

9.4: Intergroup Behavior and Performance

4. What are barriers to intergroup cooperation, and how do you take action to minimize such impediments and understand how to get the most out of the collective actions of groups in organizations in order to enhance industrial competitiveness?

We are now ready to move on to an examination of intergroup behavior. That is, what happens when one group in an organization must interact with another? Clearly, in any corporation, a high degree of intergroup interaction is vital to organizational success. Even in small companies, the production group must interact with the sales group, and both must accommodate the finance and accounting groups. Without smooth intergroup relations, organizational effectiveness and industrial competitiveness are virtually impossible.

Determinants of Intergroup Performance

To understand how groups interact with one another, it is important to identify the primary variables that characterize intergroup behavior.²⁷ We can do this by suggesting a model of intergroup performance. This model is outlined in **Exhibit 9.10**. As shown, intergroup behavior occurs when two groups intersect. Each group has its own characteristics and uniqueness, but both operate within the larger confines of organizational policies, culture, reward systems, and so forth. Within this context, performance is largely influenced by three types of *interaction requirements*: interdependence requirements, information flow requirements, and integration requirements. The quality of intergroup performance is affected by the extent to which all parties to the interaction can meet these requirements.

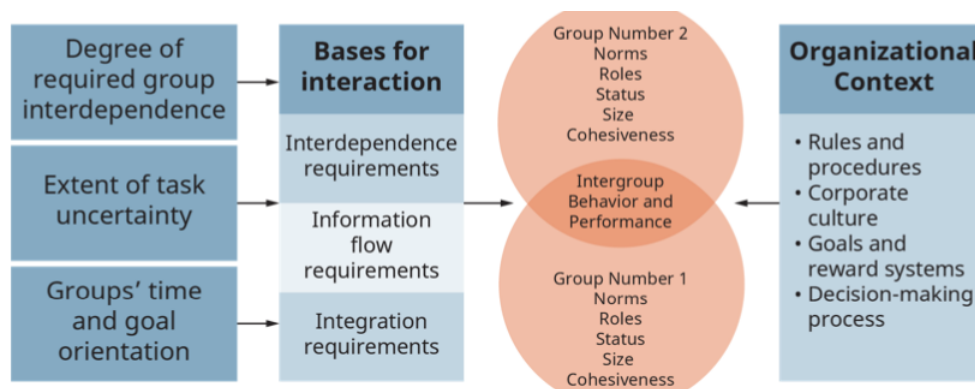


Exhibit 9.10 A Model of Intergroup Behavior and Performance (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

Interdependence Requirements. *Interdependence requirements* relate to the frequency and quality of interactions among groups; high-quality interaction is required for successful task accomplishment. To successfully achieve corporate objectives, organizations must achieve enough intergroup interaction to coordinate resource allocation and utilization. The amount of interaction required is determined by the extent and nature of the groups' interdependence. Group interdependence takes three primary forms (see **Exhibit 9.11**):

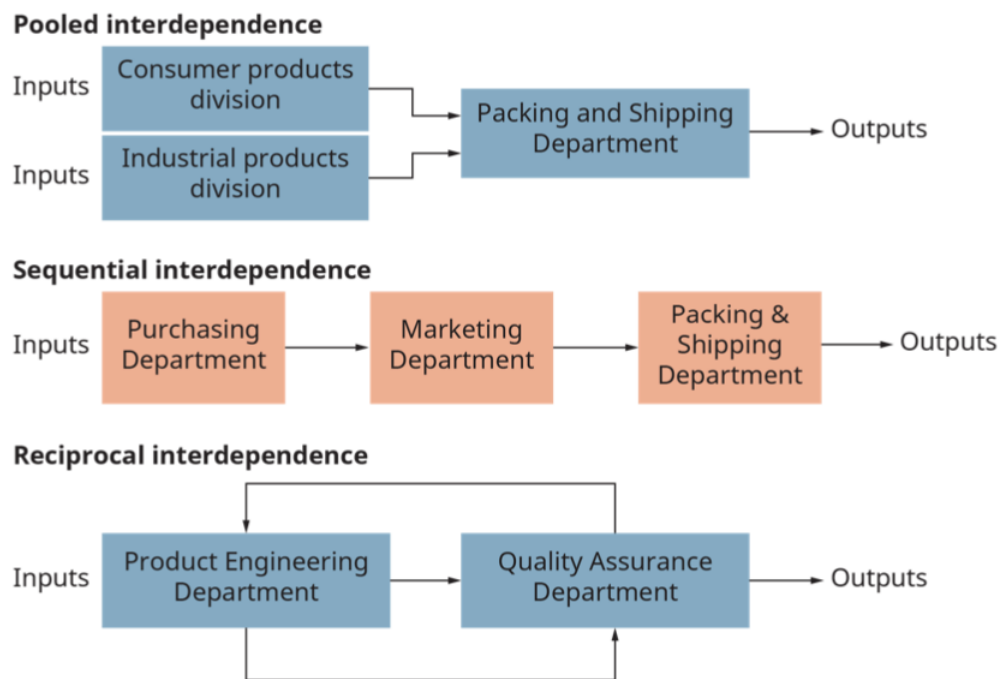


Exhibit 9.11 Three Types of Group Interdependence (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

- 1. Pooled interdependence.** **Pooled interdependence** occurs when various groups are largely independent of one another, even though each contributes to and is supported by the larger organization. For example, although the physics and music departments may not interact frequently, both contribute to the larger goals of the university, and both use university resources. In a factory setting, pooled interdependence can be seen in a company with two distinct manufacturing divisions; e.g., one for consumer products and one for industrial products. Although produced separately, both kinds of products come together in the shipping department, and both represent products of the same company.
- 2. Sequential interdependence.** **Sequential interdependence** exists when the outputs of one unit or group become the inputs for another. For example, the manufacturing department in a company is clearly dependent on the purchasing department for the success of its own operation, whereas the purchasing department is much less dependent on manufacturing.
- 3. Reciprocal interdependence.** **Reciprocal interdependence** occurs when two or more groups depend on one another for inputs. For example, without product engineering, the marketing department would have nothing to sell. On the other hand, without consumer information from marketing, product engineering might not know what to manufacture. The two units are highly dependent on each other, thereby requiring a high degree of interaction.

In summary, the type of interdependence determines in large part the degree of interrelationship that develops among two or more groups. High interdependence typically requires high intergroup interaction, whereas low interdependence typically requires relatively low intergroup interaction.

Information Flow Requirements. The second requirement for successful intergroup performance is optimal **information flow**. To be successful, groups need the appropriate amount of information. Information flow is influenced to a large degree by the extent of **task uncertainty**. When groups are working on highly uncertain tasks (e.g., a new product, an experiment, or an old product in a new environment), the need for communication increases. When task uncertainty is low, less information is typically needed.

Task uncertainty, in turn, is influenced by two factors. The first, *task clarity*, is the extent to which the requirements and responsibilities of the group are clearly understood. The use of standard operating procedures in organizations is an example of a group requirement. The other consideration is *task environment*, those factors inside and outside the organization that can affect the group's performance. The task environment has two aspects: the number of groups that must be dealt with and the relative stability of the environment. Obviously, the more groups that must interact and the more dynamic the environment, the greater the task uncertainty. In a dynamic environment, groups tend to expand their information-gathering efforts to detect and cope with environmental changes. Hence, the greater the task uncertainty, the greater the need for comprehensive information flow systems.

Integration Requirements. The final requirement for successful intergroup performance is integration. *Integration requirements* focus on the extent of collaboration, cooperation, or structural relationships among groups needed to ensure success. Typically,

various departments within an organization have different goals and time orientations. A technical research department, for example, often sees its goals in scientific terms and has a long-term perspective. A marketing department in the same company, focusing its goals on market considerations on the other hand, would typically have a short-term orientation. The production department, concerned with technical goals, would probably attempt to maintain a moderate time orientation in order to take advantage of the economies of scale associated with longer production runs.

A successful organization finds ways to integrate groups so that they coordinate their efforts on behalf of corporate objectives. The trick is to achieve some commonly acceptable coordinating mechanism—not a state in which all units have the same goals and time orientations. It would prove disastrous, for example, if the research unit looked for short-term results or the marketing department ignored short-term shifts in the marketplace. Through integration, various units can accommodate one another's needs while maintaining their individuality. In this way, the strengths of all groups are used in addressing organizational problems.

When we put these various requirements and their antecedents together, we can see why achieving intergroup coordination and performance is no easy task. **Table 9.3** shows the defining characteristics of four typical units of an organization: research, development, sales, and manufacturing. The interdependence, task uncertainty, and time and goal orientation of each unit are shown. Consider the complexities managers face in attempting to lead such an organization efficiently and effectively. Indeed, business magazines are filled with examples of corporate failures that can be traced to poor coordination of such units. These examples point to an endless array of potential sources of conflict that can reduce the capacity of a company to compete successfully in an ever-changing environment.

Intergroup Characteristics in Four Units of One Company			
Group	Interdependence Examples	Task Uncertainty	Time and Goal Orientation
Research	<i>Reciprocal</i> with development <i>Sequential</i> with market research <i>Pooled</i> with shipping	High	<i>Time:</i> Long term <i>Goal:</i> Science
Development	<i>Reciprocal</i> with market research <i>Sequential</i> with manufacturing <i>Pooled</i> with shipping	Moderate to high	<i>Time:</i> Long term <i>Goal:</i> Science and technoeconomic
Sales	<i>Reciprocal</i> with market research <i>Sequential</i> with manufacturing <i>Pooled</i> with personnel	Moderate	<i>Time:</i> Moderate term <i>Goal:</i> Market
Manufacturing	<i>Reciprocal</i> with accounting <i>Sequential</i> with shipping <i>Pooled</i> with research	Low	<i>Time:</i> Short term <i>Goal:</i> Technoeconomic
Source: Adapted from A. Szilagyi and M. Wallace, <i>Organizational Behavior and Performance</i> , 5th ed. (New York: HarperCollins, 1991), p. 272.			

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Managing Intergroup Behavior and Performance

When we analyze the challenge of managing intergroup behavior and performance, the key issue facing managers is the issue of coordination. In most situations, various units or departments in the organization all have talent needed to ensure task accomplishment. Yet, each unit has its own culture, goals, norms, and so forth. Hence, the challenge for managers is harnessing and coordinating this talent in such a way that group harmony is maintained while organizational objectives are achieved.

There are several techniques for managing intergroup relations and performance. These techniques include using rules and procedures, member exchange, linking roles, task forces, and decoupling. Let us briefly consider each as it relates to intergroup coordination and performance.

Rules and Procedures. A common way to manage intergroup relations is for senior management to establish rules and procedures governing the interactions of two or more departments or units. For example, if units consistently fail to communicate with one another, which leads to poor coordination, the company may institute a new policy requiring all groups to post certain types of information at regular time intervals or to inform other department heads of proposed new activities or changes. By simply increasing communication flow, group coordination should increase.

Member Exchange. In some circumstances, it is desirable for the organization to temporarily transfer a member from one group to another. Such exchanges offer the employee an opportunity to better understand the problems and procedures of the other group. Upon returning to his original group, the employee can share information about the other group. In addition, the transferred employee often develops better interpersonal contacts with the other department, thereby enhancing communication and coordination. An example of this can be seen when a company transfers a production engineer into the quality assurance department. As a result, the employee sees firsthand the problems of the quality control group and can take the knowledge back to production engineering.

Linking Roles. A **linking role** is a position or unit within the organization that is charged with overseeing and coordinating the activities of two or more groups. A good example is a product manager who is responsible for coordinating manufacturing, sales, quality control, and product research for a certain product line (see **Exhibit 9.12**). In essence, these linking role positions are designed to enhance communication among the various functional units and ensure that the right products are designed, manufactured, and marketed. We will say more about the product manager's role in Understanding and Managing Work Teams.

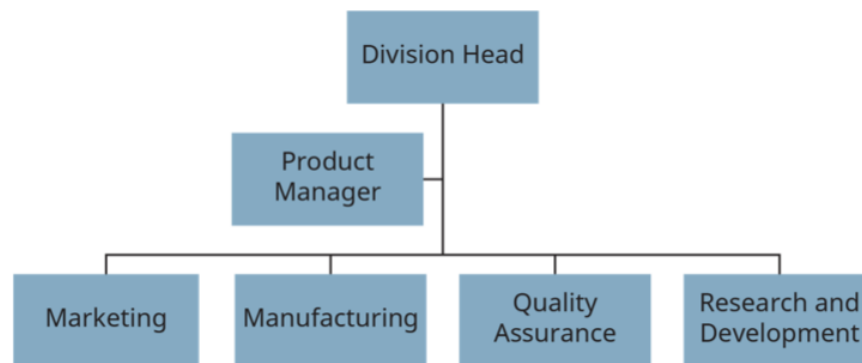


Exhibit 9.12 The Product Manager as a Linking Role (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)



Exhibit 9.13 Sales team The sales team at Dynamic Signal meets for reviewing goals. What can you say about the diversity of this team? (Credit: Jim Larisson/ flickr/ Attribution 2.0 Generic (CC BY 2.0))

Task Forces. A **task force** serves much the same purpose as a linking role except that the role is temporary instead of permanent. In a task force, individuals from several units are brought together to solve a specific problem, usually in a short period of time. It is felt that each unit has expertise to contribute and that by coordinating these efforts, a better solution can be achieved. A typical task force arrangement can be seen in **Exhibit 9.14**. For instance, a company facing a major financial cutback may create a task force consisting of members from across the company to identify ways to resolve the crisis. Or a company may create a task force to consider a joint venture offer from a foreign company. In both cases, the problem is that immediate and diverse skills are required to reach an optimal solution.

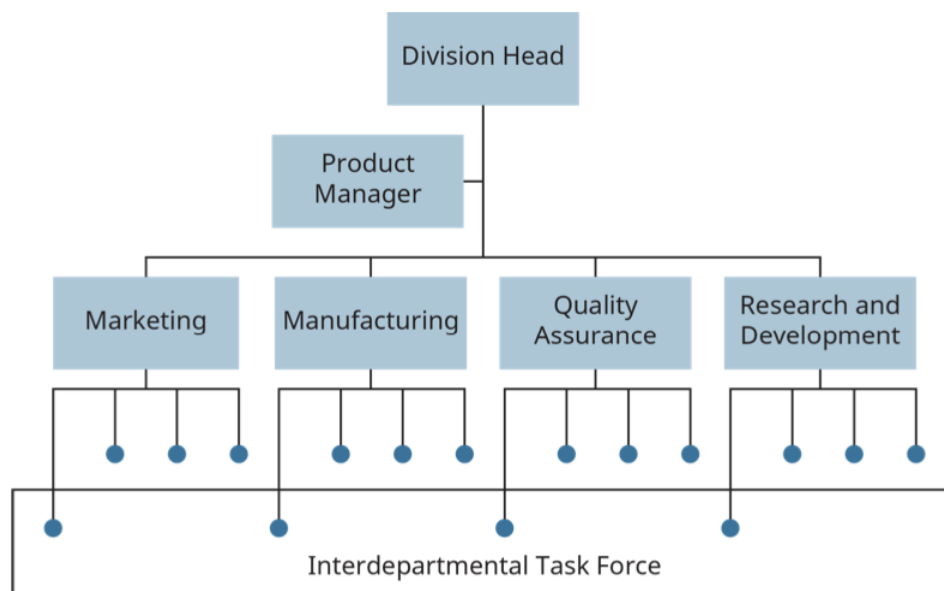


Exhibit 9.14 An Example of a Typical Task Force (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

Decoupling. Finally, there are situations in which two or more closely related groups simply don't work together effectively. In such cases, **decoupling** may be the answer.²⁸ Decoupling involves separating two groups—physically or administratively—in such a way that the required tasks of the organization are fulfilled while the interaction between the two groups is minimized. For instance, hardware and software engineers ideally should work closely together on the design of a new computing system. Yet sometimes these people see problems and solutions quite differently, which may lead to overt hostility and uncooperative behavior. One solution would be to separate the two groups physically and then have one group (e.g., the hardware engineers) outline product specifications. Software engineers then could work more on their own to design software to meet these specifications. Obviously, some coordination would be required. Even so, such an approach could retain the services of two valued groups of engineers who see problems quite differently—a wise compromise strategy for the high-tech company.

In essence, several strategies are available to assist managers in coordinating the diverse talents of interdependent groups in ways that help achieve organizational goals. The choice of an appropriate technique depends upon the unique situation facing the manager. One such approach to managing intergroup coordination was practiced at General Motors Company as it approached the design and manufacture of the Saturn.

expanding around the globe

Engagement on Global Work Teams: IBM

Since 2008, IBM has increased its focus on becoming a globally integrated enterprise. Employing over 200,000 people from different countries and backgrounds, there are major challenges that IBM faces when managing its work teams on such a large global scale.

One of those main components is time zone management. Instead of being highly rigorous in work hours and causing employees to be available on teams at all hours of the night or day, IBM decided they would implement a results-oriented work environment (ROWE). This strategy allows employees to work where they live on virtual teams and base their hours on their own schedules. ROWE allows employees to work at the hours that they feel naturally most productive.

Another key component to managing a global work team is clear communication. IBM structures its leadership of the work teams with leaders that consist of four or five senior executives from multiple geographies. They must work side by side to understand one another's cultural differences, as well as provide input on their overall team objectives that enable business growth in that country. They are able to accommodate local differences, learn from one another's differences, and come to common objectives because of their remote location differences for a better outcome. Additionally, these leaders are better equipped to understand local nuances because of their deeper understanding of the global and cultural nuances of their team members.

IBM continues to focus on growing “global IBMers” by offering opportunities for global leadership experiences as well as offering opportunities to acquire new skills. The company focuses on three key actions:

1. Grow locally and globally via a consistent methodology. Align business strategies with national priorities and societal goals, build local expertise, and expand market relevance.
2. Develop leadership. Provide more employees with opportunities to enhance their skills, and offer more varied global experiences early in careers.
3. Enable the global integrated enterprise (GIE) vision. Accelerate enterprise-wide collaboration and an organizational culture based on shared values.

These key actions are clearly communicated by IBM and are demonstrated by leadership to help engage employees behind the methods. Utilizing the best technology to improve collaboration can garner the most productivity and empower employees. If leadership is engaged, employees will also engage with their work and workplace, which helps drive team cohesiveness overall.

Questions:

1. What challenges does IBM face due to the size and global reach of its employee base?
2. Name at least three strategies that managers and leaders can employ to help keep employees engaged, even when working in remote work teams.

Sources: K. White, “Enabling Growth through Global Enablement Teams,” *IBM Thought Leadership*, accessed January 3, 2019, <https://ibm.com/services/us/gbs/thou...l-leaders.html>; “Enabling Growth through Global Enablement teams,” *IBM*

Thought Leadership, accessed January 3, 2019, <https://ibm.com/services/us/gbs/bus/...workforce.html>; T. Neely, “Global Teams that Work,” *Harvard Business Review*, October 2015, hbr.org/2015/10/global-teams-that-work; D. DeRosa, “3 Companies With High-Performing Teams,” *Onpoint Consulting*, October 3, 2017, www.onpointconsultingllc.com...-virtual-teams.

concept check

- Are well-functioning teams or groups in complex tasks more productive and leave workers more satisfied than in traditional arrangements?
- What is the importance of the ability to effectively manage both the task requirements and the process or maintenance aspects of the group for them to function well?

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