

CHAPTER 2

Performance and Productivity: *Team Performance Criteria and Threats to Productivity*

OVERVIEW

This chapter is best discussed following a team exercise or case, so that students have an opportunity to reflect on the success of the team. One suggestion is to ask each student to write down a method by which to assess team productivity. The students' different responses can lead to a discussion of performance measures. Then, the instructor can ask what conditions need to be in place for teams to excel on the performance measures identified by the class. Finally, the instructor can move toward a discussion of how to design teamwork so that threats to performance are minimized. To the extent that students and the instructor can link these concepts to real experiences—a class exercise, a case discussion, or individual student analysis—the concepts will become clearer.

LECTURE OUTLINE

I. TEAM PERFORMANCE CRITERIA AND THREATS TO PRODUCTIVITY

- A. Need for a model that serves two purposes: **(Exhibit 2-1)**
 - 1. Description—what to expect in terms of team performance
 - 2. Prescription—ways to improve the functioning of teams
- B. Integrated Model of Successful Team Performance
 - 1. The context of the team influences three essential conditions for team success:
 - a) Expertise
 - b) Engagement
 - c) Execution

II. TEAM CONTEXT

- A. It includes the larger organizational setting within which a team does its work, the design of a team in terms of internal functioning, and the culture of a team
- B. The team leader must think not only about the internal functioning of the team, but also about the external functioning of the team in the following ways:
 - 1. **Organizational context**—the basic structure of the organization, the information system, the education system, and the reward system

2. **Team design**—the leadership style within the team, functional roles, communication patterns, composition of the team, and training of members
3. **Team culture**
 - a) Prescriptive norms—what should be done
 - b) Proscriptive norms—what should be avoided
 - c) Goal contagion—form of norm setting in which people adopt a goal held by others

III. ESSENTIAL CONDITIONS FOR SUCCESSFUL TEAM PERFORMANCE

A. Expertise

1. For teams to perform effectively, teams need these crucial skills:
 - a) Conflict resolution
 - b) Collaborative problem solving
 - c) Communication
 - d) Goal setting and performance management
 - e) Planning and task coordination
2. Team member skills:
 - a) Technical
 - b) Interpersonal (emotional intelligence)
 - c) Decision-making
 - d) Problem-solving
 - e) Choking under pressure
3. Learning curves and expertise
4. Social facilitation versus social inhibition
 - a) Expertise
 - b) Practice and rehearsal
5. Flow: Optimal Performance (**Exhibit 2-2**)
6. Stress versus challenge

B. Engagement

1. Group potency
2. Motivation gains
 - a) The Kohler effect
3. Social loafing (**Exhibit 2-3**)
4. Free riding—main causes:
 - a) Diffusion of responsibility/deindividuation
 - b) Dispensability of effort/ reduced sense of self-efficacy
 - c) Sucker aversion
5. Suggestions for enhancing successful team performance:
 - a) Increase identifiability
 - b) Promote involvement (positive illusion bias)
 - c) Reward team members for their performance
 - d) Strengthen team cohesion
 - e) Increase personal responsibility
 - f) Use team charters
 - g) Provide team performance reviews and feedback

- h) Maintain the “right” staffing level

C. Execution

1. Practical steps to ensure successful execution:
 - a) Use single-digit teams
 - b) Have an agenda
 - c) Train team members together
 - d) Practice
 - e) Minimize links in communication
 - f) Set clear performance standards

IV. PERFORMANCE CRITERIA (EXHIBIT 2-4)

- A. Productivity
- B. Cohesion
- C. Learning
- D. Integration (**Exhibit 2-4**)

V. THE TEAM PERFORMANCE EQUATION

- A. $AP = PP + S - T$
 1. AP = actual productivity
 2. PP = potential productivity
 - a) Task demands
 - b) Resources
 - c) Team process
 3. S = synergy
 4. T = performance threats (process loss)

VI. CHAPTER CAPSTONE

- A. Unless a team has a clear goal, it will be impossible to achieve success; however, having a clear goal in no way guarantees successful team performance
- B. Managers want their teams to satisfy the end user or client, but also make sure that teamwork is satisfying and rewarding for the team members
- C. If the team does not enjoy working together, sustaining long-term productivity will be impossible
- D. Managing a team successfully must include managing and investing in individual members

- E. A successful team is integrated with the larger organization
- F. Success requires a combination of managing the internal dynamics of the team as well as the team's relations with other teams within the larger organization
- G. To ensure team success, a manager can adopt a proactive approach and undertake an analysis of the essential conditions affecting team performance
- H. One of the biggest managerial shortcomings is a failure to account for threats to team performance

KEY TERMS

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| choking under pressure | The tendency for a person's performance to decline when under performance pressure |
| cohesion | The processes that keep members of a team united |
| culture | The personality of a team |
| deindividuation | A psychological state in which a person does not feel a sense of individual responsibility, and, as a result, does not feel as accountable to perform or contribute to a task or problem |
| description | An interpretation of an event situation |
| equifinality | A governing principle of teams that asserts a team can reach the same performance outcome from various initial conditions and by a variety of means |
| flow | According to Csikszentmihalyi, flow is a psychological state between boredom with a task and intense pressure |
| free riders | Team members who benefit from the efforts of others while contributing little or nothing themselves |
| goal contagion | A form of norm setting in which people adopt a goal held by others |
| group potency | The amount of confidence in combined group abilities, or a "thinking we can" mentality that a group has about themselves |

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| Kohler effect | Motivational gains in which the less capable member works harder |
| norm | A behavioral rule imposed on, and adhered to, by members of a group; a felt obligation, behavior, or attitude approved and expected by a group |
| performance threats | Anything and everything that can go wrong in a team |
| positive illusion bias | An unwarranted belief in one's own superiority |
| prescription | A recommendation on what to do to fix a situation |
| prescriptive norm | A behavioral rule that dictates what situations and behaviors a group should adhere to or follow |
| process | The steps taken by the team when attempting the task, and includes nonproductive and productive actions |
| proscriptive norm | A behavioral rule that dictates what situations and behaviors a group should avoid |
| relational loss | Occurs when an employee perceives that support is less available as team size increases. This leads to diminished motivation and lower performance |
| resources | The relevant abilities, skills, and tools possessed by people attempting to perform a task |
| social facilitation | The tendency for people to perform better when in the presence of others. (The presence of others facilitates behavior if the task is well learned, but debilitates behavior if the task is not well learned) |
| social inhibition | The effect that occurs when people who are the center of attention are concerned with discrepancies between their performance and standards of excellence, and, therefore, perform less effectively |
| social loafing | A form of motivation loss in which people in a group fail to contribute as much or work as hard as they would if they worked independently |

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| social striving | When the least capable member of a team feels particularly indispensable for group success, the team ends up working harder to achieve their goals |
| sucker aversion | A phenomenon that results from group members' wariness of being taken advantage of or receiving little credit for their work; everyone in the group waits to see what others will do before contributing, which leads to a collective lack of effort |
| synergy | Everything that can and does go better in a team compared with individuals working independently |
| task demands | The requirements imposed on the team by the task itself, and the rules governing task performance |
| team context | Includes the larger organizational context within which the group or team does its work, the design of the group in terms of its internal functioning, and the culture of the group |
| team performance equation | A single equation for the manager to use when assessing team performance, represented by $AP = PP + S - T$, where AP = actual productivity; PP = potential productivity; S = synergy; T = performance threats |

SUGGESTED READINGS AND EXERCISES

BOOK: Csikszentmihalyi, M. (2003). *Good business: Leadership, flow, and the making of meaning*. New York: Viking Press.

BOOK: Lafasto, F. M. J., & Larson, C. E. (2001). *When teams work best: 6,000 team members and leaders tell what it takes to succeed*. Newbury Park, CA: Sage.

CASE: **Framework for Analyzing Work Groups**
By Michael B. McCaskey

This case note, written as the basis for classroom discussion, presents a model for understanding the behavior and evolution of primary, stable work groups over time. Model describes contextual factors, design factors, and emergent culture as determinants of group behavior and performance. In addition, it describes emergent behavior, norms, roles, and rituals as aspects of group life. Available from Harvard Business School Publishing; phone 1-800-545-7685 or (617) 783-7600; order online at <http://www.hbsp.harvard.edu/home.html> (product no. 9-480-009.)

CASE: Leading high impact teams
By Leigh Thompson

Thompson, L. (2013). Leading high impact teams. Team leadership survey from the Kellogg School of Management Executive Program. Evanston, IL: Northwestern University. For further information visit www.kellogg.northwestern.edu/execed/Programs/TEAM.aspx

CASE: Managing a Task Force
By James P. Ware

This Harvard Business School case describes several principles for improving the effectiveness of internal task forces. It also suggests a number of guidelines for starting up a task force, conducting the first meeting, managing the group's activities, and completing the project. Available from Harvard Business School Publishing; phone 1-800-545-7685 or (617) 783-7600; order online at <http://www.hbsp.harvard.edu/home.html> (product no. 9-478-002.)

CASE: Managing Your Team
By Linda A. Hill

Specifically, the introduction to this Harvard Business School case identifies some criteria for evaluating team effectiveness and outlines in detail the key areas of responsibility of team managers: managing the team's boundary, and the team itself (including designing the team and facilitating the team's process). The case also contains a brief appendix on managing transnational teams as well as substantial bibliographic references for further reading. Available from Harvard Business School Publishing; phone 1-800-545-7685 or (617) 783-7600; order online at <http://www.hbsp.harvard.edu/home.html> (product no. 9-494-081.)

EXERCISE: Game of Envelopes and Money
By J. Keith Murnighan

This is a large group social dilemma game where the parties can win, or, more likely, lose real money. Based on an exercise described by David Messick and Christel Rutte, it shows how difficult cooperation is for large groups of people who cannot interact to boost commitment. Exercise: Takes 5 min. to play and additional time to tabulate results. Available from the Dispute Resolution Research Center (DRRC) and Kellogg Team and Group Center (KTAG) at www.negotiationexercises.com, through the Kellogg School of Management, Northwestern University.

EXERCISE: Leveling: Giving and Receiving Feedback
By J. William Pfeiffer

Participants in this exercise are instructed to (anonymously) write short pieces of adverse feedback about each member of their group,

including himself or herself. Each participant then reveals to the group what adverse feedback he or she is expecting to receive. After each person is given their collected feedback, group members compare their actual feedback to their anticipated feedback, and explore and discuss their individual feeling reactions to adverse feedback. Goals of this exercise include: letting participants compare their perceptions of how a group sees them with the actual feedback obtained by the group; legitimizing negative feedback within a group; and developing skills in giving negative feedback. Exercise: 10 min. per participant. Appears in Pfeiffer, J. W., & Jones, J. E. 1994. *A Handbook of Structured Experiences for Human Relations Training, Vol. I* (Exercise #17, pp. 79–81). San Diego, CA: Pfeiffer & Company.

EXERCISE: Team Assessment

By Leigh Thompson, Deborah Gruenfeld, Nancy Rothbard, and Charles Naquin

This exercise is an assessment tool for team members who have been working together on projects, and who expect to continue to work together in the future. The objective of the exercise is to provide a “safe” forum for team members to air and discuss concerns that otherwise might not get articulated. Further, it provides an opportunity for group members to assess how they perceive the group to be functioning. Finally, it is an opportunity for members to develop and discuss active plans for future work together. Preparation: 10 min. Exercise: 60–90 min. Available from the Dispute Resolution Research Center (DRRC) and Kellogg Team and Group Center (KTAG) at www.negotiationexercises.com, through the Kellogg School of Management, Northwestern University.

EXERCISE: Tower Building

By Leigh Thompson, Deborah Gruenfeld, Charles Naquin, and Nancy Rothbard

Teams have 20 minutes to build the tallest free-standing tower they can, using common materials provided for them (construction paper, toothpicks, stapler, marker pens, etc.). The towers are judged by an ad-hoc panel composed of one member from each team. The exercise focuses on leadership, decision-making, and coordination. Exercise: 20 min. to build tower; 20 min. for judging and discussion. Available from the Dispute Resolution Research Center (DRRC) and Kellogg Team and Group Center (KTAG) at www.negotiationexercises.com, through the Kellogg School of Management, Northwestern University.

EXERCISE: Words in Sentences

By Francine S. Hall

In this exercise, small groups of participants (5 to 15 people) play members of small companies that “manufacture” words and then “package” them in meaningful (English language) sentences. The groups

must design and participate in running their own Words in Sentences (WIS) company, designing the organization to be as efficient as possible during 10-minute “production runs”; the output of which will be evaluated and recorded by a pre-selected “Quality Control Review Board”. At the end of the first production run, each group has the opportunity to reorganize their company. The purpose of the exercise is to experiment with designing and operating an organization, as well as to compare production and quality outputs under different organization structures or leadership styles. It is also useful in conjunction with teaching topics such as applied motivation and job design, group decision-making and problem-solving, negotiation and conflict, managers as leaders, and organizational communication. Exercise: 90 min. total (including 15 min. of group preparation, two 10-min. “production runs”, and a 10-min. discussion). Exercise appears in Bowen, D. D., Lewicki, R. J., Hall, D. T., & Hall, F. S. (1997), *Experiences in Management and Organizational Behavior*, 4th Edition (pp. 249–253). New York: John Wiley and Sons.

DISCUSSION QUESTIONS – CHAPTER 2

1. What is meant by the “internal processes” of a team? Why is it important to manage both the internal processes and external opportunities/constraints of a team? (p.23-24; *Moderate; Critical thinking Q; Reflective thinking skills*)
2. What are the essential conditions for successful team performance? (p.26; *Easy; Concept Q*)
3. What are some common threats to each of the essential conditions for successful team performance? What are the psychological factors underpinning these threats? (p.27- 32; *Challenging; Concept Q*)
4. Have you experienced social loafing or free riding in a team setting? What could have been done or can be done to avoid these effects? (p.31-37; *Moderate; Synthesis Q; Ethical understanding and reasoning abilities*)
5. What are some effective strategies for enhancing successful team performance? How can these strategies help to decrease threats to team performance and motivation? (p.34-37; *Moderate; Concept Q*)
6. What are some of the positive effects of execution within a team? What are some of the problems that arise from poor execution? How can a manager ensure better execution of efforts within a team? (p. 37-39; *Moderate; Concept Q; Communication abilities*)
7. What are the performance criteria by which a team’s effectiveness should be evaluated? Why is it important to evaluate a team’s effectiveness by other performance criteria besides team productivity? (p.39-43; *Moderate; Concept Q*)

8. What are the factors in Steiner's (1972) team performance equation? Explain how this equation can be applied when assessing team performance. (*p.43; Moderate; Synthesis Q; Analytic skills*)