

## TEAM DEVELOPMENT MODULE TII ~ LEADING EFFECTIVE TEAMS

### LESSON 1 ~ COURSE INTRODUCTION

Leadership is the single most important ingredient in achieving consistent peak performance in teams. With good leadership, "ordinary" people can achieve "extraordinary" results. In this course, you will learn to:

- Demonstrate team-leadership skills as a team lead
- Explain the importance of developing communication skills
- Discuss the importance of conflict-management
- Establish a good decision making and problem solving process
- Design a comprehensive reward system for individual and team-based rewards

### LESSON 2 ~ DEVELOPING TEAM LEADERSHIP SKILLS

There are various ways to conduct leadership training. Regardless of the approach, a company should ensure that certain essential information is covered in a leadership training program. After completing this lesson, you should be able to:

- Explain team leader development and define team leadership
- Describe the major categories of team-leadership styles
- Examine the responsibilities of team leaders in making ethical decisions

#### THE INEFFECTIVE TEAM LEADER

Jane: You're not still working on those figures are you?

**Sam: Yes Jane!**

Jane: You're already two days LATE!

**Sam: I know Jane, but I told you Tuesday morning that it was impossible for me to run all those numbers by the end of the day.**

Jane: I was supposed to have this report to Joyce an hour ago.

**Sam: Sorry.... I can try to have them by this afternoon.**

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Jane: I don't have my report yet...because someone didn't have the figures to me on time.

**Sam: I told her I needed more time to compile all of the numbers...**

Jane: If he wouldn't have waited until the last minute to start gathering the figures he could have met the deadline.

**Joyce: Why don't you two grow up and act like adults!**

#### DEVELOPING TEAM LEADERS

Leaders are like athletes: some athletes are born with natural ability, and others develop their ability through determination and hard work. Inborn ability or the lack thereof, represents only the starting point. Success from that point forward depends on the individual's willingness and determination to develop and improve. Regardless of an individual's starting point, a manager can become a good leader through education, training, practice, determination, and effort. A company can help their key personnel develop leadership skills by providing the necessary training and mentoring.

#### LESSONS FOR LEADERSHIP

There are three lessons for leadership that summarize what leaders must be able to do.

- **Overcome Resistance** ~ Some people attempt to overcome resistance to change by using power and control. Leaders overcome resistance by achieving a total, willing, and voluntary commitment to shared values and goals.
- **Broker the Needs of Constituency** ~ A leader should broker the needs of constituency groups. When the needs of the team and another unit appear to conflict, leaders must be able to find ways of bringing the needs of both together without shortchanging either one.

- **Establish an Ethical Framework** ~ Establishing an ethical framework is best accomplished by setting an example of ethical behavior, choosing ethical people as team members, communicating a sense of purpose for the team, reinforcing appropriate behaviors within the team and outside of it, and articulating ethical positions, internally and externally.

## BEING A GOOD TEAM LEADER

Good team leaders share several common characteristics. These characteristics inspire people to make a total, willing, and voluntary commitment.

- **Balanced Commitment** ~ Good leaders are committed both to the job to be done and to the people who must do it, and they are able to strike the appropriate balance between the two.
- **Positive Role Model** ~ Good leaders project a positive example at all times, and are good role models. Managers who project a "Do as I say, not as I do" attitude are not effective team leaders.
- **Good Communication Skills** ~ Good leaders are good communicators. They are willing, patient, skilled listeners. They are also able to communicate their ideas clearly, and use their communication skills to establish and nurture rapport with team members.
- **Positive Influence on Team** ~ Good leaders have influence with employees and use it in a positive manner. Influence is the art of team leaders using their authority and credibility to move people toward a certain end or point of view.
- **Persuasiveness with Team** ~ Finally, good leaders are persuasive. Team leaders who expect people simply to do what they are told to do have limited success.

## TEAM LEADERSHIP STYLES

Leadership styles have to do with how leaders interact with those they lead. Leadership styles go by many different names, but most fall into five categories.

- **Autocratic leadership**, or **directive or dictatorial leadership**, deals with a team lead that makes decisions without consulting the employees who will have to implement them or who will be affected by them.
- **Democratic leadership**, or **consultative or consensus leadership**, involves the employees who will have to implement decisions in the decision making process. The leader makes the final decision only after receiving the team's input.
- **Participative leadership**, or **non-directive leadership**, the team lead exerts reduced control over the decision-making process. The team lead provides information about the problem and asks team members to develop strategies and solutions.
- **Goal-Oriented leadership** or **results-based leadership** involves a team lead asking the team members to focus solely on strategies that make a definite and measurable contribution to accomplishing team goals. Opportunities or potential problems can be overlooked if the specific goals are focused on too intently.
- **Situational leadership** or **contingency leadership** involves selecting the leadership style that seems appropriate based on the circumstances that exist at a given time. In evaluating these circumstances, leaders consider their relationship with the team members, how precisely actions must comply with specific guidelines, and the amount of authority the leader actually has with team members.

## BEST LEADERSHIP STYLE IN A TEAM SETTING

The most appropriate leadership style in a team setting might be called participative leadership taken to a higher level. Whereas participative leadership in the traditional sense involves soliciting employee input, in a team setting it involves soliciting input from empowered employees, listening to that input, and acting on it. The key difference between traditional participative leadership and participative leadership from a team perspective is that, with the latter, the employees providing input are empowered to take initiative in solving problems and making improvements. Collecting input, logging it in, tracking it, acting on it in an appropriate manner, working with employees to improve weak

suggestions rather than simply rejecting them, and rewarding employees for improvements that result from their input extend beyond the traditional approach to participative leadership.

## ETHICS IN TEAM LEADERSHIP

Although there are many definitions of the term "ethics," no one definition has been universally accepted. The often conflicting and contradictory interests of workers, customers, competitors, and the general public result in a propensity for ethical dilemmas in the workplace. Ethical dilemmas in the workplace are often more complex than other ethical situations. They involve social expectations, competition, and responsibility as well as the potential consequences of an employee's behavior to the organization's many constituencies.

## CODE OF ETHICS

For the purpose of this lesson, ethics is defined as the application of morality. Ethical behavior means doing the "right thing" within a moral framework. "Morality" refers to the values that are widely subscribed to and fostered by society in general and individuals within society. The field of ethics attempts to apply reason in determining rules of human conduct that translate morality into everyday behavior. Ethical behavior is that which falls within the limits prescribed by morality. Doing what is ethical is often called doing the "right thing." How, then, does a team leader know if someone's behavior is ethical? Ethical questions are rarely black and white. They typically fall into a gray area between the two extremes of clearly right and clearly wrong; this gray area is often further clouded by personal experience, self-interest, point of view, and external pressure.

## TESTING ETHICAL BEHAVIOR

Before presenting guidelines team leaders can use in sorting out ethical matters, it is necessary to distinguish between legal and ethical. They are not always synonymous. It is not uncommon for people caught in the practice of questionable behavior to use the 'I didn't do anything illegal' defense. Behavior can be well within the scope of the law and still be unethical. There are guidelines for determining ethical behavior and assume that the behavior is legal.

- **Morning-After Test** ~ If you make this choice, how will you feel about it and yourself tomorrow morning?
- **Front-Page Test** ~ If it was printed as a story on the front page of your local newspaper, how would you feel about your decision?
- **Common-Sense Test** ~ Listen to what your instincts tell you. If it feels wrong, it probably is.
- **Role-Reversal Test** ~ Mentally trade places with the people affected by your decision. How does it look through their eyes?
- **Mirror Test** ~ If you make this decision, how will you feel about yourself when you look in the mirror?

## THE TEAM LEADER'S ROLES IN ETHICS

Unfortunately, deciding what is ethical is often easier than doing what is ethical. Team leaders have a three-part role.

- First, they are responsible for **setting an example of ethical behavior**.
- Second, they are responsible for **helping employees make the right decisions** when facing ethical questions.
- Third, team leaders are responsible for **helping employees follow through on the ethical option** once the appropriate choice has been identified.

In carrying out these responsibilities, there are three approaches team leaders can adopt.

- The **best-ratio approach** is the pragmatic option. Its philosophy is that people are basically good and under the right circumstances, they will behave ethically. However, under certain conditions they can be driven to unethical behavior. The team leader should create conditions that promote ethical behavior and maintain the best possible ratio of good choices to bad.

- In the **black-and-white approach**, right is right and wrong is wrong. Circumstances and conditions are irrelevant. The team leader's job is to make ethical decisions, carry them out, and help employees choose the ethical route regardless of circumstances.
- Under the **full-potential approach**, team leaders make decisions based on how they will affect the ability of the people involved to achieve their full potential. The underlying philosophy is that people are responsible for realizing their full potential within the confines of morality.

## SUMMARY

In this lesson, you learned that people can become good leaders through training, practice, determination, and effort. You also learned the common leadership styles: autocratic, democratic, participative, goal-oriented, and situational. You now know the best style for teams is participative leadership taken to a higher level. Finally, you learned that when making ethical decisions, team leaders need to adopt one of the following approaches: best-ratio, black and white, and full potential.

## LESSON 3 ~ DEVELOPING COMMUNICATION SKILLS

Of the skills needed by team leaders and team members, communication is one of the most important. Communication is fundamental to leadership, motivation, problem solving, performance appraisal, ethics, discipline, training, mentoring, and all other areas of concern to team leaders and team members. After completing this lesson, you should be able to:

- Examine the importance of communication and effective communication
- Explain the concept of listening as a communication tool
- Discuss how to communicate feedback and improve team communication

## DEVELOPING COMMUNICATION SKILLS

Simon: So how do you feel about your team leadership training?

**Joyce: A lot better now that I know what is expected of me as a leader.**

Simon: Great. The next thing you will need to do to become an effective team lead is to learn good communication and listening skills.

**Joyce: How do I do that?**

Simon: Well first you must realize that communication skills can be learned.

Communication may be the most imperfect of all human processes. This is because the quality of communication is affected by so many different factors (e.g., speaking ability; hearing ability; language barriers; differing perceptions or meanings based on age, gender, race, nationality, and culture; attitudes; nonverbal cues; level of trust between sender and receiver). Because of these and other factors, effective communication is difficult at best. However, it is essential to the continual improvement of a team's performance. Communication skills can be learned, which is fortunate indeed for today's companies and professionals. With sufficient training and practice, most people — regardless of their innate capabilities — can learn to communicate well.

## COMMUNICATION VS EFFECTIVE COMMUNICATION

What you say is not necessarily what the other person hears, and what the other person hears is not necessarily what you intended to say. The key word is "understand." Communication may involve telling, but it is not just telling. It may involve hearing, but it is not just hearing. For the purposes of this lesson, communication is defined as the transfer of information that is received and fully understood from one source to another. When information conveyed is received and understood, communication has occurred. Understanding by itself does not necessarily make effective communication, however. Effective communication occurs when the information that is received and understood is acted on in the desired manner. Effective communication is a higher level of communication. Because it implies understanding and acceptance, it requires persuasion, motivation, monitoring, and leadership.

## COMMUNICATION LEVELS

Communication takes place at several levels in an organization and team leaders should be familiar with each of them.

- **One-on-one-level communication** is just what the name implies — one person communicating with another. This might involve face-to-face conversation, a telephone call, an email message, or even a simple gesture or facial expression.
- **Team or unit-level communication** is communication within a peer group. The primary difference between one-on-one and team communication is that, with the latter, all team members are involved in the process at once, as in a team meeting to solve a problem or set goals.
- **Organization-level communication** is communication among groups. A meeting involving the sales department, design department, and a production team would represent an opportunity for organization-level communication.
- **Community-level communication** occurs among groups inside an organization and groups outside the organization. Perhaps the most common example is an interaction between a company's representative and newspaper, radio, or television reporters.

## LISTENING AS A COMMUNICATION TOOL

A better way to find out if you are a good listener is to ask a friend, your spouse, a fellow team leader, or an employee you can trust to give you an objective answer. Do not be overly concerned if you find you are a poor listener. Listening is a skill, and like all skills, it can be developed. To become a good listener, you need to know the following:

- **What listening is**
- **The barriers** that inhibit listening
- **The strategies** that promote effective listening

## LISTENING AND INHIBITORS OF EFFECTIVE LISTENING

Hearing is a natural process, but listening is not. A person with highly sensitive hearing abilities can be a poor listener. Conversely, a person with impaired hearing can be an excellent listener. Hearing is the physiological process of decoding sound waves. Listening requires perception. In this lesson, we define listening as receiving a message, correctly decoding it, and accurately perceiving what is meant.

Listening breaks down when the receiver does not accurately perceive a message. Several inhibitors can cause this to happen:

- **Lack of concentration**
- **Preconceived notions**
- **Thinking ahead**
- **Interruptions**
- **Tuning out** (or appear to be listening and not)

To perceive a message accurately, listeners must concentrate on what is being said, and how it is being said.

## STRATEGIES FOR EFFECTIVE LISTENING

Concentration requires the listener to eliminate as many extraneous distractions as possible and to mentally shut out the rest. Preconceived notions can cause team leaders to make premature judgments that turn out to be wrong. Be patient, wait, and listen. Thinking ahead is typically a response to being hurried, but it takes less time to hear an employee out than it does to start over after jumping ahead in the wrong direction. Interruptions not only inhibit effective listening — they also frustrate and often confuse the speaker. If clarification is needed during a conversation, make a mental note of it and wait for the speaker to reach a stopping point. Tuning out also inhibits effective listening. Some people become skilled at using body language that makes it appear they are listening when their mind is actually focusing elsewhere. Team leaders should avoid the temptation to engage in such ploys. A

skilled speaker may ask you to repeat what he or she just said. Team leaders can become effective listeners by applying a few simple strategies:

- **Removing all distractions**
- **Putting a speaker at ease**
- **Looking directly at the speaker**
- **Concentrating on what is being said**
- **Watching for nonverbal cues**
- **Making note of the speaker's tone**
- **Being patient, waiting, and asking clarifying questions**
- **Paraphrasing and repeating what the speaker has said**
- **Controlling your emotions**

## COMMUNICATING CORRECTIVE FEEDBACK

In dealing with any group of employees, it is inevitable that team leaders will need to give corrective feedback. This information helps them improve their performance. To be effective, however, corrective feedback must be communicated properly. Using these guidelines can enhance the effectiveness of corrective feedback.

- **Be Positive** ~ To be corrective, feedback must be accepted and acted on by the employee. This is most likely to happen if it is delivered in a positive manner. Give the employee the necessary corrective feedback, but don't focus only on the negative. Find something positive to say.
- **Be Prepared** ~ Focus on facts. Do not discuss personality traits. Give specific examples of the behavior you would like to see corrected.
- **Be Realistic** ~ Make sure the behaviors you want to change are within the control of the employee. Don't expect an employee to correct a behavior he or she does not control. Tell the employee about his behavior, ask for his input, and listen carefully when that input is given.

## IMPROVING COMMUNICATION IN TEAMS

Effective communication is a must for team leaders. Team leaders should be familiar with the strategies used to improve their communication skills.

- **Keep up to Date** ~ Stay up to date with information that might affect your team. You cannot communicate what you don't know.
- **Prioritize** ~ Communicating does not mean passing on to employees everything you learn. Such an approach creates overload and inhibits communication. Analyze the information you receive and decide which of it your employees need to know. Then prioritize it from urgent to when time permits, and share the information accordingly.
- **Decide Whom to Inform** ~ Once you prioritize your information, decide who needs to know it. Employees have enough to keep up with without receiving information they don't need. Correspondingly, don't withhold information that employees do need. Achieving this balance improves communication.
- **Determine How to Communicate** ~ There are a variety of ways to communicate (eg verbally, electronically, one-on-one, in groups). A combination of methods is usually the most effective.
- **Communicate the Information** ~ Telling your employees what you want them to know is just one step in effective communication. Tell, ask, listen, paraphrase, and follow up. Ask questions to determine if your message has been understood. Encourage employees to ask clarifying questions. Agree on the next steps (eg what they should do with the information).
- **Check Accuracy and Get Feedback** ~ Check to see that your communication was received accurately. Can employees paraphrase and repeat your message? Are employees undertaking the next steps as agreed? Solicit feedback from employees to ensure that their understanding has not changed and that progress is being made.

## SUMMARY

In this lesson, you learned that with sufficient training and practice, people — regardless of their innate capabilities — can learn to communicate effectively. You also learned that listening involves receiving a message, correctly decoding it, and accurately perceiving what it means. Finally, you learned that team leaders can improve communication in their teams by keeping up to date; prioritizing, and determining time constraints; deciding whom to inform; and determining how best to communicate a message.

## LESSON 4 ~ DEVELOPING CONFLICT-MANAGEMENT SKILLS

Human conflict is normal in a highly competitive and often stressful workplace. When people work together, no matter how committed they are to a common goal, conflict is likely to occur. Therefore, all team leaders must come to be proficient in managing conflict. After completing this lesson, you should be able to:

- Discuss the causes of conflict in teams and reasons conflict-management skills are important
- Explain the concept of communication in conflict resolution
- Explain how to handle angry team members and overcome negativity in teams

### DEVELOPING CONFLICT-MANAGEMENT SKILLS

**Jane** (to herself): I can't believe Sam is late with the figures again. Why is it that he is always late getting me the figures I need. He always seems to have everyone else's work done on time. All I ask is that he have them to me by close of business on Tuesday...so I can have enough time to look over everything. I don't know what it is that makes him want to procrastinate when it comes to compiling the figures for me.

### CAUSES OF CONFLICT IN TEAMS

The most common causes of conflict in teams are predictable. Conflict occurs when a person's desires are frustrated or needs are threatened by another person.

- **Limited resources** can lead to conflict because it is not uncommon for teams to have fewer resources (e.g., funds, supplies, personnel, time, and equipment) than are needed to complete a job. When this happens, who gets the resources and in what amounts?
- **Incompatible goals**, such as conflicts between personal needs and the needs of the team, are inevitable in the workplace.
- **Role ambiguity** can result in blurred "turf lines." This makes it difficult to know who is responsible and who has authority.
- **Different values**, such as job security and risk taking, create the potential for conflict.
- **Different perceptions** of situations, based on peoples' differing backgrounds, values, beliefs, and individual circumstances, are common — particularly in an increasingly diverse workplace.
- The final predictable cause of conflict is **poor communication**. Because communication is never perfect, communication-based conflict should be expected. Improving the communication skills of all team members should be an on-going goal of team leaders.

### DEALING WITH CONFLICT EFFECTIVELY

To deal with conflict effectively, team leaders need to understand the various ways people react to conflict.

- One typical reaction is **competition**, in which one person attempts to win while causing the other to lose.
- The opposite reaction is **accommodation**, in which one person puts the needs of the other first, and lets her win.
- **Compromise** is a reaction in which two opposing parties attempt to work out a solution that helps both to the greatest extent.
- **Collaboration** involves both parties working together to find an acceptable solution for both.
- **Avoidance** involves shrinking away from conflict, a common reaction of people who are uncomfortable facing conflict and dealing with it.

## APPROPRIATE REACTIONS TO CONFLICT

In some situations, one type of reaction to conflict can be more appropriate than another. Team leaders who are responsible for resolving conflict need to understand these distinctions.

- **Competing** is appropriate when quick action is vital or when important but potentially unpopular actions must be taken.
- **Collaborating** is appropriate when it is important to work through feelings that are interfering with interpersonal relationships.
- **Avoiding** is appropriate when you perceive no chance of satisfying your concerns or when you want to cool down and have time to regain a positive perspective.
- **Accommodating** is appropriate when you are outmatched and losing anyway, or when harmony and stability are more important than the issue at hand.

## THE IMPORTANCE OF CONFLICT-MANAGEMENT

**Conflict-management** is a broad term that encompasses conflict resolution, conflict stimulation, and the appropriate use of each. Regardless of a team member's reaction to conflict, they all become stressed over it. In fact, conflict is a major cause of workplace stress, which is why it is important that team leaders be skilled at managing conflict. Workplace-related stress can have many adverse effects.

- **Employee Performance** ~ Employees who become overly stressed do not perform at peak levels in terms of either quality or productivity.
- **Customer service/satisfaction** ~ Employees who are overly stressed are unable to maintain the positive, helpful attitude needed to properly serve and satisfy customers.
- **Employee Safety** ~ Employees who are overly stressed are more accident prone and as a result can be dangerous to other employees.
- **Employee Health** ~ Overly stressed employees soon become sick employees. Stress can increase blood pressure and heart rate and produce gastrointestinal problems, such as ulcers.
- **Absenteeism and Tardiness** ~ Overly stressed employees tend to be tardy and absent more than they would be otherwise. Their absenteeism and tardiness can have a detrimental effect on the team's overall performance.

## COMMUNICATION IN CONFLICT RESOLUTION

Managing conflict in essence means resolving conflict when it has negative effects. In that sense, communication is critical. There are guidelines that can be used to improve communication in managing conflict.

- **Initial Attitude Determines Outcome** ~ If a person enters into a situation spoiling for a fight, she will probably get one. Communicating with and convincing either or both parties to view the conflict as an opportunity to cooperatively solve a problem can help predetermine a positive outcome.
- **Conflict Guidelines in Place** ~ It is not uncommon that conflict is exacerbated by disagreements over how it should be resolved. Before entering into a potential conflict situation, make sure all parties understand how decisions will be made, who has the right to give input, and what issues are relevant.
- **Not Assigning Blame** ~ People in conflict situations often blame each other. If human interaction is allowed to get hung up on assigning blame, it will never move forward. The approach that says, "We have a problem. How can we work together to solve it?" is more likely to result in a positive solution than arguing over who is to blame.
- **Same Solutions** ~ When a particular strategy for resolving conflict has been tried but has not been effective, it is not productive to continue using it. Some team leaders get stuck on a particular approach and stay with it even if it clearly doesn't work. Try something new rather than using "more of the same" solutions.
- **Keep Promises** ~ Trust is fundamental to all aspects of teamwork and is especially important when managing conflict. Conflict cannot be effectively managed by someone who is not trusted. Consequently, team leaders must keep their promises and, in doing so, build trust among employees.

## HANDLING AN ANGRY TEAM MEMBER

Problems are never solved when employees or their team leaders are in a state of anger. Therefore, it is critical that team leaders know how to deal with angry team members. Team leaders may feel compelled to take immediate disciplinary action against an angry employee. Although such action might be warranted, and although it may need to be taken at a later point, calming the angry employee should be the first priority. Team leaders must avoid the following behaviors when dealing with angry employees:

- Becoming angry and responding in kind
- Walking away or hanging up the telephone
- Pointing out that the employee is being rude

These behaviors will only make matters worse in the long run. It is better to deal with a negative situation immediately, before it escalates. The anger should be acknowledged, but not by pointing out how rude it is. The two most important things to remember when dealing with angry employees are to remain calm and focus on the problem, not the anger. The following strategies will help team leaders stay calm and focused when dealing with an angry employee:

- Control your breathing and look through the anger for the real message ~ By taking several deep breaths you can relax and settle your nerves. By suppressing your natural urge to fight back in defense, you can see through the diatribe to what is really bothering the employee.
- Be aware of your tone of voice and body language ~ Negative body language can make the situation worse. By sitting up straight, looking the employee in the eye, you show that you are really listening to them.

The following strategies can help you keep an angry employee calm, so that the problem at the heart of their anger can be dealt with:

- Do not interrupt or disagree with the angry employee
- Paraphrase what the employee says and repeat it back
- Acknowledge the anger and encourage the angry employee to work with you in solving the problem
- Arrive at a specific solution

Sometimes the best thing to do is simply to allow the employee to vent. Often, after letting an employee vent, team leaders find that no further action is necessary. All the employee needed was for someone to listen.

## OVERCOMING TEAM NEGATIVITY

**Negativity** is any behavior on the part of any member that works against the optimum performance of the team. The motivation behind negativity can be as different and varied as the employees who manifest it. Negative behavior can be categorized as:

- **Control disputes**
- **Dependence or independence issues**
- **Need for attention or responsibility**
- **Authority and loyalty issues**

## RECOGNIZING NEGATIVITY

Team leaders should be alert to signs of negativity in the workplace, because negativity is contagious. It can spread quickly throughout a team, dampening morale and inhibiting performance. There are indicators of the negativity syndrome that team leaders should be aware of:

- **“I Can’t” Attitudes** ~ Employees in a team committed to continuous improvement must have can-do attitudes. If “I can’t” is heard regularly, negativity has crept into the team.
- **“They” Mentality** ~ In high-performance teams, employees use “we” when talking about the team. If employees refer to their team as “they,” negativity has gained a foothold.

- **Critical Conversation** ~ In high-performance teams, coffee-break conversation is about positive, work-related topics or topics of personal interest. When conversation is typically critical, negative, and judgmental, negativity has set in. Positive, improvement-oriented employees complain to their team leaders about conditions that inhibit performance, but they don't criticize and whine during coffee breaks.
- **Blame Fixing** ~ In a high-performance team, employees fix problems, not blame. If blame fixing and finger pointing are common in a team, negativity is at work.

## OVERCOMING NEGATIVITY

When team leaders identify negativity in their teams, they should take appropriate steps to eliminate it. There are strategies that can be used to overcome negativity in teams:

- **Communicate** ~ Effective communication is the best defense against negativity. Team communication can be made effective by acknowledging innovation, suggestions and concerns; informing employees, encouraging open, frank discussion during meetings; celebrating milestones; giving employees ownership of their jobs; and promoting teamwork.
- **Establish clear expectations** ~ Employees should know what is expected of them and how and whom they are accountable for what is expected.
- **Provide for anxiety venting** ~ The workplace can be stressful. Deadlines, performance standards, budget pressures, and competition can all produce anxiety. Therefore, team leads need to give their direct reports opportunities to vent in a non-threatening, affirming environment where the employee will be heard.
- **Build trust** ~ Negativity cannot flourish in an atmosphere of trust. Team leaders can build trust by delivering what they promise, remaining open to suggestions, taking interest in the development and welfare of employees, being tactfully honest, by lending a hand, accepting blame, but sharing credit, maintaining a steady, pleasant temperament, and by making sure criticism is constructive and delivered in an affirming way.
- **Involve employees** ~ Finally, it's hard to criticize the way things are done when you participate in determining how they are done. Therefore, team leaders should involve their employees by asking their opinions, soliciting their feedback, and making them part of the solution.

## SUMMARY

In this lesson, you learned the common causes of conflict in teams include: limited resources, incompatible goals, role ambiguity, different values, different perceptions, and poor communication.

You also learned that conflict-management skills are important for team leaders because conflict can have a negative effect on employee performance, customer service, employee safety and health, employee attendance, and employee punctuality. Finally, you learned that some helpful behaviors for dealing with an angry team member are controlling your breathing (take deep breaths), looking through the anger for the real message, and being aware of your voice tone and body language.

## LESSON 5 ~ DECISION-MAKING & EMPOWERMENT

Decision making and problem solving are important responsibilities of team leaders, who make decisions and solve problems within the specified limits of their range of authority. These limits should be clearly understood so there is no question as to which decisions team leaders are allowed to make, which problems they have the authority to solve, and the extent to which team members should be involved in these processes. After completing this lesson, you should be able to:

- Outline the team decision-making process
- Describe the two categories of decision-making models for teams
- Explain the concept of empowering team members in decision making

## DECISION-MAKING & EMPOWERMENT

**Sam** (to himself): Jane always wants me to have her figures to her by close of business Tuesday. Doesn't she realize there are four other people on this team that I have to compile numbers for besides her? There's NO WAY I can have those figures to her that soon, with four other reports that need to be ahead of hers. Either I'm late meeting her deadline, or late meeting the deadlines of the rest of the team. I can't understand why she needs the reports so soon...her reports aren't even due until Friday morning.

## DECISION MAKING

People make decisions every day. Regardless of the nature of the decision, some form of decision making is required. **Decision making** is the process of choosing one alternative from among two or more alternatives. Ideally, the alternative chosen is the best or at least the optimum alternative available. There are two ways to evaluate decisions.

- **Result** ~ The first is to examine the results. The result of a decision should advance a team toward accomplishing its goals, and to the extent that it does, the decision is usually considered good.
- **Process** ~ The second is to evaluate the process used in making a decision, regardless of results. A positive result can cause one to overlook the fact that you used a faulty process. Therefore, it is important to examine the decision-making process as well as the decision's result — not just when the result is negative, but also when it is positive.

## PROBLEMS & DECISION MAKING

Everyone has problems – at home, at work, in relationships, and in every other facet of life. What constitutes a problem? Ask any number of people to describe their biggest problem and you will probably get as many responses, all of them pointing to a difference between what is desired and what actually exists. A **problem** is the condition in which there is a discrepancy or a potential discrepancy between what is desired and what actually exists. Obviously the greater the disparity, the bigger the problem – with one exception – a key factor in determining the magnitude of a problem is the ability of the person with the problem to solve it.

## CHARACTERISTICS OF PROBLEMS

Problems can be classified according to the degree of the following characteristics: **structure, organizational level, and urgency.**

## STRUCTURE OF A PROBLEM

The structure of a problem can vary from highly structured to no structure.

- A **highly structured problem** exists when the decision maker understands both the problem and how to solve it. This type of problem is so predictable the decision can be automatic.
- An **unstructured problem** exists when the decision maker is unsure about alternatives and solutions. This type of problem is not so predictable nor are responses to it automatic.

Highly structured and unstructured problems represent extremes. Problems with varying degrees of structure fall at different points along the continuum connecting these extremes.

## PROBLEMS BY ORGANIZATIONAL LEVEL

Problems also vary according to organizational level. Executive-level decision makers deal with strategic problems. Team leaders deal with operational-level problems — those that affect the day-to-day work of the organization. Team leaders are able to deal with problems within their span of authority without consulting higher management. Problems at the strategic level are outside the scope of their authority.

## URGENCY OR MINIMIZING CRISIS PROBLEMS

Problems can also be classified according to their degree of urgency. From this perspective, problems range from routine to those representing a crisis. One of the purposes of the management functions of planning and organization is to minimize the number of crisis problems that arise. Crisis problems require immediate attention, forcing decision makers to react. In decision making it is always better to act than to react. For this reason, team leaders should apply the three-step approach to minimizing crisis problems:

- **Plan**
- **Organize**
- **Learn**

Careful planning and thorough organization will minimize the number of crisis problems team leaders must deal with. The best planning and organization may not completely eliminate crisis problems, therefore team leaders should learn from every crisis. Careful after-the-fact analysis of a crisis yields two important benefits: improved planning and organization processes, and preparing team leaders to better handle a similar future crisis if one should occur.

## TEAM DECISION-MAKING PROCESS

Decision making involves a process. This is an important point to stress in a team setting. The **decision-making process** is a logically sequenced series of activities through which decisions are made. The decision-making model in this lesson approaches every decision as a problem to be solved and divides the decision-making process into three distinct steps.

- **Identify the problem** ~ When identifying a problem, don't wait for the problem to occur; look for it. Identify the root cause of the problem and don't just treat the symptoms. The better team leaders know their team members, systems, products, and processes, the better they will be able to anticipate problems before they start.
- **Consider the alternatives** ~ Considering alternatives is a two-step process. The first step is to list all the available alternatives to the current situation. The second is to evaluate each alternative. The number of alternatives are limited by several factors, including practical considerations, the team leader's range of authority, and the cause of the problem. Once the list has been developed, each entry on it is evaluated against the criterion of the desired outcome. Cost is another important criterion used in evaluating alternatives. In addition to objective criteria, team leaders need to apply their experience, judgment, and intuition when considering alternatives.
- **Choose the best alternative** ~ Once all the alternatives have been considered, one must be selected and implemented. Team leaders should then monitor progress of the implementation and adjust it appropriately. When adjustments are not effective, team leaders should cut their losses and move on to another alternative.

## TEAM DECISION-MAKING MODELS

Most of the many decision-making models available to team leaders fall into one of two categories: **objective** or **subjective**. In practice, a model may have characteristics of both.

- **Objective Approach** ~ The objective model proceeds in a step-by-step manner, assumes that team leaders have the time to pursue all the steps in the decision-making process, complete and accurate information is available, and that team leaders are free to select the best alternative. Because these conditions rarely exist, a completely objective approach to decision-making is infrequently used. Team leaders seldom, if ever, have the luxury of time and complete information. This does not mean they should rule out objectivity, but they should be as objective as the workplace permits.

- **Subjective Approach** ~ Whereas the objective approach to decision making is based on logic and complete, accurate information, the subjective approach is based on intuition, experience, and incomplete information. This approach assumes decision makers are under pressure, short on time, and operating with limited information. The goal of subjective decision making is to arrive at the best possible decision under the circumstances. With this approach, there is always the danger that team leaders will make quick decisions based on little information. The subjective approach does not give team leaders license to make careless decisions. If time is short, use the little time available to list and evaluate alternatives. If information is incomplete, use as much information as you have. Then call on your experience and intuition to fill in the rest of the picture.

## **EMPOWERING EMPLOYEES IN DECISION MAKING**

Decision making can be improved by involving the employees who will have to carry out the decision or who are affected by it. By **empowering the employees**, they are more likely to feel ownership in a decision they had a part in making, and more likely to support that decision. There are both advantages and disadvantages to involving and empowering employees in decision making.

- **Advantages of Empowerment** ~ Involving and empowering employees in decision making can result in an accurate picture of the problem and a comprehensive list of alternatives. It can help team leaders better evaluate alternatives and select the best one to implement. These employees are more likely to understand and accept the decision, and have a personal stake in ensuring the success of the selected alternative.
- **Disadvantages of Empowerment** ~ Involving and empowering employees in decision making can take time, and team leaders do not always have the requisite time. In addition, empowerment in decision making takes employees away from their jobs and can result in conflict among team members. Another significant disadvantage is that it can lead to democratic compromises that do not necessarily represent the best decision. Disharmony can result if the team leader rejects the advice of the group.

## **EFFECTIVENESS OF GROUP INVOLVEMENT**

Several techniques can help increase the effectiveness of group involvement. Prominent among these are **brainstorming**, the **nominal-group technique**, and **quality circles**.

- **Brainstorming**, the team leader serves as a catalyst in drawing out group members to share any idea that comes to mind. All ideas are considered valid and are recorded, preferably on a marker board, flip chart, etc. for continuous review. Once all ideas have been recorded, participants are asked to go through the list one item at a time and weigh the relative merits of each until choices are narrowed to a specified number.
- **Nominal-group technique** (NGT) is a sophisticated form of brainstorming that includes the following five steps:
  - » Stating the problem
  - » Team members silently record ideas
  - » Each member's ideas are reported publicly
  - » The ideas are clarified
  - » The ideas are silently voted on
- **Quality circle** is a group of employees convened to solve problems relating to their jobs. The underlying principle of the quality circle is that the people who do the work know the most about the work and should therefore be involved in solving work-related problems. A key difference between a brainstorming group and a quality circle is that members of the latter are volunteers who convene themselves without being directed to do so by the team leader.

## SUMMARY

In this lesson, you learned that the decision-making process for teams is a logically sequenced series of activities through which decisions are made. You also learned that there are two broad approaches to decision making: the objective approach and the subjective approach. Finally, you learned that empowerment is the collecting of input from employees before making decisions that affect them.

## LESSON 6 ~ RECOGNIZING & REWARDING TEAM PERFORMANCE

Many companies have attempted to establish teamwork as the normal working procedure, but the results have been mixed. Typically, the most challenging aspect of implementing teamwork is establishing an effective system of rewards and recognition. After completing this lesson, you should be able to:

- Examine the required elements of a comprehensive reward system
- Discuss the issues present when developing a comprehensive reward system
- Explain how to establish a comprehensive reward system

## THE EFFECTIVE TEAM LEADER

Jane: I just feel like Sam procrastinates when it comes to gathering figures for my reports. This same thing happened last month. I just don't understand why he can get everyone else's numbers on time, but he's always late with mine.

**Joyce: So you feel that Sam isn't giving you the same consideration he gives to other team members, because he waits until the last minute to provide you with the numbers you need? Right?**

Jane: Yes, that's exactly how I feel.

**Joyce: I can see that you are really upset about this.**

Jane: You know... I'm fearful that it makes me look bad to you and the rest of the team. I've been so stressed lately I've even been getting here late.

**Joyce: Now Jane, everything'll be fine. We'll work together to come up with a solution. Are you willing to discuss this matter further this afternoon?**

Jane: (nods)

**Joyce: How about you meet Sam and me here to come up with a solution?**

Jane: Sure.

**Joyce: I'll talk with Sam this afternoon and schedule a time for us all to meet.**

Jane: Thanks, Joyce!

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Sam: She's always setting these unrealistic deadlines and expects me to comply. She's not the only one on this team that I have to compile figures for...The reports aren't even due until Friday morning.

**Joyce: So you feel Jane's deadlines are too restrictive and she doesn't take into account the rest of your workload?**

Sam: Precisely, Joyce.

**Joyce: Okay, now that I've heard both sides, what do you say to meeting with Jane and me here to discuss some ways to resolve this dilemma?**

Sam: Sounds good.

**Joyce: Great. I'll send you both a meeting request.**

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**Joyce: Okay guys, after meeting with both of you earlier, and feel free to jump in at anytime, it appears that the problems are...procrastination...and unrealistic deadlines. Now, what are some ways we can solve these problems and better manage this process? Why don't you each think of a couple of things you could change to help out the other? How about two, and then we can discuss them.**

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**Joyce: Okay Jane, you go first.**

Jane: I could extend my deadline to Thursday since the reports aren't technically due until Friday.

**Joyce: Okay good...Sam.**

Sam: I could rearrange my workload so I could get started compiling Jane's numbers on Monday morning.

**Joyce: Good, good. What else?**

Jane: I could cut back on some of the information I request to streamline the process and save time.

**Jane: Thanks for pulling those figures on the East Coast market analysis. Joyce said that was our best report yet.**

Sam: Glad I could help.

**Joyce: Let's all give Jane and Sam a hand for the report they did on the East Coast market analysis. Thanks to their hard work the East Coast market is set to become our most profitable sector.**

## **EFFECTIVE COMPREHENSIVE REWARD SYSTEM**

A **comprehensive reward system** is one that includes both individual and team-based rewards. An effective comprehensive system strikes an appropriate balance between these two types of rewards. A comprehensive reward system has at least four elements.

- **Individual Compensation** ~ Individual compensation is the employee's base salary, which should be designed to motivate the team member to perform well for the company. It is important that individual compensation be merit-based. Employees should be compensated not just for coming to work, but also for bringing a specific set of skills to the job, applying those skills and continually improving their skills and overall value to the company. The employee's entry-level individual compensation is set at hiring and is based on the skills and experience she brings to the job. Increases to individual compensation should be based on day-to-day performance and continual improvement. Expectations for individual performance should be fully and accurately documented in the company's performance-appraisal process. The most important purpose of individual compensation is to align employee performance expectations effectively with company goals.
- **Individual Recognition** ~ Employees are maintained by their base financial compensation, but they are motivated by the recognition they receive. An increase in base wage or salary motivates an employee for a brief period of time. People often purchase big-ticket items they could not afford before the pay raise. As a result, once the bills are paid they have no more discretionary income than they had before, and sometimes less. For these reasons, it is important to include individual recognition in reward systems.
- **Team Compensation** ~ There are numerous ways to provide team compensation, but the approach that typically is most effective is the incentive method. The incentive method involves providing to team members financial compensation that is over and above their individual base compensation. This is known as a salary-plus or wage-plus system. A common practice in incentive-based team compensation is to pay a slightly less-than-normal portion of an employee's income through individual compensation and to make available team performance incentives that make it possible to earn more than the normal individual income if the team performs well. The common characteristics of all effective team-based incentive programs are: a portion of the employee's pay is put at risk, employees have an opportunity to earn more than they could prior to the incentives, and team performance is the deciding factor in determining whether the income of team members increases or decreases.
- **Team Recognition** ~ Team recognition is a concept that has been used effectively in team sports and the military for years. In every team sport, winning teams are recognized through trophies, plaques, parades, media stories, and other forms of public esteem. Being part of a winning team is tremendously motivating to athletes. Regardless of the specific team award — whether to sports or work teams — the key is to give the recognition publicly. The esteem of colleagues, peers, friends, and family is the real reward given when a team is recognized for outstanding performance. The respect earned by the team and its members in turn establishes a precedent to live up to in the future and for other teams to emulate.

## DEALING WITH TOUGH ISSUES

When beginning the development of a comprehensive reward system, companies quickly find that there are tough issues to be dealt with. These issues raise questions that must be answered prior to developing the system, or they will come back to haunt the company and may ultimately render the reward system ineffective. There are specific questions that should be answered at the beginning of the process of developing a comprehensive reward system.

- **Amount of Pay to Put at Risk ~ How much of an employee's pay should be put at risk?** There is no magic formula or standard rule to apply when putting an employee's pay at risk. A system that seems to work best is put 10 and 20 percent of an employee's income at risk. This is easier to do in a company that does not have an established no-risk, individual-based reward system than it is in a company making a transition from a traditional to a comprehensive system. It is best to phase in the transition to allow employees to get comfortable with the concept. Two or three phases of transition is a good policy when creating this system. The plan and timeline should be shared with the employees at the outset so there are no surprises. No workplace issue is more personal or important to employees than their earnings.
- **Amount of Opportunity Employees Gain ~ How much opportunity should employees have on the gain side of the equation?** There is no incentive in a comprehensive reward system if employees are able to earn back only that percentage of their income that has been put at risk. Consequently, it is important that the gain side of the reward equation be at least equal to the risk side.
- **Dividing Team Incentives ~ How should team incentives be divided among team members?** The team-incentive component of a comprehensive reward system should satisfy the following criteria: Acknowledge financially the relative importance of team members to the team's mission because not all jobs in a team are equally important. Reward excellent performance appropriately without inadvertently reinforcing mediocre or poor performance on the part of individual team members.
- **Support Personnel Participation ~ Should support personnel participate in team rewards?** Support personnel are the most difficult employees to bring under the umbrella of a comprehensive reward system. There are two factors that make it difficult to include support personnel in a reward system for teams: the impact of their work on the achievement of team goals can be difficult to measure, and they often serve on more than one team concurrently. Because of this, companies can adopt one of two possible alternative courses of action. The first is adopt a phased approach to implementing a comprehensive reward system. Companies that use this approach can learn from their mistakes early on in the process, and they can give their employees time to become accustomed to the new system. In the second approach, companies provide individual rather than team rewards. Team rewards work best when the results of a team's efforts can be tangibly and measurably tied to producing a product, delivering a service, or improving a process. When a team reward is impossible a better approach is to provide members of the support personnel with individual incentives based on their periodic performance evaluations.

## ESTABLISHING A COMPREHENSIVE REWARD SYSTEM

The American Management Association recommends a 13-step process for establishing an effective comprehensive reward system. These steps are divided into three broad categories of activities.

- **Feasibility of the Program**
- **Plan Design**
- **Implementation**

## FEASIBILITY OF THE PROGRAM

Feasibility of the program involves four steps:

- **Project Planning** ~ In project planning, companies establish a clear cut purpose and goals.
- **Environmental Assessment** ~ In environmental assessment, a company establishes cultural benchmarks concerning how employees think, feel, and work, and how they are paid. These benchmarks help decision makers identify starting points for change.
- **Readiness Diagnostic** ~ Readiness diagnostic is when companies collect data on how employees are likely to respond to a new comprehensive reward system.
- **Human Resources Strategy** ~ Finally, with human resources strategy, managers examine all human resource policies to determine the changes necessary to bring them into alignment with the new system and with the teamwork approach to doing business in general.

## PLAN DESIGN

There are six steps involved in plan design:

- **Design Concept** ~ In design concepts, a company develops a skeletal outline of the design for the comprehensive reward system.
- **Design Components** ~ In design components, a company develops the skeletal outline into a full-fledged plan.
- **Testing** ~ In testing, before a program is implemented, it goes through a pilot test and the reactions of the stakeholders are gauged.
- **Transition** ~ After testing, a transition is needed to phase in the new comprehensive reward system. This should be done over a period of time since people need time to adjust to changes — even changes they want, like, and approve of.
- **Union Participation** ~ Union participation is needed if a company has a unionized labor force. The union should be involved from the outset since they are stakeholders in the development and implementation of a comprehensive reward system. This will help prevent any resistance from the union.
- **Administration** ~ Finally, the administration of the new comprehensive reward system should be conveniently manageable.

## IMPLEMENTATION

Implementation involves three steps:

- **Education and Communication** ~ By educating and communicating, surprises will be held at bay. Communicate openly and frequently to all employees and stakeholders affected by the new system. Give them ample opportunities for input and feedback.
- **Organizational Integration** ~ In organizational integration, it is critical that the new program become fully integrated into the everyday processes of the company and that it become an accepted part of the company's culture.
- **Ongoing Monitoring** ~ Finally, with ongoing monitoring the new program should be monitored carefully once it has been put in place and is operating. Problems that were not identified in the pilot testing step will crop up. Consequently, the effectiveness of the program should be monitored carefully and adjustments should be made immediately when problems arise.

## SUMMARY

In this lesson, you learned that a comprehensive reward system for teams has at least four elements: individual compensation, individual recognition, team compensation, and team recognition. You also learned the four questions that need to be answered when planning the development of a comprehensive reward system. Finally, you learned that the American Management Association recommends 13 steps for establishing a comprehensive reward system for teams.