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The Relationship between Team Characteristics and Team Effectiveness: An Integration of Campion's and Cohen's Models.

A thesis presented in partial fulfilment of the requirements for the Degree of Master of Business Studies at Massey University, Albany

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1997

Abstract

This study uses 22 teams from 3 organisations to examine the influence of team characteristics on the effectiveness of work teams. The model tested is an integration of Cohen's (1994) and Campion, Medsker, and Higgs' (1993) models. Five independent characteristics are used: task design, interdependencies, composition, context, and process. These are examined along with four effectiveness criteria: perceived performance, quality of work life, managers' judgements of performance, and withdrawal behaviour. The results of a path analysis show that task design and process characteristics predict team members' ratings of performance and quality of work life while interdependence and composition characteristics predict only team members' ratings of performance. As hypothesised, team members' quality of work life negatively predicts their withdrawal behaviour.

Acknowledgements

I would like to thank the following people and organisations for their help with this study.

- Dr. Hillary Bennett from Massey University, Albany for her support and guidance.
- Dr. Philip Voss from Massey University, Albany for his statistical assistance.
- The three organisations involved in this study for allowing access to their teams.
- Susan Cohen from the Center for Effective Organisations at the University of Southern California and Michael Campion from the Krannert Graduate School of Management at Purdue University for permission to use their questionnaires and methods.
- Hamish Morgan for his technical help.

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1. Introduction

Human resource management is concerned with the management of people including how to recruit employees, how to train them and how to ensure they are effective in their jobs (Dessler, 1994). Traditionally, human resource management has been concerned with the management of individuals. However, in today's increasingly complex business environment, many organisations, including several in New Zealand, are adopting a team-based structure to enable them to be more responsive to changes in their environment. This provides many challenges to human resource practitioners who are used to dealing with employees at an individual level. One of these challenges, how to make teams effective, is the focus of this study.

Although teams and teamwork have become a major focus over the past years and have been implemented by many organisations (Greenberg & Baron, 1995), how much is really known about the determinants of team effectiveness? What makes one team succeed and a similar team fail? These questions can be answered in part by examining the current models of team effectiveness. However, many of the models lack rigorous testing in the workplace which limits their usefulness to being merely a stimulus for academic debate.

Many organisations have gained significant improvements through employing a team-based design (Greenberg & Baron, 1995). Both subjective and objective data have shown that teams may be the key to helping organisations become more profitable. In their 1995 survey of teamwork in New Zealand, KPMG quote that since implementing teams, 84% of the organisations studied have experienced an increase in quality, and most organisations have seen improvements in employee relations and staff morale, and a reduction in employee turnover. The improvements gained by American organisations moving to a team-based design are considered by Greenberg and Baron (1995). Federal Express reduced errors by 13% in 1989, Xerox increased productivity by 30%, and Exxon had a \$10 million saving in six months.

Although these results are impressive, not all moves to team-based designs may be as productive for reasons such as a lack of support and resources (KPMG, 1995).

As mentioned previously, organisations have reported increases in both productivity and employee satisfaction when using teams (KPMG, 1995; Montebello, 1994). Teams may therefore provide a link between employee satisfaction and productivity - a bond that has long been sought after. Consequently, it is very important to understand the characteristics of effective teams, if they are to play an increasing role in today's organisations (Campion, Medsker & Higgs, 1993).

This study aims to examine whether certain characteristics of teams can influence their effectiveness. If this is the case, team designers should be able to create teams that are more likely to succeed.

The study integrates two theoretical frameworks of team effectiveness that four previous research studies were based on, namely: Campion, Medsker, and Higgs (1993); Campion, Papper, and Medsker (1996); Cohen (1994) and Cohen, Ledford, and Spreitzer (1994). The resulting model has five characteristics - task design, interdependence, composition, context, and process, as well as four effectiveness criteria - performance, managerial judgement, quality of work life, and withdrawal behaviours. The integrated model is tested on a sample of twenty-two work teams in three organisations.

Overview of the following chapters.

Chapter Two examines the current literature on team effectiveness models. Reviewed are three models that Campion et al. (1993) and Cohen (1994) have partly based their models on, namely Hackman (1987), Gladstein (1984), and Tannenbaum, Beard, and Salas (1992). Following this is an in-depth examination of Campion et al.'s and Cohen's models. The integrated model and the variables pertaining to it are presented in Chapter Three. Chapter Four examines the methods used in conducting this study including the questionnaires and statistical methods employed. Chapter Five presents the results of the study while Chapters Six and Seven discuss the

results of the study and the limitations and directions for future research. The conclusions based on the findings of the study are presented in Chapter Eight.