

Team Working and Organizational Performance: A Review of Survey-Based Research



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Abstract

The objective of this study was to conduct a systematic review of team work interventions that were carried out with the purpose of improving team work and team performance, using controlled experimental design. This paper presents a review of recent survey-based research looking at the contribution of teamwork to organizational performance. In particular, it focuses on empirical studies in which both teamwork and performance are directly measured in a quantitative way. The paper begins by identifying four interrelated dimensions of teamwork effectiveness: attitudinal, behavioral, operational and financial. The first two represent transmission mechanisms by which organizational performance can be improved. The latter two provide direct measures of organizational outcomes. The review shows that team working has a positive impact on all four dimensions of performance. It also reveals that, when teamwork is combined with structural change, performance can be further enhanced. The paper concludes by highlighting some important research gaps that future studies could address.

Keywords: Team work, Team Productivity, Team Performance.

Introduction

Teamwork has emerged in recent years as one of the most important ways in which work is being reorganized. This idea of delegating responsibilities to work groups has been diffused under a range of different labels. Human resource management (HRM), modern sociotechnical theory, business process re-engineering and lean production all embrace the core principles of team working and suggest an important link with organizational performance. Various arguments have been advanced to explain the effectiveness of team-based work. For example, both sociotechnical theory and work design theory have focused on the design of the group's task to explain positive results; self-leadership theory has identified the supervisory behaviours that help self-managing teams achieve success and theories of participative management argue that certain aspects of the organizational context contribute to the effectiveness of teams. However, theoretical arguments about the effectiveness of teams are not enough. The next logical step in the cycle of scientific enquiry is the testing of these theories in practice. Various methodological approaches can be taken to assess the benefits associated with teams. Field experiments or intensive case studies allow the careful monitoring of the effects of workplace changes on outcomes, both qualitatively and quantitatively as well as over considerable periods of time. Such research provides insight and suggests hypotheses, but it is difficult to generalize on the basis of its findings. In contrast, survey-based research, if appropriately conducted, does allow generalization to the population at large. Two reviews of the team working literature carried out approximately ten years ago showed that some survey-based research was already in existence, but they also indicated that very little of this empirical work considered issues of overall organizational performance. The purpose of this paper is to carry out a critical examination of this literature examining the links between teamworking and performance. Within this, we are particularly interested in identifying studies that look at teamwork as a managerial strategy for the organization of work. The review focuses on studies where both teamwork and performance have been directly captured in a quantitative way. Initially, we identify the various channels through which teamworking can affect performance and the effectiveness outcomes that are likely to result. This theoretical exercise leads to the development of a

framework designed to categorize empirical work on effectiveness research and informs a subsequent literature search.

The conceptual framework is also used to provide insight into the themes on which a considerable body of work agrees. Further, it enables us to identify the specific problems faced by teamwork–performance research and to produce recommendations on how such research might be conducted in the future. The rest of the paper is organized as follows. First, we discuss the definitions of both teamwork and performance that will be considered in this review. Next, we formulate specific hypotheses relating to team effectiveness and develop a framework based upon these, which shows how teams can affect organizational outcomes. We then explain the methodology that has been adopted in this review and provide background information on the papers identified. This is followed by a comparison of the results of the individual studies and a detailed discussion of these based upon hypotheses and framework. The final section concludes the paper with a call for quantitative, survey-based research on the team working – performance link to be complemented by more qualitative, case study approaches.

Teamwork and Performance:
A Tentative Demarcation of Two Key Notions
Team working Over the years, a number of attempts have been made to define teamwork and classify teams. However, there remains no generally accepted definition. At different times and in different settings, various terms such as 'teams', 'groups' and 'work units' have been used to describe this form of work organization. These terms have frequently been used in conjunction with adjectives such as 'autonomous', 'semi-autonomous', 'selfdirected', 'high-performing' and 'self-managed'.

What is Team Work?

Team work is a practice that is growing in many industries to increase worker participation, which also raises employee motivation.



Team work is a hot business in many research papers today. Teamwork research papers focus on the benefits of worker participation in the decision-making process and can be found on both sides, making it advantageous for managers to

create employee motivation for worker participation when ever possible. Participation prevents the adoption of valueless ideas and the implementation of ill-conceived changes. It works to increase worker confidence in managerial instruction and allows employees to feel more involved.

Objectives of Team Work

Objectives are planned and structured goals. Professional objectives can be created for teamwork situations to set a guideline and goals, whether in the workplace, classroom or other situations where team work is important. There are the following objectives of team work :-

Increasing Views and Opinions

It is one of the objective of team work setting is to increase the presence of views and opinions for all members involved in the work.

Commitment

Another common objective is to stay committed to the task or project, even if not all the contributors agree to the final decisions. This objective ensures that no one will take the decision personally and work hard to complete the organization's vision.

Budget and Timeframe

An objective that many employers often desire on any given project or task is that both the budget and the given deadline are respected and kept.

Improving Individual Workers

A team consists of individual workers, some of which seeking more responsibility and learning opportunities. An objective could be to provide learning opportunities in the given task and provide more responsibility, so the workers get practical training and work experience.

Performance and Final Product

Another team work objective includes working hard to produce a functional and well-performing final product.

1. To understand the importance of working as team and the impact of team spirit on achieving organizational goals.
2. To enhance participants skills when practicing teamwork concepts.
3. To be able to use techniques for handling team interpersonal problems.
4. To gain greater insight into : Why teams succeed and fail & team norms, role and stages.

Benefits of Team Work

Worker participation also expands and develops their capabilities while evoking a broader outlook and commitment to the company. All of these benefits work towards a more productive atmosphere in the organization.

Utilizing the concept of team work is another competitive advantage for many organizations and has become a growing trend in many industries. Traditionally used only in the production Industries, it is a practice that is rapidly expanding beyond manufacturing.

Team Work & Performance

Performance It is also difficult to formulate an unambiguous and definitive description of

'performance', since this ultimately depends upon the objectives of the particular organization. Nevertheless, a wide range of performance indicators have been investigated in organizations, and, for the purposes of this review, we look at these under the headings of operational outcomes and financial outcomes. The former would include productivity (e.g. the number of hours to assemble a car), the quality of the product or service, innovation and customer satisfaction; the latter, value-added per employee and return on capital employed.

A Conceptual Framework of Team Effectiveness

There are the following framework which are the basis by which team working could be effective.

1. Working Harder
2. Working more Smartly
3. Organizational Changes

Review of Literature

There are three specific propositions relating to the teamwork-performance link that will be explicitly examined via our review of the literature.

1. Teamwork will be positively linked to organizational outcomes. The very general assumption that will guide our review is that teamwork will have positive effects on organizational performance.
2. Any positive link between teamworking and performance can be explained by the impact of teamworking on employee attitudes and behaviours and/or organizational structures.
3. Organizational and environmental factors will moderate the relationship between teamwork and organizational performance.

Scope and Methods

This paper will review survey-based research published over the last decade that looks at the links between teamwork and the various dimensions of performance shown in Figure 1. In this context, articles will only be included if they contain explicit measures of both teamwork and one or more of the performance outcomes. Furthermore, these articles must present empirical results directly relating to the measures identified. Initially, an extensive literature search was carried out of various online research databases using phrases such as 'teamwork', 'teams', 'groups' and 'high-performance work practices' in combination with keywords such as 'performance' and 'effectiveness'.

Teams and Performance: What Can We Learn from Empirical Studies?

Teamwork and Operational Outcomes

A positive relationship between teamwork and operational performance is found in a number of studies. The research settings are different and the studies measure teamwork and organizational outcomes in different ways, a degree of consistency emerges in their findings.

Teamwork and Financial Outcomes

We might expect a weaker link with financial outcomes than with operational outcomes, since factors other than teamwork can affect the former. Nevertheless, the overall pattern of relationships between teamwork and financial measures is consistent with the assumption that teamwork is an

effective practice in increasing the competitiveness of firms.

Teamwork and Worker Outcomes & Attitudinal or behavioural Outcomes

It results results suggest that the impact of teamwork on employee attitudes (e.g. motivation, commitment) and behaviour (e.g. turnover, absenteeism) is largely positive.

Teamwork and Structural Changes

Only a few of the studies in our review operationalized structural changes as an outcome associated with the introduction of teamwork. However, such changes can imply a reduction in the complexity of the production process and in the need for co-ordination. These results suggest that, when teamwork is associated with structural change, performance can be further enhanced, but there is insufficient evidence to conclude that this is a widespread phenomenon.

The Link between Teamwork and Performance, Controlling for Organizational and Environmental Factors

The majority of the studies used regression techniques to estimate the impact of teamwork on performance, and included in their models such organizational characteristics as size of the establishment, age of the plant, product diversity and features of the workforce as controls.

Discussion and Suggestions for Future Research Main Findings

The results of this literature review generally point in one direction: adopting team structures can yield positive outcomes for organizations. In terms of our specific propositions e.g.

Propositions A

Teamwork will be positively linked to organizational outcomes

Propositions B

Any positive link between teamworking and performance can be explained by the impact of teamworking on employee attitudes and behaviours and/or organizational structure:

Propositions C

Organizational and environmental factors will moderate the relationship between teamwork and organizational performance.

Future Research

This final section attempts to contribute to ongoing research looking at the team-performance link by highlighting some important gaps that future studies could address.

1. Embeddedness in a 'division of labour' approach.
2. Structural features of teams as inputs to a team typology.
3. Team development as a necessary complement to team design.
4. Teamwork as only one element of a bundle of practices.
5. Need for a contingency approach.

Conclusions

There are long-standing theoretical arguments to support the belief that the adoption of formal team structures and the use of employee participation programmes can provide many benefits

for organizations. More recently, a number of researchers have attempted to measure the link to performance directly and comprehensively, sometimes using complex econometric models. Our review of a sample of these studies shows that the balance of the evidence supports the proposition that teamwork improves organizational performance. Even though additional control measures are often included in the models, there will always be omitted variables, and quantitative studies will never explain all the variation we observe. In view of this reductionism, the question arises of whether a survey design is the most appropriate method to test such extended models. This is especially so because measures at the organizational, team and individual level are all required in order to grasp the performance problem fully.

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