REVIEW OF FACTORS AFFECTING THE PERFORMANCE AND EFFECTIVENESS OF WORK TEAMS IN ORGANIZATIONS

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ABSTRACT

The structure of modern organizations is changing towards team orientation. Work groups are one of the major organizational units whose application ensures the improvement of organizational performance and efficiency. Dynamic organizations depend on groups to survive. By making teamwork the axis, achievement of organizational objectives is facilitated through the improvement of the efficiency and effectiveness of teams. Considering the various factors influencing the improvement of performance and effectiveness of teams, the present article used the review method to refer to the concept of work teams and their types and present a brief introduction of team performance and effectiveness and factors influencing the promotion of team performance. Recognition and consideration of factors such as leadership, bonus, team objectives, training, team composition and size, effectiveness and performance assessment models can have a significant effect on the realization of the desired result and achievement of organizational objectives. Ultimately, inferring from the results of previous studies in this area, a model is presented for forming a successful work group.

KEYWORDS: Work Group, Performance, Effectiveness, Efficiency

Change is an integral part of the present dynamic world. As a result, organizations have to change in order to adapt to these changes. Thus, the major concerns of organizations include higher productivity, better quality and gaining customer satisfaction with diverse novel methods. The reasons and philosophy behind the use of work teams and team-oriented organizations are the above items. Work teams are indispensable elements of dynamic organizations and ensure their survival. It is getting harder and harder to find creative solutions for complex problems. Individuals and sectors are not anymore able to solve the problems they face on their own. Therefore, the necessity of forming teams and teamwork in organizations reveals the importance of studying it (Raymond, 2005).

However, the advent of new technologies, increasing business demands, rapid change and instability in the business world are the new challenges faced by organizations (Tohidi, 2010). As a matter of fact, the teams help the organizations find new solutions to adapt rapidly, operate effectively and be more prepared in the face of future problems. Hence, as an organizational unit, teams play a major role in performance improvement and achievement of organizational objectives. Organizations have changed during the past two decades significantly and those with decentralization and globalization characteristics have moved from individual work to teamwork (Anderson and Burch, 2003). Therefore, the investigation and analysis of factors affecting the performance of teams can be the first step in furtherance of the organization towards its predetermined objectives.

THE MAIN CHARACTERISTICS OF TEAMS

A team is a group of people with complementary skills accountably committed to achieve a common objective.

According to Thompson (2002), 5 key characteristics are defined for teams:

1. Achievement of common objectives: teams produce outputs for which members are collectively responsible and collectively rewarded.
2. Dependency of members on each other: team members are dependent on each other for the achievement of their objectives.
3. Stability: team members are stable during the time required for the achievement of the objective.
4. Management power and authority: team members benefit from the management power and authority in the area of the team’s work and can determine their work method.
5. Teams work in the context of a larger social system: teams do their job in a larger organization in interact with other teams relying on them.

THE VARIETIES OF WORK TEAMS IN ORGANIZATION

Teams can be categorized from different aspects. They are categorized regarding the type of their

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responsibility and expertise in the organization as table 1 (Haghighifardand Moradi, 2008).

Table 1: Categorization of teams due to their responsibility and expertise in the organization

<table>
<thead>
<tr>
<th>Team Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality Hoop</td>
<td>Small team of staff who work in same field and regularly discuss on solving problems in the workplace.</td>
</tr>
<tr>
<td>Work Team</td>
<td>Including members who work in a context and constantly linked together regard less of their duties and make joint decisions.</td>
</tr>
<tr>
<td>Problem Solving Team</td>
<td>A temporary team which is created to solve specific problems in the workplace.</td>
</tr>
<tr>
<td>Management Team</td>
<td>Managers of different part of organization who work together as a team.</td>
</tr>
<tr>
<td>Product Development Team</td>
<td>A combination of work teams and problem-solving teams that introduces new designs for the product or service to satisfy the needs of its customer.</td>
</tr>
<tr>
<td>Virtual Team</td>
<td>A working group whose members are connected together by means of electronic device from distant locations.</td>
</tr>
</tbody>
</table>

Moreover, they are categorized regarding distribution of power and authority and teams’ degree of independence as table 2 (Haghighifardand Moradi, 2008).

Table 2: Categorization of teams based on the power and authority distribution

<table>
<thead>
<tr>
<th>Team Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager Led Team</td>
<td>Is the most traditional method of team working in which the manager serves as leader and is responsible for goals, methods and tasks. The function of the team is just to implement the assigned works.</td>
</tr>
<tr>
<td>Self-Manager Team</td>
<td>The manager determines main goal of the team. But the team is free to choose the procedure to achieve the goal. Usage of these teams is styling in organizations.</td>
</tr>
<tr>
<td>Self-Designing Team</td>
<td>Goals and methods of achievement are defined by the team itself. The function of management is just to organize the team. These teams have the greatest potential for conflict.</td>
</tr>
<tr>
<td>Self-Governing Team</td>
<td>The team is responsible for all the management tasks of process, design of the goals and organizational context. These teams have the highest degree of self-control and responsibility.</td>
</tr>
</tbody>
</table>

THE NECESSITY OF FORMING TEAMS IN ORGANIZATION AND ITS ADVANTAGES

As a result of the new perspectives raised in the business world including specialism, competition, advent of the era of information and communication, the ever increasing need of organizational change towards team-oriented organizations is felt more than before. Other than advantages such as improved performance, profitability, innovation and creativity, using work teams in organizations provides employees with freedom of action in the domain of team’s performance so that they can grow and prosper.

Teams whose members effectively work together benefit from better results compared to those working on their own. Moreover, they are more flexible than larger groups and more willing to take risks compared to individuals.

Teamwork should be used in a timely manner for optimal use of its benefits. The team approach is appropriate when the job cannot be done with individual efforts (Donnelon, 2003). Favorable teamwork conditions can be outlined as figure 1.

![Figure 1: Favorable condition for teamwork](image)

THE CONCEPTS OF PERFORMANCE AND WORK TEAM EFFECTIVENESS IN THE ORGANIZATION

The performance of team-oriented organizations is influenced by their strategies. Organizational strategies, human resources and the environment have the greatest effect on team performance (Yeh et al., 2006). Team performance is usually considered at individual, group and organizational levels. The output specifications or product of teams such as quality, quantity, timeliness, accuracy and expenses are defined as team performance and team processes such as skills, leadership,
coordination and communication are defined as a part of the team (Haghighifardand Moradi, 2008).

THE FACTORS AFFECTING TEAM PERFORMANCE AND EFFECTIVENESS

Different factors affect team performance and effectiveness. In the following, 7 important factors affecting the performance and effectiveness of work teams are introduced and investigated (Figure 2).

![Figure 2: Factors Affecting Team Performance and Effectiveness](image)

**Reward System**

Bonus system is the most important aspect of productivity improvement in every organization. Reward is positive valuable outcomes for the work of individuals (Schermerhorn, 1993); it is the transmission of a pleasant message for a suitable behavior from the part of an individual in order to increase the likelihood of its repetition (Heller Beagle et al., 1995). In today's highly competitive market, organizational need for the retention of skilled manpower is revealed more than before and awarding rewards is a strategy in order to achieve it (Sandez, 2000).

Distribution of reward within the organization must be fair and employees should feel there is no different between them in receiving rewards and each individual receives reward based on their performance and efficiency. Moreover, rewards should be comparable to those by other organizations. The team-based reward system is one of the newest and fastest developing reward strategies. There are many reasons are using this reward system with the movement of organizations towards team-oriented systems (Tohidi, 2010). The primary element in the implementation of team-based reward system is its amount. The amount of reward is directly correlated to satisfaction and motivation in individuals. If it is significant, members will become more interested to cooperate in the group in order to achieve it (Tohidi, 2010).

The results of studies by Lawler confirm the fact that the amount of reward is a determining factor in individual motivation.

Pascarella (1997) emphasized that non-monetary rewards, such as letters of encouragement and citations, holidays and small gifts can be the best stimulus for team members.

There are different methods for the distribution of rewards between team members: (i) equal pay to all; (ii) different payment depending on their participation; (iii) different payment based on the ratio of the basic salary of every individual to the salaries of all group members (Bartol and Hagnman, 1992). Considering the fact that reward is used as a work provocative, the more it strengthens the spirit of teamwork in members, the more effective and productive it will be. Therefore, the second method seems to be more efficient and rational for the encouragement of participation.

**Leadership**

It is often difficult to find an individual with an appropriate combination of technical skills and a good personality. A leader must be able to manage the team and quickly solve conflicts. Jacobs and Singell (1993) presented different viewpoints regarding how the leader’s personality affects team efficiency. They studied the effect of managers on the win and loss of a professional basketball team. They stated that senior managers influence in two ways: (i) By applying tactical skills; (ii) By improving the personal performance of each team member. This is only possible for highly-skilled managers. Discovery of member competencies, formation of a team with efficient members, definition of appropriate objectives and the description of logical tasks for each team and using their optimal capacity are realized under the management of an effective leadership.

**Training and Learning**

According to Senge (1990), training and learning of teams are vital in modern organizations.
because learning units are not individuals but teams. The studies by Jay Payne and Anderson (2004) indicate that training teams is effective when it realizes several elements, the first of which is orienting business for the development of learning organizations in order to help teams grow. Organizations grow to foster experienced and efficient teams so that they can compete in today’s dynamic world. Training and learning are why teams are up-to-date and dynamic and why they flourish. They result in organizational creativity and growth.

**Objectives**

For teams, an objective is an image of the future agreed by the majority of members who are motivated to achieve it. In order to improve team performance, consideration of team objective should be far more important than consideration of individual objectives (Johnson and Johnson, 1994 and Zander, 1974). Team objectives should be measurable so that they can be evaluated (Tohidi, 2010). Obviously, team objectives are overshadowed by organizational objectives and outlook. Those objectives will ultimately help organizations achieve their objectives.

**Suitable Composition and Size**

A team's success is the result of the optimal combination of individuals who are able to cooperate with one another. Teams benefiting from diverse individuals regarding their experience, knowledge and education will usually be more successful in solving problems (Bradley and Frederic, 1997). Moreover, cultural diversity can increase creativity and proposition of different solutions. As a result, member selection is of great importance. It should be noted that if all group members can have a good relationship with each other, we can benefit from the advantages of diversity in the group. Groups should be large enough to achieve the desired objective. However, when they are too large members are faced with task ambiguity, inconsistency and incoherence.

**Models of Effectiveness**

Many processes can influence effectiveness in the group. The belief of group members in their duties, positive interactions between them, encouragement of the supervisor and team designing can be considered as behaviors improving the performance of individuals (Moghaddam, 2008).

**Evaluation and Measurement of Team Performance**

The evaluation of team performance provides teams with practical methods so that they can evaluate their performance, dynamicity and effectiveness. Performance evaluation provides teams with a context in which they can evaluate the effectiveness of their performance, employee motivation and their salary and reward systems (Chung, 2002).

Performance measurement criteria have centralizing and motivational effects on team processes and provide the required feedback for problem recognition decision-making and intervention. They are the basis for group learning and continual improvement (Hunt, 2001).

**CONCLUSION**

Considering the enumerated factors and their influence on the performance of work teams, it is clear that ultimate dedication and attention to each of them for forming a work team can have a significant effect on team efficiency and organizational success. The following models as figure 3 are suggested after studying the results of previous research.

Firstly, the objective should be defined to indicate the major purpose of the team and unite all decisions. After defining the objective, team dimensions and required expertise and individuals will be determined for its achievement. In the next step, the team’s orientation and organization are formed by selecting a suitable leader for the team. Considering the team’s objectives, the leader should do its best to integrate the team. Using suitable systems in the team for strengthening loyalty, sense of participation and motivation for positive interactions between team members and also motivating strategies such as proper reward systems, the leader improves the spirit of cooperation and interaction between individuals and encourages them to cooperate with other members more. Training members before and during their tasks for the purpose of increasing the application of novel technologies for problem solving, updating their expertise and continuous performance evaluation can significantly help increase the working efficiency of all member and more generally the whole organization.
REFERENCES


