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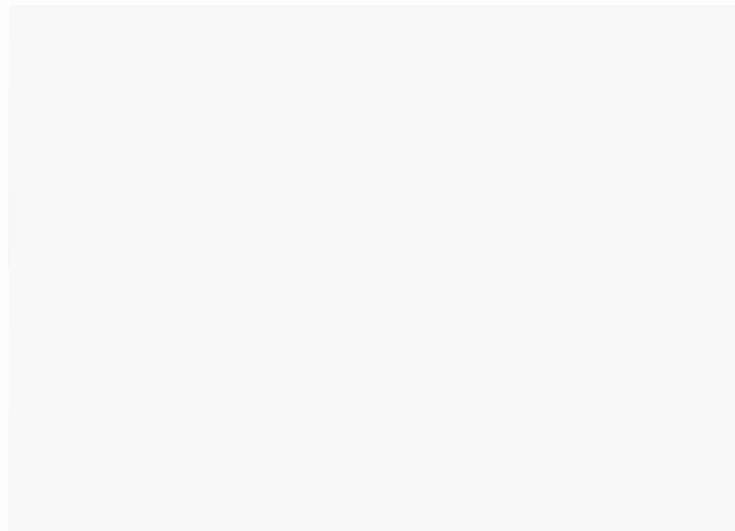
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Groupwork in Business
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Presidential Scholars Thesis
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Abstract

The purpose of this article was to review studies concerning the effects of group design on groupwork in business. It begins with a short overview of definitions of work groups and group phenomena, and follows with a literature review of the effects of size, group goals, sharing of information, diversity, gender, age, individual differences, familiarity among members, and techniques on decision making effectiveness. Next, difficulties and possible solutions are covered and finally, types of work groups used today are discussed. It has been found that there is no one team design that makes a team most effective. The most appropriate design depends on the problem to be solved. However, effective solutions to complex problems need a diverse team with access to information, difficult goals, strategic decision-making techniques, and team building opportunities to be most effective. This information can be used as an effective tool in organizing work teams in business.

Introduction

Work teams are quickly becoming an indispensable asset to the productive and ever-changing corporation in America. In fact, 80% of organizations with 100 or more employees are now taking advantage of the concept of work teams in some way. Additionally, 50% of employees are part of at least one team (Gordon, 1992). This prevailing attitude of the effectiveness of groupwork in the business world has spurred much interest in the various effects of group design and composition on the effectiveness of group problem solving and decision making. In this review I will discuss group size, group goals, the sharing of information, diversity, decision making techniques, gender, age, individual differences, and familiarity among members, as well as touch upon some difficulties that may be encountered in groupwork and possible solutions for these problems.

There is some disagreement about what a workgroup is, but researchers generally agree that work groups are essentially people who see themselves as part of a group who are all part of a larger social system, who depend on each other for task accomplishment, and whose actions affect others. So, when does a work group become a team? This is when a work group develops a shared sense of commitment and works together with the same goals in mind to accomplish a task.

Groupthink

Teamwork is subject to a set of social phenomena which may restrict its usefulness in decision making. One of these phenomena that has been researched thoroughly is the groupthink phenomenon. This is the tendency for members of a group to develop converging opinions about the adoption of a particular course of action in a given decision situation (Janis, 1972 as cited in Hart 1991). The groupthink phenomenon tends to breed overconfidence in decisions, encourages disregard of risks that are thought

to affect outgroups only, promotes a collapsed time perspective, and tends to push policy decision groups toward ill-conceived risk taking (Hart, 1991.)

Group Polarization

A second phenomenon which universally affects groups is group polarization. This is the tendency for group judgments to be more extreme than the judgments the members would have initially made (Bettenhausen, 1991). There are two theories concerning why this might occur. The first is called the social comparison explanation. It states that members alter their initial opinions to be consistent with the revealed group norm. The second, the persuasive arguments explanation, states that people modify their initial opinions based on the number of non-redundant arguments that are presented in group discussion. This is regardless of the validity for the choice. Researchers are still debating the two theories, but most are trying to find a route to bridge them together.

Social Loafing

The third phenomenon is called social loafing. This is the tendency for individual effort to decrease as group size increases. This could happen because of diffusion of responsibility, wanting to put forth equal output as one perceives others as putting forth, because the task is intrinsically uninteresting to the individual, or because the individual is matching their effort to the standard effort they put forth in group situations.

Why Use Work Teams?

Most research shows that teams are more effective at decision making than individuals and employees involved in teams show more favorable attitudes towards their jobs (Cohen & Ledford, 1994). There are three ways in which effectiveness is measured. The first is through group produced outputs. This includes the quantity or quality of outputs, the speed at which production occurred, and customer satisfaction. The second

way effectiveness is measured is through the consequences a group has for its members. If members see it as positive and have more favorable attitudes through their involvement, the team is seen as effective. The third way effectiveness is measured is in whether a team will be able to perform more effectively in the future. A team must reflect on its processes and be willing to make continual changes in order to be effective in a changing environment. These measures will be referred to throughout this review as measures of team effectiveness.

There are many variations on team design which management must consider in the creation of workteams. A few of these include the size of a group, group goals, the sharing of information, diversity within the group, and decision making techniques to be used. There is no one set protocol for what makes the most effective group. Rather, the design of a group is dependent on what the group is set to accomplish. I will touch briefly on each of these.

Group Size

Deciding on group size is often a dilemma managers face when setting up teams. Campion, Medsker, and Higgs (1993) show that on average, the larger a team is (between 2 and 20 members), the more effective it will be in making decisions. This type of effectiveness was measured in the number of ideas generated and implementation strategies devised. More people leads to greater creativity. However, this does not take into account the amount of time it takes to make decisions or the type of task in which this proves true.

Group goals

It is important for all groups to have a common goal to be considered a team. According to Weingart and Weldon (1991) difficult group goals raise group performance on those dimensions reflecting the content of the goal. This means that if a groups goal

is to increase the speed of their response time to informational requests, the speed of their response time is more likely to increase or will increase more if the group goal is more difficult. Managers can make use of this information when setting the limits of the task they want the group to accomplish. Facilitators can also encourage group members to set difficult goals for themselves. If you change an individual goal from one that maximizes an individual's output (egocentric goal) to one that maximizes an individual's contribution to the group (groupcentric) and couple it with a group goal, three things will occur. There will be a change in the direction of the goal result toward group output, there will be increased individual effort toward group benefits, and there will be a reduced probability that members will engage in social loafing (Crown & Rosse, 1995). As groups experience success with a task, they develop strong efficacy expectations for success in the future which leads to higher goal aspirations and more effective coordination and strategy development. However, if groups experience failures, they develop lower efficacy expectations, set lower group goals, put less effort into the group and have lower performance (Crown & Rosse, 1995).

Sharing of Information

All companies differ on their policies concerning the sharing of information between levels and workers. According to Magjudka & Baldwin (1991) all in all, groups who have greater access to information are more effective than groups with less access. The more information the group has, the better their decision quality. Managers need to make available all information a group requests and encourage middle managers to share openly. Information is power and often those in higher level positions are reluctant to give it up. When using work teams, middle managers must be retrained to learn the importance of openness in the company. Information must be shared in the teams as well. Many work teams are made up of individuals from all levels of the organization with different access to different information. The sharing of this information is

important because research has shown that information has more impact on group choice when it is known by several group members before the discussion than when it is known by a single group member. This is true independently of the information's validity for the choice (Gigone & Hastie, 1997). Therefore, before a group's meeting, leaders may want to send out an bulletin including any decision relevant information. All in all, researchers agree that groups pool information less thoroughly and rely on prominent items in making decisions. This increased awareness will also increase decision making effectiveness.

There is a often a great deal of diversity among team members and team tasks. As I stated earlier, there are many levels of an organization who work together on a team to accomplish a task. According to Magjudka & Baldwin (1991), this within team heterogeneity in the kinds of jobs held leads to increased effectiveness. If a team is composed of a variety of people who specialize in different aspects of the company, the large pool of information available will improve decision quality. Also, within team heterogeneity in personality, gender, attitude, and experience is positively related to creativity (Jackson, May, & Whitney 1995). Therefore, diversity within the team is best when the group is performing cognitive, creativity demanding tasks. With complex tasks, managers should structure teams that make use of different kinds of people from different areas of the company. People do not always work best with people who are exactly like them. There was no available research on diversity within a team and satisfaction among members. Conflict among members could possibly alter these findings. A diverse group leads to stronger and more positive feelings toward the group by its members (Fields & Blum, 1997). However, according to Jackson, Brett, Sessa, Cooper, Julin, and Peyronnin(1991) diversity is also positively related to turnover. Dissatisfaction could be the cause. Turnover is not always negative, though. It keeps groups from becoming too familiar.

Decision Making Techniques

There are many different kinds of techniques groups can use to come to decisions. Overall, there are many advantages to using structured techniques over making decisions with no structure at all. According to White, Dittrich, and Lang (1980), structure in group decision making is positively related to the number of implementation attempts that are undertaken after a decision has been made. Using structure is more effective. At the same time, White et al. (1980) points to drawbacks in using structure. First, there is less social harmony within the group. Most structured tactics make use of conflict. People may have a tendency to take critiques of ideas personally. This also leads to a lower group affect. Members may not feel a true sense of cohesion which might inhibit teamwork. Third, groups that use structure in decision making often have less confidence in their decision outcomes. The results of the lack of confidence could possibly be less enthusiasm in carrying out implementations and less trust for the usefulness of the group.

Consensus

The majority of the research has focused on three major decision making techniques. The first is consensus. Consensus is when members of a group come to agreement on a decision or strategy to implement a decision. The overall evidence indicates that the use of consensus is positive. Structuring of the top management actually improves performance (Schwenk & Cosier, 1993).

Devil's Advocacy

A second decision making technique is the use of devil's advocacy. This is when a team is split into two groups. The first group has the task of reviewing information, deciding upon recommendations. The second group argues against those

recommendations. A debate occurs until the groups agree. According to Schwenk and Cosier (1993), the use of devil's advocacy leads to better performance in the short run by increasing conflict. However, unlike consensus, this is one tactic where it is likely that people will take the conflict as a personal attack, which then leads to decreased morale. If a group decides to use devil's advocacy in decision making, it will probably be necessary to work on teambuilding after decisions are made.

Dialectic Inquiry

A third decision making technique is called dialectic inquiry. This consists, of once again, splitting a team into two groups. The first sub group develops recommendations and then makes a list of the assumptions the recommendation was based on. The task of the second group is to develop new assumptions counter to those of the first group and new recommendations as well. The two groups then engage in a debate which lasts until assumptions are agreed upon, and the group as a whole decides upon recommendations. According to Priem, Harrison, and Muir (1995), the use of dialectic inquiry leads to greater post-decision consensus on the actions taken for implementation. However, this is not true for the strategies themselves. The willingness to expend greater effort to implement the decision is a result of the higher level of conflict. When people spend a great deal of energy to decide upon action, they will put more energy into following it through. There were no results which indicated that dialectic inquiry led to increased decision making quality. This is also another method which might require team building after its use.

Gender

Another area which affects groupwork is the composition of the group. This included the gender of group members. All female groups tend to be more cohesive, where as all male groups tend to be more task-oriented (Taylor & Strassberg, 1986).

Women exhibit more socioemotional behaviors within groups, and all male groups tend to be overaggressive and competitive (Brown & Misty, 1994). Both men and women working in gender balanced groups exhibit higher levels of job satisfaction, while groups containing mostly males have the lowest levels of satisfaction (Fields & Blum, 1997). Also, women receive lower performance ratings when the proportion of women in the group is small (Sackett, DuBois, & Noe, 1991).

Age

Age is another variable which affects group effectiveness. Streufert, Pogash, Piasecki, and Post (1990) found that the performance of young and middle aged adult groups were similar. Older teams (65-75) made fewer decisions, were less strategic, and less responsive to incoming information. However, older teams used opportunities just as effectively and handled a simulation emergency equally as well as their younger counterparts. The study also found that they took less broad action. However, as stated earlier, diversity is a useful tool, so neither young nor old groups are more desirable. A combination of young and older members would be optimal.

Individual Differences

There are a few studies addressing personality characteristics which predict effective group members. Behnke and Watson (1990) found that the more individuals show a preference for acting and entertaining, and the more they prefer being a part of a team, the lower they are subsequently rated on group orientation. This could be because people who report a preference for being a part of a team are people who enjoy attention of others. People who try to take control are not a desirable part of a team. Team building exercises may be needed for these individuals. Behnke and Watson (1990) also found that people who had a greater belief in their own opinion and individuality had higher scores. These people are less likely to conform to the views of others just to fit in.

Finally, according to Thoms, Moore, & Scott (1996), four of the Big Five Personality dimensions were significantly related to self-efficacy for participation in self-managed work groups. These include neuroticism, extroversion, agreeableness, and conscientiousness.

Familiarity Among Members

A final aspect of group composition is the familiarity among group members. According to Cannon-Bowers, Tannenbaum, Salas, and Volpe (1995), familiarity among group members is desirable early in a team's existence. This allows for easier coordination among members when beginning. Familiarity among members is most beneficial in times of high demand and high stress. In management, the sharing of values, attitudes, and beliefs are precursors of team coherence and motivation, which lead to better performance. Also, the sharing of personal goals creates a climate for agreement on norms and objectives, and lowers barriers. However, lack of membership change leads to a state of entropy. Lack of communication could mediate the effects of familiarity. According to Katz (1982), communication within and between teams declines as teams age. Therefore, membership change and turnover can be beneficial.

Common Difficulties

Regardless of group design or composition, teams encounter many difficulties. Pacanowsky (1996) lists these four in particular. First, groups have a tendency to get locked up into a particular definition of a problem or decide on a solution too early. Second, group members have a tendency to have extremely different recall of the key issues and proposed course of action after the meeting is over. Third, groups have a tendency to get caught between trying to operate a small team capable of making consensus decisions easily and involving a larger team which leads to better perspectives, but difficulty in reaching consensus. Finally, group members have a tendency to become

impatient and so emotionally involved in group issues that they forget how to work effectively as a team.

Solutions

Pacanowsky (1996) also proposed solutions to these problems. The first is to promote a spirit of inquiry in the group. One tool is to question brainstorm. As a group, members should come up with important questions that need answering and then decide which to pursue. Secondly, the group needs to create a shared display. This is effective in ensuring that members are on the same track. Instead of using lists, the displays should show the route of thinking. Third, it is important to manage the surround. Members are able to get more involved and feel like a group if they sit in a circle facing each other than if they are arranged in rows. Copies of the flip charts should also be sent out to all members after the meeting to ensure similar recall of important points and decisions. Finally, groups need to reflect both on and off line. This means that groups should reflect on their processes, learn from this, and change the processes as needed to improve efficiency and effectiveness. Groups must learn how to learn.

Virtual Teams

There are many different kinds of work teams used in businesses today, however, I am only going to address the three that are the most utilized today. The first of these is virtual teams. Virtual teams have five specific characteristics. First, the members of the team are mutually accountable for team results. Second, the members are dispersed geographically. They communicate through a shared database, teleconferencing, and/or videoconferencing. These members work apart more than in the same location. The team solves problems and makes decisions jointly. Finally, these teams usually have fewer than twenty members (Henry & Hartzler, 1997). There are many benefits to be found from utilizing virtual teams. First of all, since it is possible to use members from

different locations, all of the best employees for the job can be brought together regardless of how far apart they work. Also, it is possible to invite outsiders to participate in the groups. This includes expert and consultants who might otherwise be unable to attend the meetings. Since there is no relocation time or cost, there can be fluid membership within these groups. A shared database brings additional organization into these groups as well as enables the members to access each other easily. Finally, there can be anonymous participation. This is beneficial because members are more likely to participate and generate more ideas.

Total Quality Groups

A second type of work groups used in businesses today are Total Quality Groups (TQG). This is a small group of employees who meet for an hour each week to identify, analyze, and solve various work-related problems and make recommendations to the management (Tang, Tollison & Whiteside, 1991). The primary objective of these groups is to accomplish a prearranged task which may be very specific or broad. They often have a leader who uses knowledge and skills of TQR so that the members have aid in identifying and solving problems. The members tend to play different contributing roles depending on their personalities and feelings toward the task. These roles are useful in creating conflict which is essential to arriving at good decisions. This includes the initiator and challenger who mostly listen, ask open-ended questions and paraphrase and summarize. The objectifier and refocuser are responsible for assertively presenting ideas through stating them positively and influencing others. The philosopher and elaborator/recorder are the primary decision makers and are responsible for contracting out responsibilities of the members concerning the decisions. Within these groups complete consensus is usually preferable to majority rule voting (Samby, Peterson, and Hovland, 1994). Management is often encouraged to attend these meetings. Top management attendance facilitates the setting up of policy and guidelines. It also helps

promote funding for projects, indicates the work being done is a priority and the workers also tend to solve problems faster when management is present (Tang, Tollison, & Whiteside, 1991).

Self-Directed Work Teams

The final work groups I will mention are self-directed work teams. These are highly trained groups of employees that are fully responsible for turning out a well-defined segment of finished work (Piczak & Hauser, 1996). These groups take on responsibilities that are typically assigned to front-line supervisors. The members have a genuine impact on substantial decisions which affect the business. There are six main benefits in the use of self-directed work teams. First, they are typically more productive than other options. Second, the teams tend to work harder because the members do not want to appear to be underperforming in comparison to other divisions. Additionally, individuals carry their own weight because they believe they might be otherwise reprimanded by other team members. All members are required to participate in regularly scheduled meetings so that production and related issues can be discussed. The former supervisors are able to work for the teams by obtaining necessary information and securing additional resources. Finally and most importantly, employees like the concept of self-directed work teams because of the degree of control they are given (Piczak & Hauser, 1996). There are many variables which go into the implementation of these teams. Unions must be addressed. Since unions are often resistant to change, it is important to include representatives in the design teams. Securing union support is an ongoing process which is essential to the teams success. Additionally, these teams require extensive training programs. This may include awareness training to instruct employees about the structure and functions of the new teams, the reasons for the shift, new roles and responsibilities for members, compensation and reward structures, team scope, and job security. Consultants often work better as initial trainers because they are

more believable and competent teachers than insiders. Other areas for training include, communication skills and team work skills. Middle managers will have new responsibilities such as information sharing. This is an important component of self-directed work teams. Their new jobs will be to make decisions the team is not allowed to, resolve intragroup conflict, intervene when the interests of a group member conflicts with those of the company, lead the training programs, and negotiate for resources with upper management. Team members must be educated on how to access information they were unable to previously. Members will also now be responsible for giving feedback to each other and effective techniques require training and practice. Self-directed work teams are one of the most highly trained, structured, and successful types of teams used in the work field today. The implementation is very time and resource consuming, but the benefits go far beyond the costs.

Conclusion

All in all, groups are effective tools for business decision making. When developing a team, managers must take into account the complexity of the task, the design of the team, the composition most desirable and type of decision making tool they want to use. Knowing possible problems groups might encounter as a result of all of these variables allows the use of preventative measures to make groups most effective. There are many different types of work groups utilized today. Although much research is available on group decision making, more research needs to be done on the interaction of variables such as age, gender, familiarity, type of task and decision making strategies. This is a complex issue with many possible confounds and detriments. Managers must remember that diverse groups with access to information, difficult goals, strategic decision making techniques, and team building opportunities are a beneficial tool to the success of the ever-changing organizations of today.

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