MAKING THE TEAM
A GUIDE FOR MANAGERS

INTERNATIONAL EDITION

Leigh L. Thompson
Kellogg School of Management
Northwestern University
CONTENTS

Preface xx

Part One The Basics of Teamwork 1

Chapter 1 TEAMS IN ORGANIZATIONS: FACTS AND MYTHS 3

What Is a Team? 4

Why Should Organizations Have Teams? 5

Customer Service Focus 5

Competition 6

Information Age 6

Globalization 7

Types of Teams in Organizations 7

Manager-Led Teams 8

Self-Managing Teams 9

Self-Directing Teams 9

Self-Governing Teams 12

Some Observations About Teams and Teamwork 12

Teams Are Not Always the Answer 12

Managers Fault the Wrong Causes for Team Failure 13

Managers Fail to Recognize Their Team-Building Responsibilities 13

Experimenting with Failures Leads to Better Teams 13

Conflict Among Team Members Is Not Always a Bad Thing 14

Strong Leadership Is Not Always Necessary for Strong Teams 14

Good Teams Can Still Fail Under the Wrong Circumstances 14

Retreats Will Not Fix All the Conflicts Between Team Members 15

What Leaders Tell Us about Their Teams 15

Most Common Type of Team 16

Team Size 16

Team Autonomy Versus Manager Control 16

Team Longevity 16

The Most Frustrating Aspect of Teamwork 16

Developing Your Team-Building Skills 17

Skill 1: Accurate Diagnosis of Team Problems 18
Chapter 2 PERFORMANCE AND PRODUCTIVITY: TEAM
PERFORMANCE CRITERIA AND THREATS TO
PRODUCTIVITY 21

An Integrated Model of Successful Team Performance 22
Team Context 22
Essential Conditions for Successful Team Performance 24
Performance Criteria 36
Learning 37
Integration 37
The Team Performance Equation 38
Conclusion 40

Chapter 3 REWARDING TEAMWORK: COMPENSATION
AND PERFORMANCE APPRAISALS 41

Types of Team Pay 42
Incentive Pay 44
Recognition 46
Profit Sharing 48
Gainsharing 49

Teams and Pay for Performance 50

Team Performance Appraisal 51
What Is Measured? 52
Who Does the Measuring? 53
Developing a 360-Degree Program 55

Rater Bias 61
Inflation Bias 61
Extrinsic Incentives Bias 61
Homogeneity Bias 63
Halo Bias 63
Fundamental Attribution Error 63
Communication Medium 63
Experience Effect 64
Reciprocity Bias 64
Bandwagon Bias 64
Primacy and Recency Bias  64
Conflict of Interest Bias  64

Ratee Bias  65
Egocentric Bias  65
Intrinsic Interest  65
Social Comparison  66
Fairness  66
Listening to Advice  67

Guiding Principles  67
Principle 1: Goals Should Cover Areas That Team Members Can Directly Affect  68
Principle 2: Balance the Mix of Individual and Team-Based Pay  68
Principle 3: Consult the Team Members Who Will Be Affected  68
Principle 4: Avoid Organizational Myopia  69
Principle 5: Determine Eligibility (Who Qualifies for the Plan)  69
Principle 6: Determine Equity Method  69
Principle 7: Quantify the Criteria Used to Determine Payout  69
Principle 8: Determine How Target Levels of Performance Are Established and Updated  69
Principle 9: Develop a Budget for the Plan  69
Principle 10: Determine Timing of Measurements and Payments  69
Principle 11: Communicate with Those Involved  70
Principle 12: Plan for the Future  70

Conclusion  70

Part Two  Internal Dynamics  71

Chapter 4 DESIGNING THE TEAM: TASKS, PEOPLE, AND PROCESSES  73

Building the Team  74
The Task: What Work Needs to Be Done?  74
Is the Goal Clearly Defined?  76
How Much Authority Does the Team Have?  76
What Is the Focus of the Work the Team Will Do?  77
What Is the Degree of Task Interdependence Among Team Members?  80
Is There a Correct Solution That Can Be Readily Demonstrated and Communicated to Members?  82
Are Team Members’ Interests Perfectly Aligned (Cooperative),
Opposing (Competitive), or Mixed in Nature?  82
How Big Should the Team Be?  82
Time Pressure? Good or Bad?  83

The People: Who Is Ideally Suited to Do the Work?  85
Diversity  86

Processes: How to Work Together?  93
Team Structure  93
Team Norms  94
Behavioral Integration  96
Prescriptive Model of Necessary Conditions for Effective Teamwork  96

Conclusion  97

Chapter 5 TEAM IDENTITY, EMOTION, AND DEVELOPMENT  98
Are We a Team?  98
Group Entiativity  99
Group Identity  99
Common Identity and Common Bonds  100
Group-serving Attributions  101
Group Potency and Collective Efficacy  101
Group Mood and Emotion  102
How Emotions Get Shared in Groups  102
Emotional Intelligence in Teams  105
Leadership and Group Emotion  105
Group Cohesion  106
Cohesion and Team Behavior  107
Building Cohesion in Groups  107

Trust  109
Psychological Safety  112

Team Development and Socialization  113
Group Socialization  113
The Phases of Group Socialization  113
Old-Timers Reactions to Newcomers  116
Newcomer Innovation  116
Turnover and Reorganizations  117

Time in Teams  117

Role Negotiation  118
Status Competition  119
Solo Status  120
Chapter 6  SHARPENING THE TEAM MIND: COMMUNICATION AND COLLECTIVE INTELLIGENCE  121

Team Communication  122
   Message Tuning  123
   Message Distortion  123
   Saying is Believing  124
   Biased Interpretation  124
   Perspective-Taking Failures  124
   Transparency Illusion  125
   Indirect Speech Acts  125
   Uneven Communication  125

Absorptive Capacity  126

The Information Dependence Problem  126
   The Common Information Effect  127
   Hidden Profile  130
   Best Practices for Optimal Information Sharing  132

Collective Intelligence  137
   Team Mental Models  137
   The Team Mind: Transactive Memory Systems  139
   The TMS and Team Performance  141

Team Learning  145
   Learning from the Environment  146
   Learning from Newcomers and Rotators  146
   Team Longevity: Routinization Versus Innovation Trade-Offs  146

Conclusion  149

Chapter 7  TEAM DECISION MAKING: PITFALLS AND SOLUTIONS  150

Decision Making in Teams  151

Individual Decision-Making Biases  151
   Framing Bias  151
   Overconfidence  153
   Confirmation Bias  154

Individual Versus Group Decision Making in Demonstrable Tasks  154
   Group Decision Rules  157

Decision-Making Pitfall 1: Groupthink  157
   Learning from History  160
Contents

How to Avoid Groupthink 161
Decision-Making Pitfall 2: Escalation of Commitment 165
  Project Determinants 167
  Psychological Determinants 167
  Social Determinants 168
  Structural Determinants 168
  Avoiding the Escalation of Commitment to a Losing Course of Action 168
Decision-Making Pitfall 3: The Abilene Paradox 170
  How to Avoid the Abilene Paradox 171
Decision-Making Pitfall 4: Group Polarization 173
  The Need to Be Right 174
  The Need to Be Liked 175
  Conformity Pressure 175
Decision-Making Pitfall 5: Unethical Decision Making 177
  Rational Expectations Model 178
  Pluralistic Ignorance 178
Conclusion 181

Chapter 8 CONFLICT IN TEAMS: LEVERAGING DIFFERENCES TO CREATE OPPORTUNITY 182
Types of Conflict 183
  Conflict and Culture 185
  Types of Conflict and Work Team Effectiveness 186
  Proportional and Perceptual Conflict 188
Best Practices for Managing Conflict in Team 188
Real Conflict Versus Symbolic Conflict 189
  Egocentric Bias and Scarce Resource Competition 189
Conflict Management Approaches 189
  A Contingency Theory of Task Conflict and Performance in Teams 189
Wageman and Donnenfelds' Conflict Intervention Model 193
Norms of Fairness 195
Minority and Majority Conflict in Groups 196
  Minority and Majority Influence 197
  Benefits of Minority Influence 197
Cross-Functional Teams and Conflict 198
Conclusion 200
Chapter 9  CREATIVITY: MASTERING STRATEGIES FOR HIGH PERFORMANCE  201
Creative Realism  202
Measuring Creativity  204
  Convergent and Divergent Thinking  205
  Exploration and Exploitation  207
  Creativity and Context Dependence  208
Creative People or Creative Teams?  208
  Brainstorming  209
  Brainstorming on Trial  210
Threats to Team Creativity  212
  Social Loafing  212
  Conformity  212
  Production Blocking  213
  Performance Matching  214
  What Goes on during a Typical Group Brainstorming Session?  214
Enhancing Team Creativity  215
  Cognitive-Goal Instructions  216
  Social-Organizational Methods  221
  Structural-Environmental Methods  225
Electronic Brainstorming  227
  Advantages of Electronic Brainstorming  228
  Disadvantages of Electronic Brainstorming  230
  Capstone on Brainstorming  231
Conclusion  231

Part Three  External Dynamics  233

Chapter 10  NETWORKING, SOCIAL CAPITAL, AND INTEGRATING ACROSS TEAMS  235
Team Boundaries  236
  Insulating Teams  237
  Broadcasting Teams  238
  Marketing Teams  238
  Surveying Teams  238
  X-Teams  239
External Roles of Team Members  240
Using Power 279
Implications of Using Power 280

**Decision Analysis Model: How Participative Do You Want to Be?** 282
Decision Styles 282
Problem Identification 282
Decision Tree Model 284

**Encouraging Participative Management** 284
Task Delegation 287
Parallel Suggestion Involvement 287
Job Involvement 289
Organizational Involvement 289

**Conclusion** 292

**Chapter 12 INTERTEAM RELATIONS: COMPETITION AND COOPERATION** 293

**Personal and Team Identity** 294
Individual, Relational, and Collective Selves 295
Independent Versus Interdependent Self-Orientation 296
Self-Interest Versus Group Interest 297
Ingroups and Outgroups 298
Optimal Distinctiveness Theory 299
Balancing the Need to Belong and the Need to Be Distinct 299
Intrateam and Interteam Respect 300

**Interteam Relationships** 300
Social Comparison 300
Team Discontinuity Effect 301
Team Rivalry 302
Postmerger Behavior 302
Intergroup Conflict 304

**Biases Associated with Intergroup Conflict** 307
Stereotyping 307
Categorization: Us Versus Them 307
Ingroup Bias (or "We Are Better Than Them") 309
Racism and Racial Discrimination 310
Denial 310
Ingroup Prototypicality 311
Outgroup Homogeneity Bias 311
Outgroup Approach Bias 312
Strategies for Reducing Negative Effects of Intergroup Conflict  312
  Superordinate Goals  313
  Contact  313
  Crosscut Role Assignments  315
  Communal-Sharing Norms  315
  Group Affirmation  316

Conclusion  316

Chapter 13 TEAMWORK VIA INFORMATION TECHNOLOGY:
  TEAMING ACROSS DISTANCE AND CULTURE  317

Place–Time Model of Social Interaction  319
  Face-to-Face Communication  319
  Same Time, Different Place  322
  Different Time, Same Place  324
  Different Place, Different Time  325
  Information Technology and Social Behavior  326
  Reduced Status Differences: The "Weak Get Strong" Effect  327
  Equalization of Participation  327
  Technology Can Lead to Face-to-Face Meetings  328
  Increased Time to Make Decisions  328
  Communication  328
  Risk Taking  329
  Social Norms  330
  Task Performance and Quality of Group Decisions  330

Enhancing Local Teamwork: Redesigning the Workplace  330
  Virtual or Flexible Space  331
  Coworking Communities  331

Virtual Teams  332
  Threats to Effective Processes in Virtual Teams  333
  Strategies for Enhancing the Virtual Team  335

Cross-Cultural Teamwork  341
  Cultural Intelligence  341
  Work Ways  342
  Cultural Values  342

Conclusion  344

Appendix 1  Managing Meetings: A Toolkit  347
Appendix 2  Tips for Meeting Facilitators  354
Appendix 3  A Guide for Creating Effective Study Groups  357
Appendix 4  Example Items from Peer Evaluations and 360-Degree Performance Evaluations  360

References  367
Name and Author Index  423
Subject Index  440