

## 8.13: Types of Teams

### Learning Objectives

- Describe the advantages of teams.
- Describe the disadvantages of teams.
- Differentiate between task forces and cross-functional teams.
- Differentiate between virtual teams and self-managing teams.

Business organizations have both groups and teams. A group is formed around a common interest or purpose with the goal of sharing information, but there is no collective accountability. Work groups may consist of social clubs or volunteer efforts. A team's focus is collective performance, with both individual and mutual accountability. For example, all of the people who work in accounting constitute a group, but people from each functional department who meet regularly to standardize financial procedures are a team. Before we look more closely at what constitutes an effective (high-performing) team, we will review the advantages and disadvantages of using teams in the workplace.

### Advantages of Teams in the Workplace

Teams bring together people with diverse skills and make something that nobody could do alone. A well-planned team improves **motivation**. Communication is higher on teams, and the diverse skill set means teams can discover new approaches. Because teams have specific shared goals, team members usually enjoy greater autonomy, variety, task identity, task significance, and feedback. Teams often enjoy the social support for difficult tasks, improving morale and motivation.

Another benefit of teams is to improve product and service quality. Each Whole Foods grocery store operates with an average of ten “self-managed” teams, including produce, prepared foods, groceries, etc. Each store also has a team made up of just the team leaders from each team to facilitate communication and sharing. Each team takes responsibility for the quality of the products and service in its area.

**Efficiency in product development** is another advantage to building teams within the traditional hierarchy. Teams can analyze and identify dependent tasks in a nonlinear process, sometimes realizing startling improvements.

Employees also benefit from participating on teams. They develop relationships to people from other areas of the business and learn more about what is happening across functional department lines (**cross training**). A 2009 study by CG and WHU-Otto Beisheim School of Management of eighty global software development teams showed that members of effective teams are more motivated and report greater job satisfaction, which leads to fewer employees quitting.

### Practice Question

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### Disadvantages of Teams

Not all teams are wildly successful. When companies do not make adequate efforts to create, build, and support strong teams, employees may initially become discouraged and leave the firm. You read in the first section about some of the behavioral problems related to teams, including **social loafing**. Another phenomenon that can happen in groups is **groupthink**. We'll discuss this in more detail in the next section, but it involves the reluctance to speak out against the majority opinion in fear of upsetting other members and disrupting social cohesion. When a few people begin to speak for the whole team, individual members may not feel as responsible for the team's success.

Teams are also ineffective when they lack leadership, when the decision making is not democratic, and when the team lacks expertise and necessary skills. Eventually, team members don't feel accountable, and the team fails. Finally, some teams fail because the members are not adequately prepared or supported. Teams can't perform well if they have no clear purpose, are not given autonomy, and don't have the resources required.

Some individuals are not compatible with teamwork. Workers must be selected to fit the team as well as requisite job skills. Conflict will develop between team members, so leaders must be able to step in. And teams can be time-consuming due to the need for coordination and consensus.

## Types of Teams



Companies create different types of teams for different purposes.

A **cross-functional team** is just what it sounds like—a team that pulls its members from across the different functional areas of an organization. For example, cross-functional teams may be composed of representatives from production, sales, marketing, finance, and legal. The strength of this type of team lies in its members having different functional backgrounds, education, and experience. The diversity of experience aids innovative problem solving and decision making.

Unfortunately, the very factors that give cross-functional teams strength can also lead to weaknesses. Without a strong leader and very specific goals, it may be hard to foster social cohesion in cross-functional teams and to create a system of accountability. A cross-functional team might be brought together to review and make recommendations on potential acquisitions or mergers.

A **task force** is a group or committee, usually of experts or specialists, formed for analyzing, investigating, or solving a specific problem. Quite often, a task force is formed in reaction to a problem or specific event, and once the job is done, the task force is disbanded. The goal of a task force is to offer solutions, support, and, if possible, create preventive measures for issues. Types of concerns that may generate task forces in the workplace include bullying, health and wellness, employee training, increasing customer sales, or improving employee job satisfaction. A **project team** is similar to a task force, but a project team is often ongoing and covers a wider range of tasks.

**Virtual teams** are groups of individuals working together with a common purpose but from different locations. People may be in different time zones or even different organizations. The obvious advantage of a virtual team is the low cost, both in time and money to maintain it. Meeting in virtual time increases flexibility for the members (no need to get dressed before the meeting!) and allows the organization to use the talent of people from around the globe. The idea of virtual teams is relatively new. However, according to the IQVIS management consulting firm, virtual teams have grown 80 percent in business use from 2005 to 2015. Virtual teams are possible thanks to advances in communications and technology, such as e-mail, the World Wide Web (Internet), videoconferencing, and other products.

Working across cultures can be as challenging as working cross-functionally. Working with different cultures means working with very different leadership styles and decision-making processes. In the United States, managers tend to gather data, make a quick decision, and move forward, making corrections as need. Northern Europeans prefer to slowly build consensus, whereas French schoolchildren are trained to debate and confront. Some business consultants will tell you that decisions in Japan are made in small, informal conversations before the formal meeting ever takes place.

In spite of these barriers, many companies have been adapting virtual teams. SAP is the world's largest inter-enterprise software company with more than thirty thousand employees in sixty countries. It relies on virtual teams to survive. It has five headquarters around the globe, each one with a specific area of expertise shared via virtual meetings. IBM and General Electric are corporations that also depend on virtual team strategies.

## Self-Managing Teams

A **self-managed team** is a group of employees that's responsible and accountable for all or most aspects of producing a product or delivering a service. It could be thought of as a mini-company within a larger organization. Traditional organizations assign tasks to employees depending on their skills or the functional department (sales, finance, production). A self-managed team carries out the supporting tasks as well, such as planning and scheduling the technical workflow tasks, and human resource tasks such as managing vacations and absences. Team members may take turns leading and assuming technical responsibilities.

Because of the autonomy given to self-managed teams, these teams have greater ownership of the jobs they perform. Some benefits of self-managed teams are: team members share accountability for what they accomplish, which can be a great motivator; individuals have greater commitment to the task because they're directly responsible for its results; and they take on some of a manager's work so he can continue on other tasks.

However, self-managed teams are not without problems. Groupthink occurs more frequently with these teams. Members may struggle during the transition from supervisor-led management to self-management, possibly because of lack of interpersonal skills or poor implementation by the company. Not surprisingly, the most effective self-managing teams are found in companies where the corporate culture supports democratic decision making and the employees are generally well-educated.

### ? ? Practice Questions

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