

Management Connection

HOW TEAMS WORK AT WHOLE FOODS MARKET

Whole Foods Market has a purpose beyond profits, and even a purpose beyond selling gorgeous vegetables and great cheeses. The chain of more than 300 health-food stores in the United States, Canada, and the United Kingdom seeks to do no less than "contribute to the well-being of people and the planet." This mission shapes the selection of merchandise grown organically and sustainably, including fresh produce, meats and fish, and whole grains, all attractively displayed. It also shapes the way the company treats its 70,000-plus employees.

Management of employees is based on key values: personal responsibility, valuing diversity, and commitment to the organization's purpose. To sustain this combination of values, the company operates as a set of teams, with every employee being a team member. A team may have between six and a hundred members, with the large teams divided into subteams. The leader of each team in a store is a member of the store's leadership team, and the head of each store leadership team is a member of a regional team. At the top of the Whole Foods hierarchy is an executive team. Each employee is responsible for participating in decisions related to his or her team's work. Team members have a vote in which employees are part of the team and what benefits will be included in their compensation packages.

Team spirit and empowerment at Whole Foods has laid a strong foundation for business success. Cofounder and CEO John Mackey says living out the store's values creates a climate that frees employees to



innovate without fear, and the creative, fear-free environment feels great to shoppers. It is one of a handful of companies that has attained a spot on *Fortune's* list of Best Companies to Work For in every year the list has been compiled. Most recently, on the global Best Companies list, Whole Foods was ranked number one among food and drug stores. Consistent with that ranking, Whole Foods reports employee turnover of just 10 percent per year (the industry average is ten times that). And after year upon year of strong growth, Whole Foods has become the world's largest supermarket chain specializing in natural and organic foods, with investors seeing far more room to grow in the future.¹

Whole Foods Market expresses a strong commitment to its employees, empowers them to make decisions, and expects a high level of commitment to serving customers. As you read this chapter, consider whether these ingredients are enough to ensure truly effective teamwork.

Sometimes teams work, and sometimes they don't. The goal of this chapter is to help make sure that your teams (and you) succeed. Empowerment at Whole Foods Market illustrates one way a company can apply teamwork with extraordinary results.

Teams transform the ways organizations do business.² Almost all companies now use teams to produce goods and services, to manage projects, and to make decisions and run the company.³ For you, this has two vital implications. First, you will be working in and perhaps managing teams. Second, the ability to work in and lead teams is valuable to your employer and important to your career. Fortunately, coursework focusing on team training can enhance students' teamwork knowledge and skills.⁴

The Contributions of Teams

LO 1

Bottom Line

Well-managed teams are powerful forces that can deliver all desired results.

What do you think makes a team more powerful than a set of individuals?



Used properly, teams can be powerfully effective as a building block for organization structure. Organizations such as Semco, W. L. Gore, and Kollmorgen, manufacturer of printed circuits and electro-optic devices, are structured entirely around teams. 3M's breakthrough products emerge through the use of teams that are small entrepreneurial businesses within the larger corporation.

Teams can increase productivity, improve quality, and reduce costs. At Massachusetts-based manufacturer FLEXcon, teams of employees applying the lean principles described in Chapter 9 have significantly increased productivity and decreased energy consumption.⁵ At Nucor's steel plant in Decatur, Alabama, the general manager credits teamwork for high productivity and improved safety.⁶

Teams also can enhance speed and be powerful forces for innovation, creativity,⁷ and change. Boeing, 3M, and many other companies use teams to create new products faster. General Mills uses a team approach to make decisions about the packaging for its products. For product divisions such as Big G cereals, Yoplait yogurt, or Green Giant vegetables, teams bring together employees from brand design, engineering, production, research and development, and other relevant functions to figure out how packaging can reduce waste, cut costs, send a clearer marketing message, and find ways to work more efficiently with suppliers.⁸

Teams also can enhance speed and be powerful forces for innovation, creativity, and change.

Teams also provide many benefits for their members.⁹ The team is a very useful learning mechanism. Members learn about the company and themselves, and they acquire new skills and performance strategies. The team can satisfy important personal needs, such as affiliation and

esteem. Other needs are met as team members receive tangible organizational rewards that they could not have achieved working alone. Moreover, teams help individuals develop their networks.¹⁰

Team members can provide one another with feedback; identify opportunities for growth and development; and train, coach, and mentor.¹¹ A marketing representative can learn about financial modeling from a colleague on a new product development team, and the financial expert can learn about consumer marketing. Experience working together in a team, and developing strong problem-solving capabilities, is a vital supplement to specific job skills or functional expertise. And the skills are transferable to new positions.

work teams

Teams that make or do things such as manufacture, assemble, sell, or provide service.

Types of Teams

LO 2

Your organization may have hundreds of groups and teams, but they can be classified into just a few primary types.¹² **Work teams** make or do things such as manufacture, assemble, sell, or provide service. They typically are well defined; a clear

part of the formal organizational structure; and composed of a full-time, stable membership. Work teams are what most people think of when they think of teams in organizations.¹³

Project and development teams work on long-term projects, often over a period of years. They have specific assignments, such as research or new product development, and members usually must contribute expert knowledge and judgment. These teams work toward a one-time product, disbanding once their work is completed. Then new teams are formed for new projects.

Parallel teams operate separately from the regular work structure of the firm on a temporary basis. Members often come from different units or jobs and are asked to do work that is not normally done by the standard structure. Their charge is to recommend solutions to specific problems. They usually do not have authority to act, however. Examples include task forces and quality or safety teams formed to study a particular problem. At Game Freak, the videogame studio that created the Pokémon games for Nintendo, parallel teams have a chance to become development teams. Whenever an employee has a new idea for a game, if he or she can persuade two other people to support the idea, the company will allot this team three months to develop the idea. After that time, if management sees potential, it allots another three months for the parallel team to continue its work. At the six-month mark, Game Freak determines whether to back the project with a full-fledged development team. Employees feel inspired by the chance to experiment with entirely new concepts rather than working only on small parts of today's complex game software.¹⁴

Management teams coordinate and provide direction to the subunits under their jurisdiction and integrate work among subunits.¹⁵ The management team is based on authority stemming from hierarchical rank and is responsible for the overall performance of the business unit. Managers responsible for different subunits form a team together, and at the top of the organization resides the executive management team that establishes strategic direction and manages the firm's overall performance.

Transnational teams are work teams composed of multinational members whose activities span multiple countries.¹⁶ Such teams differ from other work teams not only by being multicultural but also by often being geographically dispersed, being psychologically distant, and working on highly complex projects having considerable impact on company objectives.

Transnational teams tend to be **virtual teams**, communicating electronically more than face to face, although other types of teams may operate virtually as well. Virtual teams face difficult challenges: building trust, cohesion, and team identity, and overcoming the isolation of virtual team members.¹⁷ Table 14.1 suggests ways that managers can improve the effectiveness of virtual teams.

project and development teams

Teams that work on long-term projects but disband once the work is completed.

parallel teams

Teams that operate separately from the regular work structure and exist temporarily.

management teams

Teams that coordinate and provide direction to the subunits under their jurisdiction and integrate work among subunits.

transnational teams

Work groups composed of multinational members whose activities span multiple countries.

virtual teams

Teams that are physically dispersed and communicate electronically more than face to face.



One example of a project and development team is the Omnica product development team. The 28-person team is responsible for producing medical and high-tech products for their clients faster and more efficiently than they could by any other means.

TABLE 14.1
Practices of Effective Virtual
Team Leaders

Leadership Practices of Virtual Team Leader	How Do Virtual Team Leaders Do It?
Establish and maintain trust through the use of communication technology.	Focusing the norms on how information is communicated. Revisiting and adjusting the communication norms as the team evolves (virtual get-togethers). Making progress explicit through use of team virtual workspace. Equal "suffering" in the geographically distributed world.
Ensure diversity in the team is understood, appreciated, and leveraged.	Prominent team expertise directory and skills matrix in the virtual workspace. Virtual subteaming to pair diverse members and rotate subteam members.
Manage virtual work cycle and meetings.	Use the start of virtual meeting (each time) for social relationship building. During meeting—ensure through check-ins that everyone is engaged and heard from. End of meeting—ensure that the minutes and future work plan are posted to team repository.
Monitor team progress through the use of technology.	Make progress explicit through balanced scorecard measurements posted in the team's virtual workspace.
Enhance external visibility of the team and its members.	Frequent report-outs to a virtual steering committee (comprising local bosses of team members).
Ensure individuals benefit from participating in virtual teams.	Virtual reward ceremonies. Individual recognition at the start of each virtual meeting. Making each team member's real-location boss aware of the member's contribution.

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teaming:

A strategy of teamwork on the fly, with many temporary, changing teams.

traditional work groups

Groups that have no managerial responsibilities.

self-managed teams

Autonomous work groups in which workers are trained to do all or most of the jobs in a unit and make decisions previously made by frontline supervisors.

In today's fast-changing, unpredictable environment, **teaming** is a strategy of teamwork on the fly.¹⁸ In teaming, organizations create many temporary, changing teams, and you might feel like you are in a shifting series of temporary pick-up basketball games, working with different teammates and facing different challenges. You will leave one team when it has achieved (or failed at) its goal and join new teams when new opportunities arise. Because no two projects are alike, people need to get up to speed quickly on brand-new topics again and again. Because solutions can come from anywhere, team members can, too.

Self-Managed Teams

Today many types of work teams exist, with different labels.¹⁹ **Traditional work groups** have no managerial responsibilities. The frontline manager plans, organizes, staffs, directs, and controls them, and other groups provide support activities, including quality control and maintenance.

But the trend is toward giving teams more autonomy so that workers are trained to do all or most of the jobs in the unit, and they make decisions previously made by frontline supervisors.²⁰ People sometime resist **self-managed teams**, in part because they don't want so much responsibility and the change is difficult.²¹ In addition, people often don't like to do performance evaluation of teammates or to fire people, and poorly managed conflict may be a particular problem in self-managed teams.²² But

compared with traditionally managed teams, self-managed teams appear to be more productive, have lower costs, provide better customer service, provide higher quality, have better safety records, and are more satisfying for members.

Autonomous work groups control decisions about and execution of a complete range of tasks—acquiring raw materials and performing operations, quality control, maintenance, and shipping. They are fully responsible for an entire product or an entire part of a production process. **Self-designing teams** do all of that and go one step further—they also have control over the design of the team. They decide themselves whom to hire, whom to fire, and what tasks the team will perform.

When teams reach the point of being truly self-managed, results have included lower costs and greater levels of team productivity, quality, and customer satisfaction.²³ Overall, autonomous teams are known to improve the organization's financial and overall performance, at least in North America.²⁴ For example, at Lockheed Martin's Missiles and Fire Control facility in Troy, Alabama, all members of the workforce are assigned to self-directed work teams, and many also participate in performance management teams, which set goals and monitor progress. The teams have achieved 100 percent on-time delivery, 99 percent of first-pass production meeting quality standards, and a 43 percent cut in energy consumption per unit produced.²⁵

In trying to take such practices to operations outside the United States, managers need to recognize that cultural differences such as those described in Chapter 6 may affect how employees react to being given decision-making authority. As you learn more about the self-managed teams at Whole Foods Market, described in "Management Connection: Progress Report," consider whether this kind of employee empowerment would continue to be effective if the company expanded into other countries with different cultures.

autonomous work groups

Groups that control decisions about and execution of a complete range of tasks.

self-designing teams

Teams with the responsibilities of autonomous work groups and control over hiring, firing, and deciding what tasks members perform.



Teams at Lockheed Martin have achieved success in terms of on-time delivery and production standards, allowing the company to meet customer demand.

Management Connection

SELF-MANAGED TEAMS AT WHOLE FOODS MARKET

To spur innovation and strengthen commitment, Whole Foods Market empowers employees to participate in planning and decision making with their teams. Within a store, members of teams are involved in decisions concerning product selection and merchandising (the way products are displayed to entice buyers) as well as efforts to improve efficiency. They also contribute to decisions about hiring and compensation.

The company is widely known for team member involvement in hiring decisions, but employees support rather than control the entire hiring process. A human resource employee at each store or other facility screens job applications and selects candidates with the necessary skills and concern for customer service. Candidates who pass the initial screening may be interviewed by one or more store leaders. (Applicants to lead teams

generally interview with a group.) Each employee hired then begins an orientation period, during which he or she has probationary status. After the new employee has worked with the team for one to three months, the team meets to decide whether to keep the person on the team, based on whether he or she meets the job requirements, follows company policies and procedures, provides excellent customer service, and works well with the team. Two-thirds must vote in favor of the employee; otherwise, the person can try to join another team or will have to leave the company.

Whole Foods recognizes that for empowerment to succeed, employees need information and other resources to support them in carrying out their responsibilities. Managers share information about the company's financial performance, and everyone can see a list of the gross pay of

every team member, including top executives. The company also provides key information for decisions about benefits, starting with the total amount the company will allocate to that expense. Every three years, employees vote on which benefits they want to receive as part of their compensation package. The company provides a list of possible benefits, identifying the cost of each one. Then the employees set priorities within the spending limit.

Rewards, too, are linked to teamwork. Most incentive pay, such as bonuses, is tied to team performance. As

CEO John Mackey has said, "We have a shared fate. We either succeed together or we fail together."²⁶

- What advantages does teamwork offer to Whole Foods Market?
- Why do you think human resources professionals conduct the initial screening process for new hires? What might be the consequences of having the store teams carry out the entire process of hiring and rewarding team members?

How Groups Become Real Teams

LO 3

The words *group* and *team* often are used interchangeably.²⁷ Modern managers sometimes use the word *teams* to the point that it has become a cliché; they talk about teams while skeptics perceive no real teamwork.

Therefore making a distinction between groups and teams can be useful. A *working group* is a collection of people who work in the same area or have been drawn together to undertake a task but do not necessarily come together as a unit and achieve significant performance improvements. A real **team** is formed of people (usually a small number) with complementary skills who trust one another and are committed to a common purpose, common performance goals, and a common approach for which they hold themselves mutually accountable.²⁸

Groups become true teams via basic group processes, critical periods, and the management practices described throughout this chapter.

team

A small number of people with complementary skills who are committed to a common purpose, set of performance goals, and approach for which they hold themselves mutually accountable.

Group Processes

Assume you are the leader of a newly formed group—actually a bunch of people. What will you face as you attempt to develop your group into a high-performing team? If groups are to develop successfully, they will engage in various processes, including these broad categories:²⁹

- *Forming*—group members attempt to lay the ground rules for what types of behavior are acceptable.
- *Storming*—hostilities and conflict arise, and people jockey for positions of power and status.
- *Norming*—group members agree on their shared goals, and norms and closer relationships develop.
- *Performing*—the group channels its energies into performing its tasks.

Virtual teams also go through these stages of group development.³⁰ The forming stage is characterized by unbridled optimism: "I believe we have a great team and will work well together. We all understand the importance of the project and intend to take it seriously." Optimism turns into reality shock in the storming stage: "No one has taken a leadership role. We have not made the project the priority that it deserves." The norming stage comes at about the halfway point in the project life cycle, in which people refocus and recommit: "You must make firm commitments to a specific time schedule." The performing stage is the dash to the finish as teammates show the discipline needed to meet the deadline.

Groups don't necessarily go through those processes in that particular sequence, but all the processes are important. From a leadership perspective, it is particularly useful to know the two most fundamental phases of team functioning: a transition phase of

planning and establishing the group's mission, goals, and processes, and an action phase in which the team executes the work activities that contribute directly to its performance goals.³¹ Think about how often groups dive into their work without adequately tackling the transition phase and the problems that arise when they neglect that phase.

Critical Periods

Groups pass through critical periods, or times when they are particularly open to formative experiences.³² The first such critical period is in the forming stage, at the first meeting, when rules and roles are established that set longer-lasting precedents. A second critical period is the midway point between the initial meeting and a deadline (e.g., completing a project or making a presentation). At this point, the group has enough experience to understand its work; it comes to realize that time is becoming a scarce resource and it must get on with it; and there is enough time left to change its approach if necessary.

In the initial meeting, the group should establish desired norms, roles, and other determinants of effectiveness, which are discussed throughout this chapter. At the second critical period (the midpoint), groups should renew or open lines of communication with outside constituencies. The group can use fresh information from its external environment to revise its approach to performing its task and ensure that it meets the needs of customers and clients. Without these activities, groups may get off on the wrong foot from the beginning, and members may never revise their behavior in the appropriate direction.³³

Teaming Challenges

In today's era of teaming, fast-forming, fast-acting, temporary groups do not have the luxury of time to allow all necessary team processes to develop slowly and naturally. Practices that are particularly helpful in this context³⁴ include (1) emphasizing the team's purpose, including why it exists, what's at stake, and what its shared values are; (2) building psychological safety, making clear that people need to and can freely speak up, be honest, disagree, offer ideas, raise issues, share their knowledge, ask questions, or show fallibility without fear that others will think less of them or criticize them; (3) embracing failure, understanding that mistakes are inevitable, errors should be acknowledged, and learning as we go is a way to create new knowledge while we execute; and (4) putting conflict to work by explaining how we arrive at our views, expressing interest in one another's thinking and analyses, and attempting fully to understand and capitalize on others' diverse perspectives.³⁵

The leader, and team members who want to help the team perform well, should ask for, expect, and model these behaviors.

Why Groups Sometimes Fail

Team building does not necessarily progress smoothly and culminate in a well-oiled team and superb performance.³⁶ Some groups never do work out. Such groups can be frustrating for managers and members, who may feel teams are a waste of time and that the difficulties outweigh the benefits.

It is not easy to build high-performance teams. *Teams* is often just a word management uses to describe merely putting people into groups. "Teams" sometimes are launched with little or no training or support systems. For example, both managers and group members need new skills to make a group work. These skills include negotiating goals that everyone can get behind, delivering on promises made, speaking up in groups to share ideas and build cooperation, recognizing and getting along with people's different work styles, and finding constructive ways to deal with conflict.³⁷ Giving up some control is very difficult for managers from traditional systems, but they have to realize they will gain control in the long run by creating stronger, better-performing units.

Teams should be empowered,³⁸ as discussed in Chapter 13. The benefits of teams are reduced when they are not allowed to make important decisions—in other words, when management doesn't trust them with important responsibilities. If teams must acquire permission for every innovative idea, they will revert to making safe, traditional decisions.³⁹

LO 4

Empowerment enhances team performance even among virtual teams.

Empowerment enhances team performance even among virtual teams. Empowerment for virtual teams includes thorough training in using the technologies and strong technical support from

management. Some virtual teams have periodic face-to-face interactions, which help performance; empowerment is particularly helpful for virtual teams that don't often meet face to face.⁴⁰

In today's fast-moving business environment, the difference between success and failure often lies with whether people can rapidly form and contribute to one team after another as new opportunities and challenges arise. Teamwork fails when individuals have not considered what they bring to a team and how to bring out the best in others. To be successful, team members must apply clear thinking and appropriate practices.⁴¹ That is what this entire chapter is about.

In Practice

TEAMWORK AT MENLO INNOVATIONS

All work is teamwork at Menlo Innovations. The Ann Arbor, Michigan, software company assigns all tasks to pairs of employees who share a computer—and they switch partners every week. No one, not even CEO Richard Sheridan, works alone in an assigned office or even at an assigned desk—everyone works in one large room. Each project is divided into small tasks, handwritten by team members on index cards with estimates of the time required. The cards are posted on a wall to represent each project's work flow. The pairs of employees working on the same project team sit near one another for ease in asking questions and trading ideas.

The goal of this extreme teamwork is to put employees in situations in which they are constantly learning from one another. Sheridan believes ideas get stale unless new people get involved and ask questions. Some employees find that voicing problems to a partner helps them recognize solutions. Also, work on a software project that could stretch over months is more interesting when employees switch tasks and partners. Menlo's teamwork system is creating software that works well for customers without requiring overtime from employees.

To make its team structure work, Menlo selects job applicants who perform well in this kind of environment. Candidates visit the company to work in pairs on sample projects while employees observe. Afterward, the observers discuss whether they would be able to work well with each candidate. Candidates approved by a majority of the observers get a paid trial before the final hiring decision. Performance feedback also is a group process, conducted over lunch with one's peers.⁴²

- Does the Menlo Innovations work system allow enough time for groups to develop into teams? What do you think of their approach?

Building Effective Teams

LO 5

All the considerations just described form the building blocks of an effective work team. But what does it really mean for a team to be effective? Team effectiveness is defined by three criteria.⁴³

1. The productive output of the team meets or exceeds the standards of quantity and quality; the team's output is acceptable to the customers, inside or outside the organization, who receive the team's goods or services.

2. Team members realize satisfaction of their personal needs.
3. Team members remain committed to working together again; that is, the group doesn't burn out and disintegrate after a grueling project. Looking back, the members are glad they were involved. In other words, effective teams remain viable and have good prospects for repeated success in the future.⁴⁴

Performance Focus

The key element of effective teamwork is commitment to a common purpose.⁴⁵ The best teams are those that have been given an important performance challenge by management and then have reached a common understanding and appreciation of their purpose. Without such understanding and commitment, a group will be just a bunch of individuals.

The best teams also work hard at developing a common understanding of how they will work together to achieve their purpose.⁴⁶ They discuss and agree on such details as how tasks will be allocated and how they will make decisions. The team should examine its performance strategies and be amenable to changing them when appropriate. For example, work teams usually standardize at least some processes, but they should be willing to try creative new ideas if the situation calls for them.⁴⁷ With a clear, strong, motivating purpose and effective performance strategies, people will pull together into a powerful force that has a chance to achieve extraordinary things.

The team's general purpose should be translated into specific, measurable performance goals.⁴⁸ You learned in Chapter 13 about how goals motivate individual performance. Performance can be defined by collective end products instead of an accumulation of individual products.⁴⁹ Team-based performance goals help define and distinguish the team's product, encourage communication within the team, energize and motivate team members, provide feedback on progress, signal team victories (and defeats), and ensure that the team focuses clearly on results. It is not simple in practice, but teams with both difficult goals and incentives to attain them tend to achieve the highest performance levels.⁵⁰

The best team-based measurement systems inform top management of the team's level of performance and help the team understand its own processes and gauge its own progress. Ideally, the team plays the lead role in designing its own measurement system. This responsibility is a great indicator of whether the team is truly empowered.⁵¹

Teams, like individuals, need feedback on their performance. Feedback from customers is especially crucial. Some customers for the team's products are inside the organization. Teams should be responsible for satisfying customers and should be given or should seek performance feedback.

Better yet, wherever possible, teams should interact directly with external customers who make the ultimate buying decisions about their goods and services. External customers typically provide the most honest, and most crucial and useful, performance feedback of all.⁵²

Motivating Teamwork

Sometimes individuals work less hard and are less productive when they are members of a group. Such **social loafing** occurs when individuals believe that their contributions are not important, others will do the work for them, their lack of effort will go undetected, or they will be the lone sucker if they work hard but others don't. Perhaps you have seen social loafing in some of your student teams.⁵³ Conversely, sometimes individuals work harder when they are members of a group than when they are working alone. This **social facilitation effect** occurs because individuals usually are more motivated when others are present, they are concerned with what others think of them, and they want to maintain a positive self-image.

A social facilitation effect is maintained—and a social loafing effect can be avoided—when group members know each other, they can observe and communicate with one

Bottom Line

Teams, with guidance from internal and external customers, should identify the nature of the results they want to achieve. *What qualities should a team's goal have?*



social loafing

Working less hard and being less productive when in a group.

social facilitation effect

Working harder when in a group than when working alone.

Accountability to one another, rather than just to the boss, is an essential aspect of good teamwork.

another, clear performance goals exist, the task is meaningful to the people working on it, they believe that their efforts matter and others will not take advantage of them, and the culture supports teamwork.⁵⁴ Thus, under ideal circumstances, every-

one works hard, contributes in concrete ways to the team's work, and is accountable to other team members. Accountability to one another, rather than just to the boss, is an essential aspect of good teamwork. Accountability inspires mutual com-

mitment and trust.⁵⁵ Trust in your teammates—and their trust in you—may be the ultimate key to effectiveness.

Team effort is also generated by designing the team's task to be motivating. Techniques for creating motivating tasks appear in the guidelines for job enrichment discussed in Chapter 13. Tasks are motivating when they use a variety of member skills and provide high task variety, identity, significance, autonomy, and performance feedback.

Ultimately, teamwork is motivated by tying rewards to team performance.⁵⁶ Furthermore, combining individual and shared rewards can reduce social loafing and increase team performance.⁵⁷ If team performance can be measured validly, team-based rewards can be given accordingly.

It is not easy to move from a system of rewards based on individual performance to one based on team performance and cooperation. It also may not be appropriate unless people are truly interdependent and must collaborate to attain true team goals.⁵⁸ Team-based rewards are often combined with regular salaries and rewards based on individual performance. At the National Information Solutions Cooperative, which provides utilities with accounting and billing services, rewards for teamwork include bonuses based on the company's and division's financial performance. In addition, individual performance reviews (which affect compensation decisions) include an assessment of how well employees collaborate. Although NISC meets industry standards for salaries, employees say what engages them most is experiencing NISC's supportive climate, encouragement of new ideas, and concern for helping customers.⁵⁹

If team performance is difficult to measure validly, then desired behaviors, activities, and processes that indicate good teamwork can be rewarded. Individuals in teams can be given differential rewards based on teamwork indicated by active participation, cooperation, leadership, and other contributions to the team.

If team members are to be rewarded differentially, such decisions are better *not* left only to the boss.⁶⁰ They should be made by the team itself through peer ratings or multirater evaluation systems. Why? Team members are in a better position to observe, know, and make valid reward allocations. Finally, the more teams the organization has, and the more a full team orientation exists, the more valid and effective it will be to distribute rewards via gainsharing and other organizationwide incentives.

Member Contributions

Team members should be selected and trained so that they become effective contributors to the team. The teams themselves often hire their new members. MillerCoors Brewing Company and Eastman Chemical teams select members based on the results of tests designed to predict how well they will contribute to team success in an empowered environment. At Texas Instruments, human resources screens applicants, and then team members interview them and make selection decisions.

Generally, the skills required by teams include technical or functional expertise, problem-solving and decision-making skills, and interpersonal skills. Some managers and teams mistakenly overemphasize some skills, particularly technical or functional ones, and underemphasize the others. A recent study found that groups in which members shared sad feelings performed better at analytical tasks and difficult decisions, and groups did better at creative tasks if they shared positive emotions.⁶¹

Learning to share emotions appropriately can therefore be an important skill for team success. For the best team performance, all three types of skills should be represented, and developed, among team members.

Norms

Norms are shared beliefs about how people should think and behave. For example, some people like to keep information and knowledge to themselves, but teams should try to establish a norm of knowledge sharing because it can improve team performance.⁶² Teams perform better when they think and talk about their tasks (duties, equipment, and resources) and about how they interact with and depend on one another.⁶³ From the organization's standpoint, norms can be positive or negative. In some teams, everyone works hard; in other groups, employees are antimanagement and do as little work as possible. Some groups develop norms of taking risks, others of being conservative.⁶⁴ A norm could dictate that employees speak either favorably or critically of the company. Team members may show concern about poor safety practices, drug and alcohol abuse, and employee theft, or they may not care about these issues (or may even condone such practices). Health consciousness is the norm among executives at some companies, but smoking is the norm at tobacco companies. Some groups have norms of distrust and of being closed toward one another; but as you might guess, norms of trust and open discussion about conflict are better for group performance.⁶⁵

A professor described his consulting experiences at two companies that exhibited different norms in their management teams.⁶⁶ At Federal Express Corporation, a young manager interrupted the professor's talk by proclaiming that a recent decision by top management ran counter to the professor's point about corporate planning. He was challenging top management to defend its decision. A hot debate ensued, and after an hour everyone went to lunch without a trace of hard feelings. But at another corporation, the professor opened a meeting by asking a group of top managers to describe the company's culture. There was silence. He asked again. More silence. Then someone passed him an unsigned note that read, "Dummy, can't you see that we can't speak our minds? Ask for the input anonymously, in writing." As you can see, norms are important and can vary greatly from one group to another.

Roles

Roles are different sets of expectations for how different individuals should behave. Whereas norms apply generally to all team members, different roles exist for different members within the norm structure.

Two important sets of roles must be performed.⁶⁷

Task specialist roles are filled by individuals who have particular job-related skills and abilities. These employees keep the team moving toward accomplishment of the objectives. **Team maintenance roles** develop and maintain harmony within the team. They boost morale, give support, provide humor, soothe hurt feelings, and generally exhibit a concern with members' well-being.

Note the similarity between these roles and the important task performance and group maintenance leadership behaviors you learned about in Chapter 12. As suggested in that chapter, some of these roles will be more important than others at different times and under different circumstances. But these behaviors need not be carried out only by one or two leaders; any member of the team can assume them at

norms

Shared beliefs about how people should think and behave.

roles

Different sets of expectations for how different individuals should behave.

task specialist role

Role requiring stronger job-related skills and abilities.

team maintenance role

Role that develops and maintains team harmony.



The mission of Cassini Imaging Science Team is to guide the cameras that take photos of the outer reaches of space. Though the team is widely dispersed (members' locations include New York, California, and Belgium), they are united by a shared sense of purpose and a high value placed on scientific knowledge and technical excellence.

any time. Both types of roles can be performed by different individuals to maintain an effectively functioning work team.

Beyond what you read about in Chapter 12, what roles should team leaders perform? Superior leaders are better at relating, scouting, persuading, and empowering than are average team leaders.⁶⁸ Relating includes exhibiting more social and political awareness, caring for team members, and building trust. Scouting means seeking information from managers, peers, and specialists, and investigating problems systematically. Persuading means not only influencing the team members but also obtaining external support for teams. Empowerment includes delegating authority, being flexible regarding team decisions, and coaching. Leaders also should roll up their sleeves and do real work to accomplish team goals, not just supervise.⁶⁹

Finally, recall from Chapter 12 the importance of team leadership, in which group members rotate or share leadership roles.⁷⁰

Cohesiveness

cohesiveness

The degree to which a group is attractive to its members, members are motivated to remain in the group, and members influence one another.

One of the most important properties of a team is cohesiveness.⁷¹ **Cohesiveness** refers to how attractive the team is to its members, how motivated members are to remain in the team, and the degree to which team members influence one another. In general, it refers to how tightly knit the team is.

The Importance of Cohesiveness Cohesiveness is important for two primary reasons. First, it contributes to member satisfaction. In a cohesive team, members communicate and get along well with one another. They feel good about being a part of the team. Even if their jobs are unfulfilling or the organization is oppressive, people gain some satisfaction from enjoying their co-workers.

Second, cohesiveness has a major impact on performance. A study of manufacturing teams showed that performance improvements in both quality and productivity occurred in the most cohesive unit, whereas conflict within another team prevented any quality or productivity improvements.⁷² Sports fans read about this all the time. When teams are winning, players talk about the team being close, getting along well, and knowing one another's games. In contrast, losing is attributed to infighting and divisiveness.

Cohesiveness clearly can have a positive effect on performance.⁷³ But this interpretation is simplistic; exceptions to this intuitive relationship occur. Tightly knit work groups can also be disruptive to the organization, such as when they sabotage the assembly line, get their boss fired, or enforce low performance norms. When does high cohesiveness lead to good performance, and when does it result in poor performance? The ultimate outcome depends on the task and on whether the group has high or low performance norms.

Bottom Line

Cohesive groups are better than noncohesive groups at attaining the goals they want to attain; as a manager, you need to ensure that your team's goals represent good business results. *What happens if a team leader builds a cohesive team but fails to set the right goals?*



The Task If the task is to make a decision or solve a problem, cohesiveness can lead to poor performance. Groupthink (discussed in Chapter 3) occurs when a tightly knit group is so cooperative that agreeing with one another's opinions and refraining from criticizing others' ideas become norms. For a cohesive group to make good decisions, it should establish a norm of constructive disagreement. This type of debating is important for groups up to the level of boards of directors.⁷⁴ In top management teams it has been shown to improve the financial performance of companies.⁷⁵

But the effect of cohesiveness on performance can be positive, particularly if the task is to produce some tangible output. In day-to-day work groups for which decision making is not the primary task, cohesiveness can enhance performance. However, that depends on the group's performance norms.⁷⁶

Performance Norms Some groups are better than others at ensuring that their members behave the way the group prefers. Cohesive groups are more effective than noncohesive groups at norm enforcement. But the next question is, Do they have norms of high or low performance?

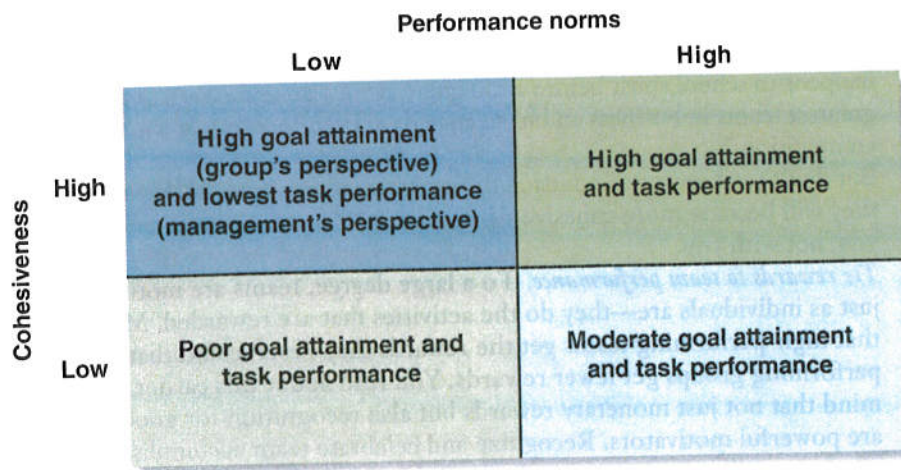


FIGURE 14.1

Cohesiveness, Performance Norms, and Group Performance

As Figure 14.1 shows, the highest performance occurs when a cohesive team has high-performance norms. But if a highly cohesive group has low-performance norms, that group will have the worst performance. In the group's eyes, however, it will have succeeded in achieving its goal of poor performance. Noncohesive groups with high-performance norms can be effective from the company's standpoint. However, they won't be as productive as they would be if they were more cohesive. Noncohesive groups with low-performance norms perform poorly, but they will not ruin things for management as effectively as can cohesive groups with low-performance norms.

Building Cohesiveness and High-Performance Norms

As Figure 14.1 suggests, managers should build teams that are cohesive and have high performance norms. The following actions can help create such teams:⁷⁷

1. *Recruit members with similar attitudes, values, and backgrounds.* Similar individuals are more likely to get along with one another. Don't do this, though, if the team's task requires heterogeneous skills and inputs. For example, a homogeneous committee or board might make poor decisions because it will lack different information and viewpoints and may succumb to groupthink. Research has shown that educational diversity and national diversity provide more benefits than limitations to groups' use and application of information.⁷⁸
2. *Maintain high entrance and socialization standards.* Teams and organizations that are difficult to get into have more prestige. Individuals who survive a difficult interview, selection, or training process will be proud of their accomplishment and feel more attachment to the team.
3. *Keep the team small* (but large enough to get the job done). The larger the group, the less important members may feel. Small teams make individuals feel like large contributors.
4. *Help the team succeed, and publicize its successes.* You read about empowerment in the previous chapter; you can empower teams as well as individuals.⁷⁹ Be a path-goal leader who facilitates success; the experience of winning brings teams closer together. Then, if you inform superiors of your team's successes, members will believe they are part of an important, prestigious unit. Teams that get into a good performance track continue to perform well as time goes on; groups that don't often enter a downward spiral in which problems compound over time.⁸⁰
5. *Be a participative leader.* Participation in decisions gets team members more involved with one another and striving toward goal accomplishment. Too much autocratic decision making from above can alienate the group from management.

6. *Present a challenge from outside the team.* Competition with other groups makes team members band together to defeat the enemy (witness what happens to school spirit before a big game against an archrival). Some of the greatest teams in business and in science have been focused on winning a competition.⁸¹

But don't *you* become the outside threat. If team members dislike you as a boss, they will become more cohesive—but their performance norms will be against you, not with you.

7. *Tie rewards to team performance.* To a large degree, teams are motivated just as individuals are—they do the activities that are rewarded. Make sure that high-performing teams get the rewards they deserve and that poorly performing groups get fewer rewards. You read about this earlier. Bear in mind that not just monetary rewards but also recognition for good work are powerful motivators. Recognize and celebrate team accomplishments. The team will become more cohesive and perform better to reap more rewards. Performance goals will be high, the organization will benefit from higher team motivation and productivity, and the individual needs of team members will be better satisfied. Ideally, being a member of a high-performing team, recognized as such throughout the organization, will become a badge of honor.⁸²

But keep in mind that strong cohesiveness encouraging agreeableness can be dysfunctional. For problem solving and decision making, the team should establish norms promoting an open, constructive atmosphere including honest disagreement over issues without personal conflict and animosity.⁸³

In Practice

SU2C DREAM TEAMS BUILD COHESIVENESS

High-performance norms are a given for the ten Dream Teams funded by the Stand Up to Cancer (SU2C) campaign. These teams are doing nothing less than bringing together researchers in science and medicine to find more effective ways of defeating cancer. In the traditional approach, a donor such as the National Institutes of Health awards \$500,000 to a principal investigator in a particular specialty, who becomes the lead author on the resulting research paper and perhaps also the owner of a patent. In contrast, SU2C gives out millions of dollars at a time, typically in three-year grants to cross-disciplinary teams drawn from multiple institutions and monitored by the American Association for Cancer Research.

An example is the epigenetics team, which is studying the ways enzymes affect the expression of genes, including those that trigger the formation of cancer cells. Although we cannot change the genes we are born with, intentional and unintentional exposure to environmental chemicals does affect the triggering behavior of the enzymes. Scientists on the epigenetics team include geneticists, pathologists, and biochemists; other team members are doctors (oncologists and surgeons), nurses, and technicians. The team has a pair of leaders, Johns Hopkins oncologist Stephen Baylin and Peter Jones, a biochemist and molecular biologist at the University of Southern California. Together, the team members bring their specialized knowledge to bear on the problem. They give up the prestige of independently directing achievements in their narrower specialties in exchange for the satisfaction of making faster progress on major problems.⁸⁴

- How can the SU2C Dream Teams build cohesiveness, given that members are from different disciplines and work for different organizations?

Managing Lateral Relationships

Teams do not function in a vacuum; they are interdependent with other teams. For example, **boundary-spanning** teams are responsible for interfacing with other teams to eliminate production bottlenecks and implement new processes and for working with suppliers on quality issues.⁸⁵ Boundary-spanning activities⁸⁶ crucial to the team are those that entail dealing with people outside the group.

LO 6

boundary-spanning

Interaction between a group or group member and other people in other groups.

gatekeeper

A team member who keeps abreast of current developments and provides the team with relevant information.

informing

A team strategy that entails making decisions with the team and then informing outsiders of its intentions.

parading

A team strategy that entails simultaneously emphasizing internal team building and achieving external visibility.

probing

A team strategy that requires team members to interact frequently with outsiders, diagnose their needs, and experiment with solutions.

Managing Outward

Several vital roles link teams to their external environments—that is, to other individuals and groups both inside and outside the organization. A specific type of role that spans team boundaries is the **gatekeeper**, a team member who stays abreast of current information in scientific and other fields and informs the group of important developments. Information useful to the group can also include information about resources, trends, and political support throughout the corporation or the industry.⁸⁷

The team's strategy dictates the team's mix of internally versus externally focused roles and how the mix changes over time. General team strategies include informing, parading, and probing.⁸⁸ The **informing** strategy entails making decisions with the team and then telling outsiders of the team's intentions. **Parading** means the team's strategy is to emphasize internal team building and achieve external visibility simultaneously. **Probing** involves a focus on external relations. This strategy requires team members to interact frequently with outsiders; diagnose the needs of customers, clients, and higher-ups; and experiment with solutions before taking action.

The appropriate balance between an internal and external strategic focus and between internal and external roles depends on how much the team needs information, support, and resources from outside. When teams have a high degree of dependence on outsiders, probing is the best strategy. Parading teams perform at an intermediate level, and informing teams are likely to fail. They are too isolated from the outside groups on which they depend.

Informing or parading strategies may be more effective for teams that are less dependent on outside groups—for example, established teams working on routine tasks in stable external environments. But for most important work teams—task forces, new product teams, and strategic decision-making teams tackling unstructured problems in rapidly changing external environments—effective performance in roles that involve interfacing with the outside will be vital.

Lateral Role Relationships

Managing relationships with other groups and teams means engaging in a dynamic give-and-take that ensures proper coordination throughout the management system. To many managers, this process often seems like a chaotic free-for-all. To help understand the process and make it more productive, we can identify and examine the different types of lateral role relationships and take a strategic approach to building constructive relationships.

Different teams, like different individuals, have roles to perform. As teams carry out their roles, several distinct patterns of working relationships develop.⁸⁹

Different teams, like different individuals, have roles to perform.

1. *Work flow relationships* emerge as materials are passed from one group to another. A group commonly receives work from one unit, processes it, and sends it to the next unit in the process. Your group, then, will come before some groups and after others in the process.
2. *Service relationships* exist when top management centralizes an activity to which a large number of other units must gain access. Common examples are

- technology services, libraries, and clerical staff. Such units assist other people to help them accomplish their goals.
3. *Advisory relationships* are created when teams with problems call on centralized sources of expert knowledge. For example, staff members in the human resources or legal department advise work teams.
 4. *Audit relationships* develop when people not directly in the chain of command evaluate the methods and performances of other teams. Financial auditors check the books, and technical auditors assess the methods and technical quality of the work.
 5. *Stabilization relationships* involve auditing before the fact. In other words, teams sometimes must obtain clearance from others—for example, for large purchases—before they take action.
 6. *Liaison relationships* involve intermediaries between teams. Managers often are called on to mediate conflict between two organizational units. Public relations people, sales managers, purchasing agents, and others who work across organizational boundaries serve in liaison roles as they maintain communications between the organization and the outside world.

By assessing each working relationship with another unit (from whom do we receive work, and to whom do we send work? what permissions do we control, and to whom must we go for authorizations?), teams can better understand whom to contact and when, where, why, and how to do so. Coordination throughout the working system improves, problems are avoided or short-circuited before they get too serious, and performance improves.⁹⁰

Managing Conflict

LO 7

The complex maze of interdependencies throughout organizations provides many opportunities for conflict to arise among groups and teams. Some conflict is constructive for the organization, as we discussed in Chapter 3. Typically, conflict can foster creativity when it is about ideas rather than personalities. In contrast, team members can be committed to maintaining harmony during meetings, but unresolved differences can spill over into nasty remarks outside the office.⁹¹

Many factors cause great potential for destructive conflict: the sheer number and variety of contacts, ambiguities in jurisdiction and responsibility, differences in goals, competition for scarce resources, different perspectives held by members of different units, varying time horizons in which some units attend to long-term considerations and others focus on short-term needs, and others. Tensions and anxieties are likely to arise in teams that are demographically diverse, include members from different parts of the organization, or are composed of contrasting personalities.

Both demographic and cross-functional heterogeneity initially lead to problems such as stress, lower cooperation, and lower cohesiveness.⁹² Transformational leadership (recall Chapter 13), effective diversity management (recall Chapter 11), and constructive conflict management (see the following), can reduce the problems and help realize the often-untapped potential benefits of diversity in teams.⁹³



Teams inevitably face conflicts and must decide how to manage them.

Conflict Styles

Teams inevitably face conflicts and must decide how to manage them. The aim should be to make the conflict productive—that is, to make those involved believe they have benefited rather than lost from the conflict.⁹⁴ People believe they have benefited from a conflict when (1) a new solution is implemented, the problem is solved, and

it is unlikely to emerge again, and (2) work relationships have been strengthened and people believe they can work together productively in the future.

People handle conflict in different ways. You have your own style; others' styles may be similar or may differ. Styles depend in part on the home country's cultural norms. For example, as you learned in Chapter 6, people from some cultures are more concerned with collective than with individual interests, and they are more likely than managers in the United States to turn to higher authorities to make decisions rather than resolve conflicts themselves.⁹⁵ But culture aside, any team or individual has several options regarding how to deal with conflicts.⁹⁶ These personal styles of dealing with conflict, shown in Figure 14.2, are distinguished based on how much people strive to satisfy their own concerns (the assertiveness dimension) and how much they focus on satisfying the other party's concerns (the cooperation dimension).

For example, a common reaction to conflict is **avoidance**. Here, people do nothing to satisfy themselves or others. They either ignore the problem by doing nothing at all or address it by merely smoothing over or deemphasizing the disagreement. This, of course, fails to solve the problem or clear the air. In a large retail company, employees in the marketing department decided they were tired of dealing with the limits placed on them by the security team of the company's information technology (IT) department. Marketing wanted more communication with consumers, while IT security was obsessed with protecting the company's data from unauthorized access. To avoid the conflict, the marketing group set up a website without telling anyone in IT security.⁹⁷

Accommodation means cooperating on behalf of the other party but not being assertive about one's own interests. **Compromise** involves moderate attention to both parties' concerns, being neither highly cooperative nor highly assertive. This style results in satisficing but not optimizing solutions. **Competing** is a highly competitive response in which people focus strictly on their own wishes and are unwilling to recognize the other person's concerns. Finally, **collaboration** emphasizes both cooperation and assertiveness. The goal is to maximize satisfaction for both parties. At the retail company in the previous example, a consulting firm called Solutionary discovered the website secretly created by the marketing group during a routine test of the company's computer network. Using basic techniques, the consultants were able to hack into the company's network and alter information, such as store prices, very easily. Knowing this would be simple for an outsider to do, the consultants then called together the IT security people and the marketing people to work out a solution that would meet marketing goals without compromising the data in the computer system.⁹⁸

avoidance

A reaction to conflict that involves ignoring the problem by doing nothing at all, or deemphasizing the disagreement.

accommodation

A style of dealing with conflict involving cooperation on behalf of the other party but not being assertive about one's own interests.

compromise

A style of dealing with conflict involving moderate attention to both parties' concerns.

competing

A style of dealing with conflict involving strong focus on one's own goals and little or no concern for the other person's goals.

collaboration

A style of dealing with conflict emphasizing both cooperation and assertiveness to maximize both parties' satisfaction.

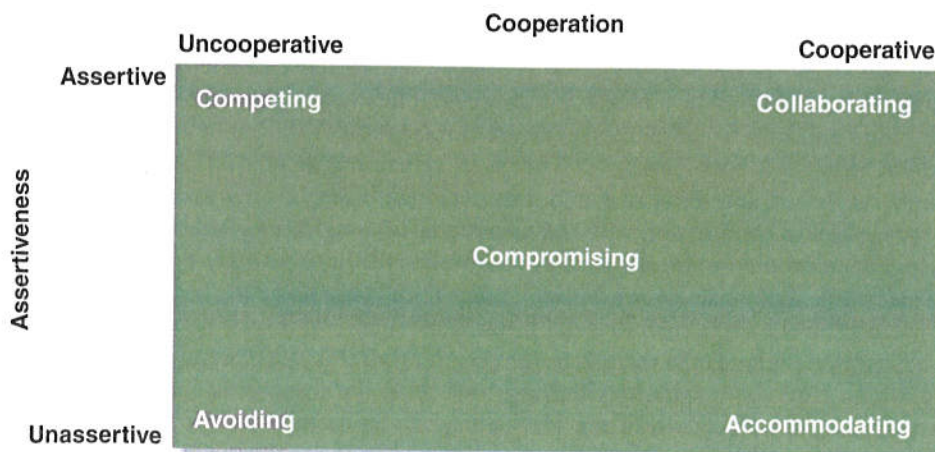


FIGURE 14.2

Conflict Management Strategies

So imagine you and a friend want to go to a movie together, and you have different movies in mind. If he insists that you go to his movie, he is showing the competing style. If you agree, even though you prefer another movie, you are accommodating. If one of you mentions a third movie that neither of you is excited about but both of you are willing to live with, you are compromising. If you realize you don't know all the options, do some research, and find another movie that you're both enthusiastic about, you are collaborating.

Different approaches are necessary at different times.⁹⁹ For example, competing can be necessary for cutting costs or dealing with other scarce resources. Compromise may be useful when people are under time pressure, when they need to achieve a temporary solution, or when collaboration fails. People should accommodate when they learn they are wrong or to minimize loss when they are outmatched. Even avoiding may be appropriate if the issue is trivial or resolving the conflict should be someone else's responsibility.

But when the conflict concerns important issues, when both sets of concerns are valid and important, when a creative solution is needed, and when commitment to the solution is vital to implementation, collaboration is the ideal approach. Collaboration can be achieved by airing feelings and opinions, addressing all concerns, and not letting personal attacks interfere with problem solving. An important technique is to invoke **superordinate goals**—higher-level organizational goals toward which everyone should be striving and that ultimately need to take precedence over personal or unit preferences.¹⁰⁰ A superordinate identity can reduce differences and enhance performance.¹⁰¹ Collaboration offers the best chance of reaching mutually satisfactory solutions based on the ideas and interests of all parties and of maintaining and strengthening work relationships.

superordinate goals

Higher-level goals taking priority over specific individual or group goals.

Being a Mediator

Managers spend a lot of time trying to resolve conflict between other people. You already may have served as a **mediator**, a third party intervening to help settle a conflict between other people. Third-party intervention, done well, can improve working relationships and help the parties improve their own conflict management, communication, and problem-solving skills.¹⁰²

Some insight comes from a study of human resource (HR) managers and the conflicts with which they deal.¹⁰³ HR managers encounter every type of conflict imaginable: interpersonal difficulties from minor irritations to jealousy to fights; operations

issues, including union issues, work assignments, overtime, and sick leave; discipline over infractions ranging from drug use and theft to sleeping on the job; sexual harassment and racial bias; pay

and promotion issues; and feuds or strategic conflicts among divisions or individuals at the highest organizational levels.

In the study, the HR managers successfully settled most of the disputes. These managers typically follow a four-stage strategy. They investigate by interviewing the disputants and others and gathering more information. While talking with the disputants, they seek both parties' perspectives, remaining as neutral as possible. The discussion should stay issue oriented, not personal. They decide how to resolve the dispute, often in conjunction with the disputants' bosses. In preparing to decide what to do, blame should not be assigned prematurely; at this point they should be exploring solutions. They take action by explaining their decisions and the reasoning, and advise or train the disputants to avoid future incidents. And they follow up by making sure everyone understands the solution, documenting the conflict and the resolution, and monitoring the results by checking back with the disputants and their bosses. Throughout, the objectives of the HR people are to be fully informed so that they understand the conflict; to be active and assertive in trying to resolve it; to be as objective, neutral, and impartial as humanly possible; and to be flexible by modifying their approaches according to the situation.

HR managers encounter every type of conflict imaginable.

mediator

A third party who intervenes to help others manage their conflict.

In Practice

TEAM LEADER AND MEDIATOR

In her management career at IBM, Sharon Nunes has participated in a lot of teams. Nunes, now a vice president at the company, has used her experiences to develop ideas about managing conflicts among team members.

First, Nunes has learned to value diverse viewpoints as a source of creative thinking. She saw how creativity was stifled in a work group led by a manager who preferred to hire employees who had graduated from the same business school. Although the manager and employees bonded over conversations about shared experiences, the work group never produced exceptional results because group members' similar ideas were never challenged. Nunes concluded that she would excel by including people who could deliver different outlooks and experiences.

Nunes realized, however, that diverse outlooks are beneficial only if team members share a common goal. That requires shifting attention away from individual wins in a debate and looking for areas of common ground. Nunes found that she and other team members had to accept challenges to their viewpoints gracefully. For example, when Nunes led a team that was setting up a new health care business, she discovered that team members had strong but varied opinions and different styles. Nunes recognized her logical, fact-oriented approach to thinking, which came from her science background, as an approach she sometimes needed to set aside for the sake of listening, persuading, and keeping the focus on team objectives.¹⁰⁴

- How does Nunes's role as a team leader resemble the role of a mediator?

Here are some other recommendations for more effective conflict management.¹⁰⁵ Don't allow dysfunctional conflict to build, or hope or assume that it will go away. Address it before it escalates. Try to resolve it, and if the first efforts don't work, try others. And remember the earlier discussion (Chapter 13) of procedural justice. Even if disputants are not happy with your decisions, there are benefits to providing fair treatment, making a good-faith effort, giving them a voice in the proceedings, and so on. Caring about others' goals as well as your own will help ensure a collaborative process. Remember, too, that you may be able to ask HR specialists to help with difficult conflicts.

Electronic and Virtual Conflict

When teams are geographically dispersed, as is often the case for virtual teams, team members tend to experience more conflict and less trust.¹⁰⁶ Conflict management affects the success of virtual teams.¹⁰⁷ In a recent study, avoidance hurt performance. Accommodation—conceding to others to maintain harmony rather than assertively attempting to negotiate integrative solutions—had no effect on performance. Collaboration had a positive effect on performance. The researchers also uncovered two surprises: compromise hurt performance, and competition helped performance. Compromises hurt because they often are watered-down, middle-of-the-road, suboptimal solutions. Competitive behavior was useful because the virtual teams were temporary and under time pressure, so having some individuals behave dominantly and impose decisions to achieve efficiency was more useful than detrimental.

When people have problems in business-to-business e-commerce (e.g., costly delays), they tend to behave competitively and defensively rather than collaboratively.¹⁰⁸ Technical problems and recurring problems test people's patience. The conflict will escalate unless people use more cooperative, collaborative styles. Try to prevent conflicts before they arise; for example, make sure your information system is

running smoothly before linking with others. Monitor and reduce or eliminate problems as soon as possible. When problems arise, express your willingness to cooperate, and then actually be cooperative. Even technical problems require the social skills of good management.

In the end, of course, conflicts are part of human relationships, whether they occur online or face to face. Members of a virtual team at a software company and members of a deli team at the nearest Whole Foods Market need relevant skills, such as the ability to communicate and cooperate. As you read "Management Connection: Onward," think about the skills needed to keep diverse employees working constructively at Whole Foods.

Management Connection

COHESIVENESS AND CONFLICT AT WHOLE FOODS MARKET

What unifies employees at Whole Foods Market is the sense of mission and shared values. Serving on a team fulfilling a mission gives each team member a sense of purpose, and the team monitors performance, making sure everyone contributes. In addition, unlike many retailers, Whole Foods schedules most of its employees for full-time work, which enables them to learn more about their jobs, build stronger team relationships, and develop a greater commitment to the organization.

A challenge to cohesiveness, however, is one of the very values the company espouses: appreciation of diversity. Whole Foods stresses its commitment to hiring employees from many ethnic backgrounds. Compared with other supermarkets, its dress code offers wide latitude for personal style. To counteract misunderstandings that can occur when people come from different backgrounds and express themselves differently, the company expects team members to communicate frequently and respectfully and to show appreciation for what others contribute.

CEO John Mackey sees a role for competition as well as collaboration. The company encourages teams to compete with one another to be best at what they do. For example, the produce teams might strive to have the biggest sales increase in their region or among all the company's stores. The glory of being the best Whole Foods produce team is a compelling motivator, with or without a bonus. As team members collaborate in trying to outdo

other teams, they build the sense of identity Mackey sees in what he considers the company's strongest teams. Some teams, for example, invent team names.

Beyond this kind of desirable competition among teams, conflicts do occur within teams. In one incident that recently made national news, two team members at a store in Albuquerque were suspended (with pay) after they became upset during a team meeting. At the meeting, discussion turned to the men's use of Spanish at work. The two men interpreted statements by the team leader to mean they were forbidden from speaking Spanish while on the job, and they became angry. Management saw their anger as "rude and disrespectful both in an office and in the store in front of customers," so the two were suspended. Through official statements, Whole Foods said it uses English as its "default" language, especially for safety matters, but does not forbid the speaking of other languages. It added that its leadership team would soon review the company's language policy.¹⁰⁹

- How does Whole Foods promote team cohesiveness? What else can it do?
- How should Whole Foods manage the conflict in its Albuquerque store? What should it do to minimize similar conflicts in the future?
- If you were in this situation, would your conflict management styles involve avoidance, accommodation, compromise, competition, or collaboration? Why?