as a need to reduce the communication needs inherent in larger teams. One manager noted, “Communication needs get in the way of getting the work done.” This viewpoint and decision to reduce team size may indicate
some lapse into the prior more traditional management style. Indeed, the transition to self-managed teams can be a very lengthy and stubborn process.

Nevertheless, the management group indicated that it could have neither achieved nor maintained the productivity, quality assurance, attendance, and turnover goals it has achieved without the system. The team system remained operational, effective, and supported by the implementation team, as well as senior management.

KEY LESSONS FROM THIS CASE

1. The transition to teams is very challenging for middle-level managers. Resistance by these managers often creates a stumbling block that inhibits team success.

2. Different constituencies of people (e.g., leaders, consultants, employees) often experience conflict with one another during the transition to teams. This conflict can be beneficial when it focuses on differences in ideas rather than personal attacks.

3. Teams must work through the conflict that is prevalent in the storming stage before they can perform effectively. In this case the conflict was resolved through direct and rational influence strategies.

4. Manager resistance can often be reduced by helping managers form a type of team where they develop positive interaction processes and support one another during a difficult transition.

5. Managers asked to lead teams are likely to experience four stages:

   - **Stage 1: Initial suspicion, uncertainty, and resistance**
     The move to self-managing teams is frequently viewed as an indication of ineffectiveness in the managers’ previous behavior. Also, teams are seen as benefiting someone else (e.g., the consultant) and ultimately destined to fail.

   - **Stage 2: Gradual realization of the positive possibilities offered by self-managing teams**
     After hours of struggle and discussion, managers begin to see that teams offer many benefits that go beyond traditional management approaches: constructive peer pressure within teams, employee development of empathy for the customer, freeing up of managers’ time for developing key people, and others.

   - **Stage 3: Understanding of their new leadership role**
     Managers struggle with questions, such as, What is a facilitator? How does self-management influence managerial behavior?

   - **Stage 4: Learning a new language**
     The managers develop and rehearse a new vocabulary and new communication scripts for leading self-managed employees. Through role-playing, the managers identify and develop the verbal skills that form the core of their new leadership role.

6. Training and learning opportunities to help middle managers through the transition to their new leadership role are a powerful method of encouraging team success.
Case 3.3

Using Team Processes to Decrease Individual Autonomy

This case was written by Charles C. Manz and Harold L. Angle.¹

Do self-managing teams increase worker autonomy? This case addresses this question by illustrating interaction processes within two teams that work in an insurance firm. Although the teams were labeled “self-managing,” strong external leadership was prevalent, and the introduction of teams actually reduced individual autonomy for many team members. Conflict existed between the interests of individuals and the interests of the group as a whole. Team processes deteriorated to the point where team members were coordinating their efforts through rules rather than through social interactions.

This case describes an independent insurance firm, specializing in industrial casualty loss coverage, that had recently introduced work teams. This story is especially interesting because the teams were seemingly designed with a high degree of team-level self-management. However, the insurance industry has historically intended to emphasize individual self-management. In this case, introducing self-managing teams had the effect of placing limits on individual freedom and control. The case addresses the question, “In an industry having a deeply ingrained cultural norm of individualism, can team self-management come to represent a loss of personal control?”

The Company and the Team System

The organization is an independent property and casualty insurance firm that employed 32 people at the time we studied it. The firm was founded in 1941—a time when the
independent operation, consisting of one or two agents supported by one or two secretaries, was the industry standard. Typically, even when multi-agent organizations were established, these tended to be loose associations of loners, each having a network of highly personal relationships with clients. As a rule, there was little need for coordination, and each account executive operated within a set of rules and procedures, as a relatively independent agent.

In the mid-1970s, changes in the legislative environment led to strong competitive pressures in the insurance industry. Efficiency (e.g., in developing client insurance programs, in collection policies) and synergy (optimizing combined efforts) in the efforts of different persons within an agency became very important. Many of the single-agent establishments were either forced out of business or forced to merge into multi-agent organizations. Despite the economic pressures that made such changes necessary, this move was frequently a difficult transition for agents accustomed to individual autonomy.

Less than a year before we began our research, a recently hired vice-president and chief operating officer became acting chief executive officer (CEO). One of his initial acts was to restructure the firm into a set of self-managing work teams. The team philosophy was explained to the employees when the system was introduced, and teams were encouraged to make decisions and solve their problems jointly.

The work system appeared similar to designs used in self-managing team applications in other industries. Within established company guidelines, work teams were expected to be self-managing units that carried out the activities needed for cooperatively acquiring and servicing accounts. The CEO’s apparent intent was to pass on what were formerly management responsibilities to the teams, with the intended result of more efficient work performance. At the same time, the CEO felt that the company needed to increase its organization and coordination of work efforts. He hoped that the teams would help him achieve efficiencies that would boost the firm’s profitability. Thus, although the teams were similar in appearance to self-managing teams found in other work settings (in which team members coordinate their efforts on tasks and work together to solve team problems and make joint decisions), they were apparently implemented with the ultimate objective of increasing the influence of top-level management.

Under the new system, three teams were created. The senior team consisted of the more experienced sales producers (an industry term for agents who bring in premium money), along with administrative assistants (referred to as production assistants) and other support personnel. The junior team was similar in design except that its members were the more junior producers in the firm. Finally, the small accounts team was made up entirely of administrative personnel (no sales producers were included) and handled all small accounts (those that brought in annual premiums less than $500). Our primary focus is on the dynamics that occurred in the senior and junior teams following the introduction of the self-managed team system.

**Organization Themes**

**The Research**

Through a series of interviews, two group meetings with team members, a questionnaire, and observation of the organization at work, we discovered several themes that reveal how the internal processes of these teams led to decreased autonomy for individual workers.

At two group meetings, one for members of the senior team and one for members of the junior team, we asked, “Considering the recent change to the team system, how
has the change: (a) helped you, and (b) hindered you in accomplishing what you would like to in your job?” First, team members, independently and silently, generated written lists of answers to the question. After a discussion of the combined ideas generated from all the lists, each individual privately rated each item on a scale ranging from 1 (very important) to 5 (not at all important).

Interviews were conducted with employees at all levels of the organization. First, a series of interviews was conducted with the CEO over a period of about four months. The CEO was very articulate and appeared to be open and candid, as well as highly motivated to provide complete information during the interviews. Each interview session with him lasted about two hours and was kept flexible to focus on issues that emerged during the course of the discussions. Interviews were also conducted with seven members from the senior and junior teams.

Our observations of the work system during each of our visits to the organization led to a better general understanding of the team system and provided valuable insights that helped us to interpret the other information we collected. Finally, we prepared a questionnaire based in part on information obtained from our other study methods. The questionnaire focused on such issues as employee satisfaction, feelings of autonomy, degree of cooperation, performance, and quality of service to clients. Based on these sources, we discovered four primary themes.

Team Rationale: Self-Management—or Coordination, Efficiency, and Control?

Team processes did provide some distinct coordination and efficiency advantages. One junior team member noted that the work system “helps us to be more organized, especially for producers who do not follow procedures.” Each team was expected to meet approximately once per week. Initial meetings often focused on company rules and procedures. Junior team members, in particular, told us that these first meetings had been badly needed and were quite productive. Given the diversity of job functions on each team (sales producers, production assistants, marketing personnel, and others), meetings provided a forum to discuss and coordinate work flow issues.

The junior team identified several organization and efficiency advantages: clarifying individual responsibility for work, developing a more uniform approach to account handling, facilitating system development and definition and understanding of responsibilities, and designating specific responsibility for special problems. The senior team identified similar issues, including providing more consistent customer service and developing greater knowledge of a smaller number of accounts. Similarly, the questionnaire indicated that interactions between team members helped make it clear who was responsible for what.

Efficiency was apparently a high priority of the acting CEO. Senior team members described him as “an efficiency man” and “the most organized man I know. He may be too organized.” Junior team members indicated, “He helped me be more organized” and “Before he came, there was a low level of organization in both the people and the firm.”

Over time, however, team interaction processes deteriorated and tension emerged concerning the emphasis on efficiency and organization. The agenda of team meetings continued to focus on procedural issues, a tendency fostered by the leaders of each team. (Both team leaders were administrators—a production assistant on the junior team and the marketing specialist on the senior team.) Their jobs were made easier when the producers in the team followed procedures closely. (The team leaders were selected by the teams, but the acting CEO significantly influenced this process.)

Many individuals expressed frustration with the perceived overemphasis on procedures, indicating on the questionnaire that the team system had resulted in “unnecessary
paperwork." An obvious distaste was expressed for the firm's procedural manual, which some team members described as highly detailed ("our bible"). But when we examined this manual, we discovered that it was rather brief—almost an elaborated pamphlet—and limited to a small set of crucial procedural matters. We concluded that overstructur-
ing may be in the eye of the beholder. Perhaps team members' perception of the amount of structure imposed on them was distorted by the frustration they experienced when their expectations and preferences for individual autonomy were violated.

The strong emphasis on rules and procedures in the team system appeared to threaten the sales producers' autonomy and discretion. Team members were pressured to perform a variety of activities dictated by the organization's approach rather than based on their own personal styles. For example, freedom to service small but loyal accounts—a high priority under the old system—was essentially removed. In fact, the questionnaire suggested that producers, particularly on the senior team, felt they had inadequate au-

tonomy. The group meetings, interviews, and questionnaire responses indicated that if
the company's procedures were rigidly enforced, individual autonomy for the producers would be limited. The boundaries placed on self-management would be seen as so re-

strictive that the remaining area of discretion would be perceived as inconsequential.
The interaction processes within these self-managing teams were operating as vehicles for limiting autonomy. One possible conclusion is that these were not self-

managing teams at all but merely traditional groups falsely labeled as "self-managing." On the other hand, the external trappings appeared quite similar in design to self-

managing teams in other settings. Even so, the team processes that were unfolding here were in many respects limiting rather than increasing the employees' freedom to man-
ge themselves. A major reason for this outcome seemed to be the emphasis placed on using team interaction processes as a means of clarifying and enforcing rules and procedures rather than empowering employees. Another reason for the perceived decrease in individual autonomy may be the standard of comparison that the members brought to the teams. An individual's perception of autonomy is based largely on a relative, rather than absolute, standard of comparison. The producers who were members of these teams had been relatively autonomous under the old system, even though the agency itself was somewhat bureaucratic. Each producer, though not explicitly told that he was "self-

managed" (all were male), was able to set his own priorities, work schedule, and the like, without first having to reach consensus with others.

Interestingly, the two teams appeared to perceive the team processes differently. The senior team members seemed to sense the primary threat to their autonomy as stemming from having to cooperate with other team members. The senior team leader described the situation in this way: "Senior producers are on a constant ego trip. Under the team system we have a democratic ideal. This is hard work. We have several different per-

sonalities. These people don't know how to cooperate." A senior producer told us in an interview that if he could change the work system, he would return to a system of in-
dependent producers with assigned support staff. He added, "The old system was like a profit center. You could do things."

The junior team seemed to be especially frustrated with the emphasis on rules and procedures. They tended to associate control pressures more with the organization (the work system) and with the personal agenda of their leader than with the processes within the team itself. The team was, in fact, viewed more as a source of support than a con-

straint. One junior producer described his team as providing a place to "compare notes [to share knowledge] with others" and a mechanism for bringing "different types [pro-
ducers, production assistants, and marketing people] together."
The questionnaire (and our other information sources) provided support for this pattern of differences between the two teams. The junior team reported a greater feeling than the senior team of a “pressure to produce results” and “organization conformity pressure.” It also reported a slightly lower “team conformity pressure.”

Although these perceptual differences between teams are interesting, the primary theme remains the apparent trade-off between the self-managing team system and personal control. Most published studies of self-managing teams have dealt with occupations and situations in which the work prior to the teams was highly structured, so a change to teams caused an increase in autonomy. In many traditional manufacturing and service work settings, introduction of self-managing teams has led to substantial worker autonomy relative to the industry norm. In this organization, by contrast, the change may have been in the opposite direction. Visualize a continuum with one pole representing complete anarchy and the other total control. Somewhere in the middle range is the autonomy represented by self-managing teams. Whether teams represent autonomy to the participant depends on his or her prior location on the continuum. In this particular setting, to a large degree, team self-management was introducing a loss of personal self-management.

Reduced Customer Service and Organizational Unity

The emphasis on work teams in the firm had two other significant impacts—a loss of agency identity and reduced customer service on small accounts. Both problems were especially troubling to senior team members, and both can be traced to a lack of interaction processes that encouraged interteam communication and coordination.

Senior team members generally reported that the system promoted team unity, but they felt a sense of agency unity was lost. Outside their team, other sales producers would not possess the knowledge to follow up on a sales producer’s accounts if he or she were absent. Team members reported that separation between units caused employees to lose sight of the whole; the system led to a loss of loyalty to the agency; no “young backups” were developed for older producers’ accounts; and so forth.

In addition, the separation of all small accounts into a third team—one that had no sales producers—troubled senior team members. One member put it this way: “We’ve lost control and communications on small accounts . . . lost our purpose of serving clients better.” A major reason that this bothered some producers was that some small account personal policies were owned by key contacts for large organizational policies. One producer recounted a story in which a policyholder was given notice of cancellation of a personal policy for being a few days overdue on his premium payment. This client also happened to be the company representative on a very large corporate policy (worth hundreds of thousands of dollars). Since the personal policy was handled by administrators in the small accounts team, no special effort was made to provide special service in dealing with this problem.

Team members jointly described the problem in the senior team meeting in the following (composite) way: “The system does not go far enough. It should not split one producer’s accounts. Accounts should be divided by producer, not by size. With the system we no longer manage personal accounts as a spin-off from large ones; we lose coordination. We lose brother, sister, aunt, and uncle generated by personal contact.” Overall, it was clear (particularly in the senior team) that the team system was constraining a number of sales producers from servicing small accounts in the way they would if they operated on an individual basis. Here, too, the attempt to achieve efficiency and organization within the system was limiting the discretion of sales producers.
Lack of Interteam Education and Training

Another primary theme concerned the education and training of younger sales producers. Both the senior and junior teams generally agreed that interaction with others enabled team members to learn from the members of their own team, a particularly important benefit for younger, less experienced sales producers. But a disadvantage of the team system was that it created roadblocks between junior producers and senior producers. Team members tended to be isolated from the activities of other teams.

In the senior team meeting, for example, two of the concerns recorded were “lose benefit of people in the other team . . . cheats inexperienced people of education” and “can’t introduce young producers to senior accounts without crossing team lines.” Similarly, junior producers were reluctant to go to the other team for help. As one senior producer pointed out, junior producers need “education, guidance, and motivation.” His view was that the team system discouraged senior, experienced producers from helping junior people with these needs.

This concern with the education of sales producers demonstrates how personal freedom involves self-constraints as well as external constraints. The development of the young, inexperienced sales producers is important for providing them with the skills and confidence necessary for effective performance. Sharing ideas and concerns with fellow inexperienced producers in a team setting was viewed as being helpful in this regard. Separation of the senior, more experienced producers, who presumably have the knowledge junior producers need, was considered by many employees to be detrimental.

Leadership Practices

The fourth theme centered on leadership practices within the work system. The issue of team leader assignments was a special concern for the junior team. The acting CEO of the firm had made his desired choice for the position known, and this person was subsequently selected by the team. The team leader was generally respected for her work ability, but her concerns did not reflect those of the majority of team members. Two different sales producers, in separate interviews, said flatly that their team leader’s conduct of the meetings focused on “the production assistants’ concerns” (procedures). In contrast, the production assistants thought that the team system did provide individual freedom but too little attention to established procedures!

There was a natural conflict of interest between producers and production assistants in this regard. Producers wanted freedom from the red tape of procedures, whereas production assistants wanted procedures to be carefully followed to reduce their own hassles. The junior team leader apparently chose to focus on this latter concern in meetings, to the dismay of producers. In a team meeting (which included the team leader), one producer said the term of a team leader is too long and should be limited to three months. This was probably as negative a response as could be made in the presence of the team leader. One producer expressed confusion and obvious irritation about how the leader got the position in the first place. Over time, the meetings became shorter and shorter and, in the eyes of most participants, nonproductive. They also became less frequent as the incentives for attending were not sufficiently strong.

The acting CEO responded by putting pressure on the teams to be productive and by attending meetings and prodding members to participate—actions strikingly inconsistent with the principle of self-management. He took pride in his ability to get employees to do what he wanted them to do. For example, he stated, with satisfaction, that he could direct his employees to participate in our study. Although he stated that participation in the study should be voluntary, his offer to make it mandatory provided
an interesting contrast. Along the same lines, our interviews revealed that the “self-managing” work system itself was instituted without the participation or consent of employees. Our extensive interviews with the acting CEO led us to conclude that he was sincerely committed philosophically to employee participation, but his espoused theory was inconsistent with his theory in use. This contradiction supported our general impressions of the work system: the introduction of work teams was leading to a loss of individual self-management for employees.

As a result, senior producers, who did not need significant moral support from their peers (to develop confidence and skills), were not motivated to support the new system, and junior sales producers, who did need this moral support, were frustrated by their nonrepresentative, procedure-focused team leadership. Eventually, team meetings became infrequent and nonproductive. Interactions between team members became strained. Employee skepticism and apathy regarding the team approach rose, and efficiency and coordination plummeted.

The final piece of evidence that employees had developed feelings of reduced autonomy came from answers to our question, “How is the direction of the organization’s activities established?” The responses could range from “democratically” to “autocratically.” The average response was significantly above the midpoint toward “autocratically.”

**Implications for Teams**

The story told in this case is especially interesting because it examines a setting in which an industry-wide reliance on autonomy and individual self-management is traditional. Our findings suggest a paradox: team self-management can sometimes result in a loss of individual control. Team processes related to leadership, group peer pressure, and a focus on rigid procedures combined to undermine individual discretion and self-management. This decrease in personal autonomy resulted in lower employee satisfaction.

It is important to view this case in light of the uniqueness of the organizational setting. In no way do we mean to suggest that the experience of one service organization indicates that self-managing work teams are inherently threatening to personal self-management. This particular situation contained a number of characteristics specific to this firm and to this industry—one in which individual autonomy has been a norm. The insurance industry has been forced to examine new ways of organizing to improve efficiency in the face of deregulation, tightening markets, and increasing competition. As a result, independent insurance salespersons have been confronted with some new restrictions on their freedom and autonomy. Against this backdrop, self-managing work teams have apparently served as a convenient vehicle for increasing control over employees and for gaining some advantages in efficiency. This represents a noteworthy challenge to the universal applicability of conventional wisdom regarding the impact of self-managing teams. These teams also developed several group processes that limited individual discretion. In the end, this case should be interpreted as an illustration of the idea that a “self-managing” team system may sometimes serve as a control mechanism that is more constraining than the traditional work system it replaces.

Our final meeting with the CEO (who had become president of the organization) provided a fitting conclusion. We asked if perhaps he had really intended to use the “self-managing” teams to extend and amplify his personal influence and control. He agreed: “Every reason for doing the team system was control.” At least in this executive’s view, there is no inconsistency in labeling such groups “self-managing”!

The implications of this story are compelling. Depending on the objectives pursued by self-managing teams, the nature of the setting in which they are put in place, and the
KEY LESSONS FROM THIS CASE

1. The reason for implementing teams is an important consideration. If teams are intended to serve simply as a vehicle for enforcing company policy and procedures, negative interactions may result and individual autonomy is put at risk.

2. Individual interests may be at odds with the interests of the team as a whole. In this case individual autonomy was sacrificed for organizational efficiency. Conflict can emerge when individuals are pressured to subordinate their personal interests, and sometimes the interests of particular customers, to the interests of the team or organization as a whole.

3. The impact of leadership practices at both higher management levels and the team level will be strongly influenced by leadership agendas—for example, whether they are aimed at pursuing the concerns of management, the members, or the team leaders themselves.

4. Subtle forms of leadership are difficult to detect and can often appear to have little influence on teams, but in reality they can overwhelm a team’s ability to exercise true self-management.

5. Incentives provided by the work system for team members to belong and to contribute constructively to their team’s performance are important for work team effectiveness.

6. Communication and coordination across teams is critical to ensuring that teams are able to learn from each other. This lesson will be addressed further in Unit 4.

7. Different needs of employees in different job categories (e.g., sales producers versus production assistants) can lead to difficult interactions between team members. Recognition of the differences is a first step to resolving conflict.

NOTES FOR CASE 3.3

1. This chapter is based in part on material previously published in Charles C. Manz and Harold Angle, “Can Group Self-Management Mean a Loss of Personal Control: Triangulating on a Paradox,” *Group and Organization Studies* 11 (1986): 309–334. The original research was partially funded by a grant from the Operations Management Center at the University of Minnesota. The authors are grateful to John Guarino and Rosemarie Orehek for their valuable assistance in data collection. Because of the sensitive nature of the information in this story, the name of the organization is confidential.