

Lesson:-29

TYPES OF TEAMS

Teams can do a variety of things. They can make products, provide services, negotiate deals, coordinate projects, offer advice, and make decisions.⁶ In this section we'll describe the four most common types of teams you're likely to find in an organization: *problem-solving teams*, *self-managed work teams*, *cross-functional teams*, and *virtual teams* (see Exhibit 9-2).

Problem-Solving Teams

If we look back 20 years or so, teams were just beginning to grow in popularity, and most of those teams took similar form. These were typically composed of 5 to 12 hourly employees from the same department who met for a few hours each week to discuss ways of improving quality, efficiency, and the work environment.⁷ We call these problem-solving teams.

In problem-solving teams, members share ideas or offer suggestions on how work processes and methods can be improved. Rarely, however, are these teams given the authority to unilaterally implement any of their suggested actions.

One of the most widely practiced applications of problem-solving teams during the 1980s was quality circles.⁸ As described in Chapter 7, these are work teams of eight to ten employees and supervisors who have a shared area of responsibility and meet regularly to discuss their quality problems, investigate causes of the problems, recommend solutions, and take corrective actions.

Self-Managed Work Teams Problem-solving teams were on the right track but they didn't go far enough in getting employees involved in work-related decisions and processes. This led to experimentation with truly autonomous teams that could not only solve problems but implement solutions and take full responsibility for outcomes.

Self-managed work teams are groups of employees (typically 10 to 15 in number) who perform highly related or interdependent jobs and take on many of the responsibilities of their former supervisors.⁹ Typically, this includes planning and scheduling of work, assigning tasks to members, collective control over the pace of work, making operating decisions, taking action on problems, and working with suppliers and customers. Fully self-managed work teams even select their own members and have the members evaluate each other's performance. As a result, supervisory positions take on decreased importance and may even be eliminated.

A factory at Eaton Corp's Aeroquip Global Hose Division provides an example of how self-managed teams are being used in industry to Located in the heart of Arkansas' Ozark Mountains, this factory makes hydraulic hose that is used in trucks, tractors, and other heavy equipment. In 1994, to improve quality and productivity, Eaton, Aeroquip's management threw out the assembly line and organized the plant's 285 workers into more than 50 self-managed teams. Workers were suddenly free to participate in decisions that were previously reserved solely for management for instance, the teams set their own schedules, selected new members, negotiated with suppliers, made calls on customers, and disciplined members who created problems. And the results? Between 1993 and 1999, response time to customer concerns improved 99 percent; productivity and manufacturing output both increased by more than 50 percent; and accident rates dropped by more than half. Xerox, General Motors, Coors Brewing, PepsiCo, Hewlett-Packard, Honeywell, M&M/Mars, Aetna Life, and Industrial Light & Magic are just a few familiar names that have implemented self-managed work teams. Estimates suggest that about 30 percent of U.S. employers now use this form of team; and among large firms, the number is probably closer to 50 percent.

Business periodicals have been chock full of articles describing successful applications of self-managed teams. But a word of caution needs to be offered. Some organizations have been disappointed with the results from self-managed teams. For instance, they don't seem to work well during organizational downsizing. Employees often view cooperating with the team concept as an exercise in assisting one's own executioner.¹² The overall research on the effectiveness of self-managed work teams has not been uniformly positive.¹³ Moreover, although individuals on these teams do tend to report higher levels of job satisfaction, they also sometimes have higher absenteeism and turnover rates. Inconsistency in findings suggests that the effectiveness of self-managed teams is situationally dependent.¹⁴ In addition to downsizing, factors such as the strength and make-up of team norms, the type of tasks the team undertakes, and the reward structure can significantly influence how well the team performs. Finally, care needs to be taken when introducing self-managed teams globally. For instance, evidence suggests that these types of teams have not fared well in Mexico largely due to that culture's low tolerance of ambiguity and uncertainty and employees' strong respect for hierarchical authority.

Cross-Functional Teams

Custom Research Inc., a Minneapolis-based market-research firm, had been historically organized around functional departments, but senior management concluded that these functional departments weren't meeting the changing needs of the firm's clients. So management reorganized Custom Research's 100 employees into account teams.¹⁶ The idea behind the teams was to have every aspect of a client's work handled within one team rather than by separate departments. The goal was to improve communication and tracking of work, which would lead to increased productivity and more satisfied clients.

Custom Research's reorganization illustrates the use of **cross-functional** teams. These are teams made up of employees from about the same hierarchical level, but from different work areas, who come together to accomplish a task.

Many organizations have used horizontal, boundary-spanning groups for decades. For example, IBM created a large task force in the 1960s-made up of employees from across departments in the company-to develop its highly successful'

OBin the News

Teams Help Boeing Save Its 717 Program

The Boeing 717 is a 100-seat, short-range jet designed basically for the commuter market. It's one of four planes manufactured at Boeing's Long Beach, California, facility.

In 1996, Boeing was at a crossroads. The company saw a growing market for a short-range plane like the 717 but orders were slow to come in and the project was losing money at a high rate. The choice was either to kill the project or drastically improve efficiencies in producing the plane. Management chose the latter.

Management decided that to make the plane profitable, they would focus on three areas: implement a team-based organization, provide employees with improved training, and introduce lean-manufacturing techniques. Employee training included learning labor savings techniques and financial concepts like in-

ternal return-on-investment and shareholder value. Lean-manufacturing efforts emphasized ways to improve work flow and cut costs. For instance, more than five million square feet of space at the facility was sold and personnel working on the 717 were moved into a single space—a 600,000 square foot factory.

To open lines of communication and eliminate waste, functionally aligned, self-managing work teams were created, grouping employees according to their function, not their titles. For example, instead of housing all the engineers in a separate building, they grouped them in teams around specific tasks. Members in all functions—from finance and labor unions to engineering and product support—were grouped together according to specific tasks such as interior design, final assembly, propulsion, and product delivery. The work-flow process was redesigned so employees work side by side on a full-moving production

line—a first for a commercial airplane. As described by a Boeing executive, "In this environment the person who designs the seat is next to the person who builds them, and he's next to the person who installs them." Support teams are located within a few feet of the assembly positions. They're equipped with everything they need to help keep airplanes moving, including specialists who inspect work while it's being done.

These changes helped turn the 717 project from a money-loser to a major success. Although the company expected to sell fewer than 200 of the planes during its lifetime, Boeing now has orders for more than 300. The time required to manufacture a 717 plane has been cut from six days to four. Other costs have been significantly cut. And the plane is now trouncing its competition. In the year 2000, for instance, Boeing sold 19 of the 717s, while Airbus Industries sold only three of its comparably-sized A318s.

Source: Based on S. F. Gale, "The Little Airplane That Could," *Training*, December 2000, pp. 60–67.

System 360. And a *task force* is really nothing other than a temporary cross-functional team. Similarly, *committees* composed of members from across departmental lines are another example of cross-functional teams. But the popularity of cross-discipline work teams exploded in the late 1980s. For instance, all the major auto mobile manufacturers—including Toyota, Honda, Nissan, BMW, GM, Ford, and DaimlerChrysler—currently use this form of team to coordinate complex projects. Harley-Davidson relies on specific cross-functional teams to manage each line of its motorcycles. These teams include Harley employees from design, manufacturing, and purchasing, as well as representatives from key outside suppliers. And IBM still makes use of temporary cross-functional teams. Between November 1999 and June 2000, for instance, IBM's senior management pulled together 21 employees from among its 100,000 information technology staff to come up with recommendations on how the company can speed up projects and bring products to market faster. The 21 members were selected because they had one common characteristic—they had all successfully led fast-moving projects. The Speed Team, as they came to be known, spent eight months sharing experiences, examining differences between fast-moving projects and slow ones, and eventually generated recommendations on how to speed up IBM projects.

. Cross-functional teams are an effective means for allowing people from diverse areas within an organization (or even between organizations) to exchange information, develop new ideas and solve problems, and coordinate complex projects. Of course, cross-functional teams are no picnic to manage. Their early stages of development are often very time consuming as members learn to work with diversity and complexity. It takes time to build trust and teamwork, especially among people from different backgrounds with different experiences and perspectives.

Virtual Teams

The previous types of teams do their work face-to-face. Virtual teams use computer technology to tie together physically dispersed members in order to achieve a common goal.¹⁹ They allow people to collaborate online-using communication links like wide-area networks, video conferencing, or e-mail-whether they're only a room away or continents apart.

Virtual teams can do all the things that other teams do-share information, make decisions, complete tasks. And they can include members from the same organization or link an organization's members with employees from other organizations (Le., suppliers and joint partners). They can convene for a few days to solve a problem, a few months to complete a project, or exist permanently.²⁰

The three primary factors that differentiate virtual teams from face-to-face teams are: (1) the absence of preverbal and nonverbal cues; (2) limited social context; and (3) the ability to overcome time and space constraints. In face-to-face conversation, people use preverbal (tone of voice, inflection, voice volume) and nonverbal (eye movement, facial expression, hand gestures, and other body language) cues. These help clarify communication by providing increased meaning, but aren't available in online interactions. Virtual teams often suffer from less social rapport and less direct interaction among members. They aren't able to duplicate the normal give and take of face-to-face discussion. Especially when members haven't personally met, virtual teams tend to be more task-oriented and exchange less social-emotional information. Not surprisingly, virtual team members report less satisfaction with the group interaction process than do face-to-face teams. Finally, virtual teams are able to do their work even if members are thousands of miles apart and separated by a dozen or more time zones. It allows people to work together who might otherwise never be able to collaborate.

Companies like Hewlett-Packard, Boeing, Ford, VeriFone, and Royal Dutch/Shell have become heavy users of virtual teams. VeriFone, for instance, is a California based maker of computerized swipe machines that read credit card information. Yet the use of virtual teams allows its 3,000 employees, who are located all around the globe, to work together on design projects, marketing plans, and making sales presentations. Moreover, VeriFone has found that virtual teams provide strong recruiting inducements. Says a VeriFone vice president, "We don't put relocation requirements on people. If a person enjoys living in Colorado and can do the job in virtual space, we're not intimidated by that."²¹

BEWARE! TEAMS AREN'T ALWAYS THE ANSWER

Teamwork takes more time and often more resources than individual work. Teams, for instance, have increased communication demands, conflicts to be managed, and meetings to be run. So the benefits of using teams have to exceed the costs. And that's not always the case. In the

excitement to enjoy the benefits of teams, some managers have introduced them into situations in which the work: