



Teamwork: Success through people

Introduction

This booklet is designed principally to help people in organisations consider and prepare for the introduction of teamworking. It examines:

- what is meant by the term 'teamworking'
- why organisations move to teamworking
- how to go about introducing teamworking
- how to choose and develop teams
- how to deal with problems associated with teamworking.

The booklet draws on the Acas [Advisory booklet - Effective organisations: the people factor](#) and Acas Occasional Paper 54 Teamwork: key issues and developments. It is also influenced by Acas experience in the collaborative project 'Methods and Tools for Reinforcing and Developing Teamwork in Manufacturing' (TIM). The project was established in September 1992, with assistance from the Manufacturing, Organisation, People and Systems (MOPS) Programme of the Department of Trade and Industry. It involved a consortium consisting of The Tavistock Institute, The Advisory, Conciliation and Arbitration Service (Acas), and six manufacturing companies. The full findings of the project are available in a book published by the Tavistock Institute.

What is teamwork?

Key Points: -

- In a general sense people talk of teamwork when they want to emphasise the virtues of co-operation and the need to make use of the various strengths of employees
- This booklet concentrates on teamworking which involves organising employees into teams based on a distinct product, part of a process, or service – often cutting across existing functional divides

Teams have been around for as long as anyone can remember and there can be few organisations that have not used the term in one sense or another. It is common to hear of management teams, production teams, service teams or even whole organisations being referred to as teams. Employers stress the importance of employees working as a team and advertise for staff with the ability to work in such a way. In a general sense people talk of teamwork when they want to emphasise the virtues

of co-operation and the need to make use of the various strengths of employees.

This booklet concentrates on a more specific use of the term teamworking involving a reorganisation of the way work is carried out. This includes organising employees into teams based on a distinct product, part of a process, or service - often cutting across existing functional divides. These teams are given a high degree of responsibility and expected to work with increased flexibility. Frequently the change to this type of teamworking is accompanied by wholesale changes to the management structure and the role of supervisors and managers.

Companies which have reorganised their workforce into teams in this way claim substantial improvements in morale, job satisfaction, productivity and quality. These claims have resulted in interest from other organisations keen to share in the possible benefits. At the same time there is confusion over what exactly is meant by teamworking and concern on the part of managers, employees and their representatives over the possible drawbacks of embarking on what may be a radical change in work organisation.

Most research into teamworking has been carried out in manufacturing and much of the advice in this booklet is placed in a manufacturing context. Teamworking, however, is capable of much wider application and the booklet will also be relevant to organisations in the service sector. Small firms, too, often naturally work in teams and will find the advice here can help to improve their effectiveness.

Why move to teamworking?

Key Points: -

Teamwork can increase competitiveness by:

- improving productivity
- improving quality and encouraging innovation
- taking advantage of the opportunities provided by technological advances
- improving employee motivation and commitment

To remain competitive organisations need to make optimum use of equipment and people if they are to thrive or even survive. Research carried out by Acas in conjunction with the Tavistock Institute suggests that teamwork is used by organisations for improvements in four key areas: productivity, quality, the use of new technology, and motivation.

Improving productivity

Teamworking can make more effective and efficient use of labour and can improve productivity by:

- maximising the different strengths and skills of team members so that a greater variety of tasks may be tackled
- delegating the order and allocation of tasks to the group, thus avoiding day-to-day problems such as bottlenecks
- devolving some managerial control to the work group or the team leader and so reduce the number of levels of management
- encouraging employees to undertake a wider range of tasks
- making team members more directly accountable to customers - whether external or internal.

Teamworking will also present difficulties as traditional promotion paths and demarcation lines are threatened. These difficulties are sometimes compounded when the pressure to drive down costs to maintain competitiveness leads to the need for reductions in the workforce at the same time as teamworking is introduced. If the full benefits of teamworking are to be gained, its introduction must be carefully handled and this is dealt with in a later section.

Improving quality and encouraging product innovation

The establishment of quality and customer satisfaction at the top of the agenda of most companies has been the driving force behind many teamworking initiatives. The involvement of employees and their representatives, which is an essential element of teamworking, can make a major contribution to improved quality. The temptation to regard quality as a management only issue still continues in many organisations - and means that many opportunities to improve quality are lost.

A survey (2) by the Institute of Personnel Management (IPM) found that about two-thirds of organisations in the United Kingdom well advanced in the introduction of Total Quality Management (TQM) programmes, had identified various kinds of teamwork as vital tools for its implementation.

Increased autonomy together with training in diagnostic and problem solving techniques, such as statistical process control, allows teams to take more responsibility for quality. This can lead to reductions in waste, a move towards continuous improvement and product or process innovations. Where teams develop their own recommendations for improvements or solutions to problems, they are much more likely to implement them successfully.

The increased knowledge of the process or service that goes hand in hand with successful teamworking will encourage teams to take a broader perspective. This can help teams to appreciate the wider implications of ideas they may have for changes or improvements.

Technological advances

Traditional mass production techniques required large numbers of identical products to be produced to achieve economies of scale. New technology enables production to be quickly tailored to customer requirements - often on an individual basis.

Mass production techniques, where jobs are broken down into simple tasks, are not suitable for the new customer focused manufacturing nor the expectations of an educated workforce. Organisations need workers to be more flexible, to co-operate with other workers, supervisors and managers throughout the organisation, to operate sophisticated technology and to be more adaptable. In addition, the sheer complexity of operations in industry, commerce and the services place them beyond the expertise and control of any one individual. In these circumstances some form of teamwork becomes not just desirable but essential.

Motivation

Production line work has traditionally been characterised for many by monotony and boredom. Jobs were broken down into small repetitive tasks which required little skill and provided minimal job satisfaction. Consequently motivation levels tended to be low and there was a need for close supervision. Many production lines still operate in this way.

Modern production and service industries require workers who, apart from being multi-skilled and well trained, are able to take many of their own decisions. To do this properly, it is better if workers are motivated by the desire to do a good job and be recognised for their contribution to a successful organisation. This has led to a new emphasis on redesigning jobs to provide greater job satisfaction and improved quality of working life.

The organisation of work into teams provides an opportunity to fulfil many of the principles of good job design identified by researchers (3). These include:

- Variety of tasks - requiring the use of several skills
- Autonomy - of the operator in deciding the order or pace of work
- Identity - the task forms a whole job or larger part of the whole job

- Responsibility - individuals accountable to each other for what is produced
- Feedback - constant information on how the operator is performing
- Social contact - constant opportunity for interaction with colleagues
- Balanced workload - team members can help each other to even out peaks and troughs in their work
- Minimal role ambiguity or conflict - the team has the opportunity to deal swiftly with any problem of 'who does what'. With the modern emphasis on quality, teams are required to ensure quality standards are given higher emphasis than simply reaching output quotas. It is important, however, that the team is not given an unrealistic idea of the extent of their authority (see under 'Team development')
- Achievement - with the finished product often in view and with their responsibilities for quality in mind, team members can be satisfied with a job well done
- Development - the general increase in the required level of skills, and particularly interpersonal skills, provides good opportunities for learning and development.

How do you go about introducing teamworking?

Key Points: -

Teamwork can increase competitiveness by:

- Study what is involved in teamworking by carrying out research and visiting organisations operating in teams
- Be sure senior managers know how teamworking will contribute to the business strategy and are fully committed to teamworking
- Adopt a participative style of management in partnership with employees and their representatives
- Improving employee motivation and commitment
- Respond to the fear among managers and the workforce caused by devolving decision-making and fewer levels of management
- Plan teamwork as a continuous process where plans are regularly adjusted as changes are evaluated

- Give high priority to good communications and consultation when introducing and maintaining teamwork
- Identify and meet training needs
- Concentrate appraisals on employee development
- Check whether the reward system is compatible with teamworking

Preparing for change

The first step is to make a study of what is involved and what the advantages and disadvantages might be. This might include reading some of the available literature on the subject. The next step is to attend some of the conferences on teamworking where you can hear first hand about the experience of other organisations and make contacts with other companies.

A further step is to look at how teamwork operates in practice. Arrange to visit any other companies in your area who may have introduced forms of teamworking and are willing to share their experiences. Many organisations will be able to arrange visits through existing contacts or network groups.

Senior management commitment

The introduction of teams is a major change that will affect the whole organisation. Before embarking on such a change, senior managers must be satisfied that they know how it will contribute to their overall strategy. Most commonly, as discussed earlier, organisations introduce teamworking as part of a strategy to give them competitive advantage through reducing costs, improving quality or encouraging product or process innovation often linked to the introduction of new technology.

Senior managers will need to demonstrate a firm commitment to teamworking throughout its introduction. This commitment is especially important if problems arise and middle managers and or employees start to question the change and lose motivation. Until a strong commitment by senior management exists, a move to teamworking should not commence. To start a teamworking initiative and then abandon it or allow it to run out of steam is likely to be seriously damaging.

Changing the culture

An organisation considering the introduction of teamworking must acknowledge that it will involve a long-term transformation. This will comprise not only concrete changes such as selecting teams or altering the layout of the work area but also changing less tangible factors like the attitudes of supervisors, managers and employees - or the 'culture' of the organisation.

Teamwork requires a participative style of management where employees have a significant degree of control over their own work. The more authoritarian the existing style the longer the change of culture will take. Employees and managers will be suspicious of and unprepared for an overnight change from authoritarianism to full participation.

For the change to teamworking to be effective the practices and beliefs of management must actively support the new environment. The manager's role should move from controller to initiator, counsellor and facilitator. Particular managerial tasks should aim to provide the right support and environment for effective teamworking and co-operation. These tasks include:

- providing a vision and communicating it
- encouraging the free flow of ideas and initiative
- training and developing employees to take increased responsibility
- overseeing teams and ensuring they meet objectives.

The need to initiate and manage change will place increasing emphasis on leadership skills and a style of management where authority comes from competence rather than status. Most managers are capable of adapting to the new style with training, encouragement and guidance.

A clear signal of the desire to change from an authoritarian to a participative culture can be made through harmonising terms and conditions of work. Harmonisation of differences in matters such as pay and grading systems, payment periods and sick leave can be important. Visible signals such as common canteen facilities and parking areas can help break down traditional barriers between blue and white collar workers and between various levels of the management hierarchy.

Changing the management structure

For many companies the changed role of managers and the devolution of decision making leads to a need for fewer levels of management and often for fewer supervisors and managers. This process can lead to fear and obstructive behaviour at all levels. Managers may be frightened of relinquishing power for fear of losing their jobs while employees may be fearful of the prospect of taking on more responsibility.

If fewer supervisors and managers are required, then this problem must be tackled. A voluntary approach can encourage co-operation and provide an escape route for those who are uncomfortable with the changes. The options to consider include:

- offering a new role to those managers displaced - for example, using them as trainers or to lead special projects

- setting out clearly the new vision and culture and offering voluntary alternatives for those who do not feel that they will fit in.

A clear strategy will be needed which deals with the issue honestly and openly. Where redundancies are being considered organisations should ensure appropriate consultation and selection. For information on handling redundancies, see Acas [Advisory booklet - Redundancy handling](#).

Even when a new management structure has been established, difficulties may still arise. A particular problem can arise where middle managers delegate power to the shop floor but senior managers are reluctant to relinquish any of their power to middle managers. This can leave middle managers without a clear role and they may become a negative influence on the progress of teamworking. Middle management must be involved in the change process and convinced of its role in making it work.

Planning for change

The pace of change must be considered. Whether an organisation goes for a dramatic overnight organisational change or a gradual introduction of teamworking will depend on factors such as the existing culture and the business circumstances. Many organisations like to begin a change to teamworking on a small scale - for example, starting with a pilot exercise. This can help demonstrate the benefits of teamworking and, depending how it is handled, provide a pool of 'champions' to spread the word or a 'favoured few' who may be resented by the rest of the workforce. It can also flag up potential mistakes which can be corrected as the project is expanded. In other circumstances rapid change may be considered imperative if the organisation is to survive.

The development of teamworking cannot be viewed as a finite project with a beginning and an end. It is important to have an overall vision but in working towards the vision it will be necessary to adopt a number of interrelated initiatives. Frequently teamworking itself will be one of a range of strategic initiatives. It is better to see all change initiatives as part of a continuous process where progress and interrelationships are constantly planned, monitored and replanned. A useful concept in this respect is the cycle used by Shewhart and Deming where an initiative is planned and then carried out, preferably on a small scale. The results are studied and acted upon by adopting or abandoning the initiative or running again through the cycle incorporating the lessons learned or under deliberately changed conditions. The diagram above illustrates the process.

Study of the results of initiatives needs to take account of their effect on other parts of the organisation or on other initiatives. To give a simple example, a drive for increased business by the sales team may result in an increase in orders. Nevertheless, this may still be bad for the company

if it is not accompanied by an increase in production to satisfy the demand.

When dealing with major change it is not possible to devote equal energy and resource to everything at once. Companies involved in the Tavistock/Acas research found they had to continually reassess priorities as the effects of various changes were studied.

Managers may use a mixture of formal and informal methods to decide objectives and priorities, ranging from meetings and working parties to chats and intuition. Those who have a stake in the proposed changes may try to influence events so that their initiatives gain approval and resources. There is an obvious danger that groups can influence events out of self-interest rather than to serve the wider interests of the organisation.

An open participative organisation where issues are fully discussed can help to ensure that all points of view are heard before decisions are taken. A steering group to oversee the process and help to order priorities is used by many organisations. Organisations may go further than this and attempt to formulate a more structured way of planning change. The Tavistock Institute has developed a methodology for planning and sequencing comprehensive change which among other things claims to help organisations to manage the inevitable 'tensions and competing pressures and conflicts of interest'⁵).

Securing good employee relations

Communications and consultation

Good communications and consultation play a crucial part in the introduction and maintenance of teamworking. Existing communications and consultation policies and procedures should be examined and changed where necessary so that they support the introduction and maintenance of teamwork (6). Communications responsibilities should also be looked at, particularly where an organisation is moving to a management structure with fewer levels.

Where teamworking is a new initiative, the first stage will be to communicate and consult about its introduction and how it fits into the overall business strategy. Senior managers ought to play a prominent part at this stage explaining the reasons for the change at large-scale meetings or in smaller section meetings.

Communications and consultation should not be a once and for all operation when teamwork is being introduced. Rather it must be a continuous process aimed at establishing, maintaining and developing teams. It is particularly important to establish a reliable process for two-way communications between management and teams. A broad

understanding of the business aims and the contribution of individual teams is essential if the optimum benefits of teamworking are to be realised. Arrangements for communications within teams will also have to be made to facilitate such things as allocating tasks, deciding priorities and maintaining good relations among team members. Team leaders will have a particular responsibility for communications and will need training to ensure the effective flow of information to and from managers and other teams and within the team itself. A variety of methods of communications may be used including:

- meetings, large and small
- team briefings
- consultative committees
- joint working parties
- computer networks- particularly intranet systems
- newsletters
- company journals
- letters to employees
- notice boards
- surveys to monitor effectiveness of communications.

Surveys of employees' opinions before and during the introduction of teamworking can help organisations to gauge the impact of the changes and give individuals the chance to express their views. They can also provide a useful back up to other ways of giving employees information.

Further advice on communications and consultation may be found in Acas [Advisory booklet - Employee communications and consultation](#).

Involving trade unions

Many of the advantages of teamworking may also be seen by employees and their trade unions as potential threats. Quite frequently teamworking is introduced as part of a package of measures aimed at improving the competitiveness of the organisation. These may include increasing productivity, multi-skilling, reducing the number of staff and revising pay and grading systems as well as changing work organisation. Skilled workers often feel particularly vulnerable where traditional demarcations are threatened. Where a trade union is fully recognised, all these issues are matters for collective bargaining.

There are obvious concerns for the traditional role of the shop steward and these are discussed in depth in Acas Occasional Paper 54 Teamwork: key issues and developments. Some companies successfully combine the roles of shop steward and team leader, as both roles require energy and a desire to take on leadership. Most organisations, however, prefer to separate the two roles and most trade unions insist that shop stewards shadow the activities of company appointed team leaders in order to safeguard the interests of their members. Care should be taken that a

move to teamworking does not disrupt the normal representative machinery of the trade unions and that new arrangements are introduced to allow an effective representative system to continue.

The way management/union bargaining is conducted may be challenged by the introduction of teamworking. This will be true particularly where collective bargaining is based on the perceived power of the parties rather than on their interests. Power based bargaining inevitably creates winners and losers or produces compromises that may not provide the best solutions for the organisation. Successful teamworking relies on changes being in the interests of the whole enterprise.

In some organisations teamworking has been imposed as part of a survival package despite opposition from the unions. This is a risky strategy, posing a threat to the long-term success of teamworking which depends to a large extent on trust and co-operation. Managers must acknowledge the genuine anxieties of the workforce, often articulated by the trade unions. A commitment to a participative approach where unions and management recognise each other as partners offers the best chance of success.

Experience in manufacturing companies has revealed many examples of progress stalling because unions were not involved early enough. In some cases, work on the introduction of teamwork had to be redone before further progress could be made.

For organisations associated with the Teamworking in Manufacturing (TIM) project, one approach was to negotiate an enabling agreement with trade unions. This was a commitment by the union to the introduction of new working practices and associated organisational changes, often in exchange for commitments from the employer to training, development and job security.

Many systems and practices will need to be examined to ensure they support the move to teamworking and this is often best done jointly by management and employee representatives. Traditional methods of dealing with discipline, grievance and absence control, for example, may no longer be appropriate. Where alterations are needed to contracts of employment these should be agreed with individuals or through collective agreements between employers and employees representatives.

Training and developing employees

Moving to multi-skilled teams will alter the range and style of working. Employees who previously operated, say, a single machine may be expected to perform a range of tasks including some previously associated with clerical workers or supervisors. The first stage is to make an

assessment of training needs. Typically training needs identified will include:

- additional skills training to enable team members to be able to operate with the required flexibility. In manufacturing this may include being able to operate a range of machines but may also incorporate skills such as the operation of computers and record keeping
- interpersonal and team building skills to help team members communicate with each other, deal constructively with conflict and criticism and recognise the value and achievements of others
- problem solving skills and techniques such as the use of control charts, brainstorming and 'fish bone' diagrams
- leadership training for one or more team members.

Where appropriate, the trade unions should be involved at all stages in the design and development of the training strategy.

Technical skills will make up an important part of any training programme, particularly where an organisation is moving to multi-skilling. Experience has shown that interpersonal skills training is just as important, in order to help employees and managers move into new groupings and changed relationships.

As with any form of training there is a need for managers to discuss the purpose and results of training with trainees and for the skills and knowledge learned to be reinforced through practice and coaching.

A choice has to be made about who will carry out the training - internal or external trainers. Many companies like to develop their own capacity for training and quite frequently devolve training to operator level. Another option especially for technical training is to use supervisors who may have gained their position on the basis of technical knowledge but would not be suitable for a new role as team leader. Their technical expertise can make them effective and credible trainers.

The ability to carry out interpersonal skills training - such as conducting meetings, dealing with group friction and team building - may be more rarely found within the organisation. For this type of training some outside expertise, at least initially, may be essential.

It is important that training is not seen as a one-off exercise. People need training to prepare them for teamworking followed by further training as

teams develop. Arrangements should be made to gather feedback on the effectiveness of training. In particular, team members should be encouraged to discuss how the reality of teamworking compares with their expectations before it was introduced.

Appraising employees

There are usually two elements to employee appraisal:

- an appraisal of performance, linked to work objectives upon which pay is often based
- an assessment of development covering personal skills, knowledge and experience linked to future potential.

Companies that are introducing or reinforcing teamworking generally emphasise the developmental advantages of appraisals rather than mere assessment or performance rating of individuals. For this reason appraisal reviews may be better termed employee development reviews. The complex relationships of teamworking may mean that employee development needs should be based on more than a single assessment of an individual by his or her line manager. Thus companies are showing interest in self-assessment, peer assessment, upward assessment (assessment of a manager by his or her subordinates) or a combination of all these, known as 360° feedback.

Employee development reviews regularly record an assessment of an employee's performance, potential and development needs. This process can be particularly important in developing teams with the right mix of skills and knowledge. The review is an opportunity to take an overall view of work content, loads and volume, to look back on what has been achieved during the reporting period and agree objectives and development needs for the next. Reviews are also sometimes used as a basis for performance related pay (also known as merit pay). Possible problems with linking reviews and pay are discussed below under 'merit pay'.

Paying and rewarding employees

It is important when introducing teamwork to make any necessary changes to the reward system so that it supports the new ethos. The philosophy of teamwork with its emphasis on involvement, co-operation and quality may be at odds with existing systems of payment. This is especially true if systems have been designed largely to motivate individuals to produce quantity. Remember that pay and rewards are only a part and not necessarily the only means of motivating employees. More importance should often be given to developing and involving employees so that they are committed to the success of the organisation. Some of the advantages and disadvantages of various ways of rewarding employees are discussed below. Further information can be found in the

Acas [Advisory booklet - Pay systems](#) .

An Acas Occasional Paper suggests that 'All approaches to motivating and rewarding employees have their advantages and disadvantages'. What is needed, when designing a new reward system, is a careful analysis of the make-up, needs and wishes of employees and their representatives and the needs of the organisation. This should include identifying and rewarding attitudes and behaviours conducive to teamworking such as:

- learning new skills to increase flexibility within the team
- personal development
- taking on increased responsibility for planning and carrying out tasks
- co-operation
- innovation
- problem solving.

Paying for skills

Paying for skills is popular in organisations that favour teamworking. It aims to bring greater flexibility by encouraging employees to take on a wider range of skills. Under these conditions, employees can take a broader perspective of the organisation's role and are better equipped to contribute to the problem-solving and decision-making processes. All of these advantages are favourable for successful teamworking but as with any method of payment there are attendant disadvantages. These include:

- the high demand for training and the considerable resources required to satisfy the demand
- the danger that more people may demand training in skills than is necessary to perform the required tasks.

Group incentives

Paying bonuses to teams or larger groupings of workers is often seen as a way to avoid the potentially divisive nature of individual incentives, which are discussed below. Traditionally this has been done by linking bonuses to productivity improvement or more complex added value schemes. More recently there has been interest in new forms of added value or 'gainsharing' schemes where pay is increased as sales improve in relation to wages and salaries.

There is also interest, especially in the United States, in focusing gainshare on a range of improvements according to the specific needs of the business. These may include aspects such as quality, productivity, safety and waste. The money saved – for example, from: improvements in quality and productivity; fewer accidents; and reduced waste - is shared. The aim of gainsharing is to involve employees and increase

awareness of the cost implications of their efforts by rewarding improvement and can be adapted for use in both manufacturing and service industries.

Group incentive schemes can help co-operation within teams although care needs to be taken that harmful inter-team rivalry is not created. One drawback of schemes which provide group bonuses is that their direct incentive value tends to be weak. Another disadvantage of some schemes is that windfall payments can arise that bear little relation to any additional effort by the workers.

Share incentive schemes

Share incentive schemes involve the provision of shares to employees - either by giving them direct or allowing them to be bought. They are felt to be appropriate by many companies which operate teamworking, as they provide a way of sharing company success with employees. However, it is not always helpful to a company's finances to have a constant turnover of shareholders.

Individual incentives

Companies moving to teamworking should ask themselves whether individual incentive payments encourage team members to work with the intelligence, flexibility, co-operation and emphasis on the product or service quality required. The use of individual incentive payments based on improvements in output continue to be popular. Those who advocate this approach point out that, in many cases, the offer of more money to individuals in return for producing more, usually results in more being produced. In many contexts, however, a straightforward increase in output is not necessarily to the benefit of the company, particularly those striving for improved quality. Many organisations can point to instances where large stocks of unsaleable goods have been produced because supply is out of line with sales. In other instances workers on bonus may add to a stockpile of goods which cannot be further processed because of a bottleneck at a later stage of production. As organisations introduce teamwork, which relies on co-operation and interdependency, they usually find individual incentives inappropriate or impossible to calculate.

Merit pay

Organisations introducing teamworking should consider carefully whether the negative aspects of merit pay outweigh any motivational benefits for individuals. Individual merit pay, tied to some form of performance review, is used by many organisations. It is often introduced as a way of retaining high performance staff and to tie rewards directly to effort.

In a teamworking context, merit pay may lead to harmful competition. It is tempting for some individuals not to share knowledge in an attempt to show themselves in a better light. Some firms try to get round this by

including an assessment of the contribution that individuals make to the team in the overall review of performance.

Merit pay can also de-motivate satisfactory performers who see colleagues gaining higher rewards. This problem can be especially acute where the methods of assessment, or those carrying out the assessment, are seen as unfair. It is important therefore, when designing a merit pay scheme to make it as fair and objective as possible. Further information about merit pay can be found in the Acas Advisory Booklet: Appraisal Related Pay. Whatever adjustments are made to a merit pay system it is doubtful whether it can ever help to reinforce the co-operative behaviours required for successful teamworking.

Evaluating jobs

Companies frequently like to base payment systems on a structured grading scheme determined by job evaluation. Many of these schemes, however, do not cope with the requirement of employees in teams to acquire new skills and work flexibly. The need for constant revisions to job descriptions and re-evaluation of jobs can become a costly impediment to change.

Organisations have developed various ways of overcoming this problem - for instance by:

- paying employees for their skills and knowledge rather than the requirements of the job
- developing a few broadly defined grades within which defined skill levels provide a basis for salary increases
- evaluating jobs on a group basis where the team is responsible for a set of tasks and team members receive the same base pay.

For further information on Job Evaluation see Acas [Advisory booklet - Job evaluation: an introduction](#).

How are teams chosen and developed?

Key Points: -

Decide on the types of team:

- operational teams
- service teams
- cross-functional teams
- Extend teamworking throughout the organisation in order to realise its full potential

- Keep teams small and give them ownership of a distinct product, part of a process, or service
- Select members so that the team is capable of carrying out the full range of tasks
- Develop strategies for dealing with staff reductions (often made at the same time as teamwork is introduced although not necessarily as a direct result)
- Decide whether the team leader will operate from inside or outside the team or if the team will operate without a designated leader
- Develop the independence of teams to improve performance

As already indicated, the term 'team' is used loosely to describe many different groupings and a variety of labels are given to the types of teams. Even if the term is confined to the specific form of work organisation described in this booklet, it is doubtful whether any definitions of types of teams would be universally acceptable. The Tavistock Institute, however, provides a useful starting point for organisations by suggesting there are three types of team: operational, service, and cross-functional.

Operational teams

Operational teams may be defined as permanent groups of workers with a range of skills organised to produce a product either for internal or external customers. In some instances the team has complete responsibility for converting raw material into a finished product. Alternatively a team's 'product' may involve completion of a segment of the production process. Many different names are given to operational teams, including primary teams, shop-floor teams, autonomous work groups, cells or cellular teams and self-managed teams.

Service teams

In manufacturing organisations service teams commonly comprise maintenance, administrative and clerical staff and provide support to production areas. In commercial and service organisations teams are likely to be based on the need to service a particular client or group of clients or to provide a particular product or service to a wide range of clients.

Cross-functional teams

Cross-functional teams are made up of representatives from various functions and disciplines. They tend to be set up to look at particular problems or issues either on a part-time basis or full-time for a fixed duration. Issues commonly dealt with by cross-functional teams are quality improvement and product development. They are made up of representatives from various functions and disciplines. Frequently

members of cross-functional teams will also be members of other teams.

Extended teamwork

To realise its full potential, teamwork should not end on the shop floor. It makes little sense for the operational parts of an enterprise to work in accordance with a teamworking philosophy while the rest of the organisation functions along traditional lines. If this is allowed to happen, there will be a clash of cultures in relations between different departments. Once teamworking has begun, therefore, it becomes almost inevitable that it should be extended throughout the organisation. Teams will be required within and across formerly distinct functions such as sales, marketing, purchasing, personnel and finance. Organisations which have developed teamworking for some years are even extending the concept beyond their own organisation into relationships with customers and suppliers. Most important of all is that the term 'management team' should describe a real team rather than a collection of individuals.

Team boundaries

If the potential benefits of teamworking are to be realised, special attention must be paid to the groupings of workers who make up the teams. It is important that each team produces a distinct 'product' or service or part of a process for which they have ownership. This will often mean rethinking the relationships between people, machinery and the tasks to be carried out.

There can be no strict rule about the size of team which will often be determined by the nature of the operation and the layout of the workplace. Many of the most successful teams, however, have between 6 and 15 members. In teams with fewer than 6 it may be difficult to ensure members have the right range of skills. Teams with more than 15 members have a tendency to split into sub-groups.

Selection of teams

Teams must be capable of carrying out all the tasks involved in completing the work required. In addition, skills will be necessary to enable the team to interact effectively and at least one member of the team will need leadership skills and be able to run meetings and group activities.

Except when a new site is being opened, organisations seldom have the luxury of being able to select team members from scratch. Where teams are being created from existing workers, the emphasis will generally have to be on training and development of existing staff. Many companies take the view that the majority of employees can acquire the necessary skills and abilities with appropriate training.

Teamwork is often introduced at the same time as costs are being reduced and the workforce is being cut. Willingness and suitability for teamwork are sometimes included in criteria for selecting the employees who will be retained. However, organisations should always ensure fair selection for redundancy following appropriate consultation. For further information on handling redundancies see Acas [Advisory booklet - Redundancy handling](#).

Some organisations are developing longer-term strategies to help both them and employees deal with periodic reductions in the workforce. These may consist of better redundancy policies and the provision of help to redundant employees, including assistance in finding work, outplacements and counselling. A number of organisations are taking this further and encouraging all their employees to improve their job mobility by acquiring a portfolio of qualifications.

External recruitment may be needed for new sites or where replacements are needed for staff who leave existing teams. Care should be given to the design of selection criteria and procedures. The aim should be to target staff with the qualities or potential to carry out the necessary tasks who are also able to fit in with the teamworking culture following induction and training.

A number of organisations use personality testing to assist the selection of team members. The use of these tests is based on the rationale that a mix of personality types creates a stronger team in which the whole is greater than the sum of the parts. For example, a team comprised of too many individuals with a desire to take the lead is unlikely to perform as well as a more balanced team. Care should be taken that existing agreements with trade unions on selection are not infringed. Tests can also be used with existing teams to highlight deficiencies which might then be covered by training or personal development activities. Professional guidance should be sought if personality testing is to be considered. The Institute of Personnel and Development has published guidance on various forms of testing. Personality is of course only one aspect of suitability for a job and should not be used as the sole or principal criterion for selection.

Team leadership

The influence and usefulness of team leaders comes, not from the delivery of traditional supervisory and control methods, but from their ability to lead from the front and in training, coaching and counselling their team members to high standards of performance - usually built on their ability to carry out most of the tasks themselves. They also need to be able to co-ordinate and evaluate ideas for operational improvement coming from the shop floor. Above all, the team leaders need to be capable of facilitating the process of change. Team leaders are generally selected by management although the views of the team or group can usually be accommodated. In some organisations team leaders are elected by team

members or have their appointment endorsed by an election.

The first step when choosing team leaders is to decide the type of leadership to be adopted. There are three basic ways of dealing with team leadership:

- team leader is a supervisor outside the team
- team leader is a working team member with the main responsibility for direct liaison with management
- team operates without a designated leader inside or outside the team. Leadership and liaison with management are dealt with by various members of the team according to the task.

The type of team leadership adopted will, to some extent, determine selection criteria and training needs. Those organisations who choose to have a team leader operating from outside the team may select from existing supervisors or operatives and train them to fulfil the new role. Team leaders working within the team are more likely to be recruited from operatives and will need full leadership training. Where teams have no designated leader, there will be a particular need for ongoing training for team members to help them manage group dynamics - including conflict - and decision making.

Conclusion

The introduction of team working is a major step for an organisation to take. It is important that management, trade unions and employees ensure they know how teamworking will contribute to their business strategy and that it is likely to involve a long-term transformation. Even when they are in place, teams will need constant monitoring and development if they are not to stagnate.

The early challenge and excitement of establishing teams may fade and it is easy for organisations to accept a level of performance which is short of the optimum.

Teamworking is not a finite project but a process of continuous improvement and innovation. In order to achieve high performance, teams require regular changes and challenges. These may include: changes to team personnel; new tasks; re-examining the contribution the team makes to the overall business aims; and ensuring that the team has regular dealings with other teams.

The concept of autonomous teams may be misleading as teams will always be answerable to management and rely on the provision of

resources and other support. Nevertheless one of the best ways to ensure that teams continue to develop is to move towards self-regulation - an important way of monitoring the progress of teams is to assess the level of dependence on management. It is for management to encourage progress by helping the teams develop greater independence.

Reorganising the workforce into teams is not easy but when successfully developed, teamworking has been shown to be a way of improving competitiveness and at the same time enhancing the quality of working life for employees.

Appendix: Dealing with problems

Problem:

Resistance and apprehension from workforce

Possible solutions:

- open communications and consultation
- clear vision and explanation of business strategy
- genuine and visible commitment from senior managers
- visit other companies with successful teamworking

Problem:

Resistance and apprehension from managers

Possible solutions:

- open communication and consultation
- clearly define management roles at all levels
- make sure vision and business strategy is clearly understood
- provide adequate training in new roles
- be honest about any and take action promptly (see also 'dealing with staff no longer required' below)
- visit other companies with successful teamworking

Problem:

Resistance and apprehension from recognised trade unions

Possible solutions:

- involve unions at the earliest opportunity
- provide full information and consult with unions including clear explanation of vision and business strategy

- try to move relationships with unions to a partnership based on interests
- visit other unionised companies with successful teamworking

Problem:

Dealing with employees no longer required

Possible solutions:

- retrain
- develop long-term strategy to improve employees' job mobility
- use for other roles - eg: training, special projects
- early retirement/severance packages with consultation on possible redundancies
- where redundancies are unavoidable, ensure selection is fair

Problem:

Inter-team rivalry

Possible solutions:

- examine pay and rewards systems to ensure that they are not encouraging unhealthy competition between teams
- make use of cross-functional teams to solve problems and generate ideas and help employees gain a broader view of the organisation

Problem:

Poorly performing teams

Possible solutions:

- constant communication of progress and achievements
- encourage and act on new ideas
- continue to develop self-regulation of teams
- make sure that mistakes are not dealt with negatively - encourage risk taking
- team building exercises
- further training
- change team members: benchmark against successful teams
- visit other organisations to find ideas for new initiatives

Problem:

Employees and managers confused by the volume and breadth of change

Possible solutions:

- explain how all change initiatives contribute to vision and overall business strategy
- set up steering group to oversee progress and interrelated effects of change
- plan and sequence change but be flexible

Notes

1. Neumann J E, Holti R, Standing H, Change everything at once! The Tavistock Institute's guide to developing Teamwork in Manufacturing, ISBN 1 85251 128 1 Management Books 2000, 1995.

2. Quality – People Management Matters, Chartered Institute of Personnel Management (IPM) 1993. (The IPM is now incorporated in the Institute of Personnel and Development.)

3. Hackman J R, Oldham G R Work Redesign, Addison-Wesley Publishing Company, Reading, Massachusetts, 1980.

4. Neumann J E, Holti R, Standing H Change everything at once! The Tavistock Institute's guide to developing Teamwork in Manufacturing, ISBN 1 85251 128 1 Management Books 2000, 1995.

5. The Government plans to introduce regulations to implement a European Directive on informing and consulting employees. The new regulations will give rights to employees to be informed about the businesses economic situation, and informed and consulted about employment prospects and substantial changes to work organisation or contractual relations. Implementation will be in stages - to businesses with 150 or more employees (March 2005), businesses with 100 or more employees (2007) and businesses with 50 or more employees (2008). Businesses with fewer than 50 employees are excluded. The Government is consulting on the regulations before they are introduced.

6. For further information see Acas [A-Z of work](#).

7. See Acas [Advisory booklet - Employee appraisal](#).

8. Ridley, T M Motivating and rewarding employees: some aspects of theory and practice Acas Occasional Paper 51.
9. Institute of Personnel and Development IPD code on Occupational Testing.
10. See Woodcock M Team Development Manual, Farnborough, Gower, 1979.
11. For information on handling redundancies, see Acas [Advisory booklet - Redundancy handling](#).

Suggested further reading

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London, CIPD, 2000

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