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## Chapter 8

### Teamwork and Communications

#### The Team with the RAZR'S Edge

In the fall of 2011, Motorola spun off its Mobile Devices division creating a new publically traded company, Motorola Mobility. The newly formed company's executive team was under intense pressure to come out with a winner: a smartphone that could grab substantial market share from Apple's iPhone 4S and Samsung's Galaxy Nexus. To do this, the team oversaw the design of an Android version of the Motorola RAZR, which used to be the best-selling phone in the world. The hope of the executive team is that past customers who loved the RAZR will really love the new ultra-thin smartphone—the Droid RAZR. As with other products produced by Motorola, the Droid RAZR was designed by a team of individuals. To understand how this team approach is implemented at Motorola, let's review the process used to design the original RAZR.

The mood was grim at Motorola in winter 2003, especially in the cell phone division: The company that for years had run ringtones around the competition had been bumped from the top spot in worldwide sales. This vignette is based on the following sources: Adam Lashinsky, "RAZR's Edge," *Fortune*, *CNNMoney.com*, June 1, 2006, [http://money.cnn.com/magazines/fortune/fortune\\_archive/2006/06/12/8379239/index.htm](http://money.cnn.com/magazines/fortune/fortune_archive/2006/06/12/8379239/index.htm) (accessed October 11, 2011); Scott D. Anthony, "Motorola's Bet on the RAZR's Edge," *HBS Working Knowledge*, September 12, 2005, <http://hbswk.hbs.edu/archive/4992.html> (accessed October 11, 2011); "The Leading Edge Is RAZR-Thin," *BusinessWeek*, December 5, 2005, [http://www.businessweek.com/magazine/content/05\\_49/b3962087.htm](http://www.businessweek.com/magazine/content/05_49/b3962087.htm) (accessed October 11, 2011); Arik Hessedahl, "Motorola vs. Nokia," *Forbes.com*, January 19, 2004, at [http://www.forbes.com/2004/01/19/cx\\_ah\\_0119mondymatchup.html](http://www.forbes.com/2004/01/19/cx_ah_0119mondymatchup.html) (accessed October 11, 2011); "Talk Like a Supermodel: Sexy Fashion Phones," *CNET.co.au*, April 2008, <http://www.cnet.com.au/talk-like-a-supermodel-sexy-fashion-phones-240058430.htm> (accessed October 11, 2011); Vlad Balan, "10 Coolest Concept Phones Out There," *Cameraphones Plaza*, April 17, 2007, <http://www.cameraphonesplaza.com/10-coolest-concept-phones-out-there/> (accessed October 11, 2011); Mike Elgan, "All-Screen Clamshell Concept Phone: A Glimpse of the Future," *Computerworld Blogs*, August 1, 2008, <http://blogs.computerworld.com/all-screen-clamshell-concept-phone-a-glimpse-of-the-future> (accessed October 11, 2011); "Motorola Gains on 10 Mn in RAZR Sales," *The Financial Express*, January

19, 2006, [http://www.financialexpress.com/old/latest\\_full\\_story.php?content\\_id=115012](http://www.financialexpress.com/old/latest_full_story.php?content_id=115012) (accessed October 11, 2011). Sporting a popular line of “candy bar” phones (the ones without the flip-top lids), the Finnish company Nokia had grabbed the lead in global market share, and Motorola found itself stuck in the number-three slot (Samsung had slipped into second place). Why had sales at Motorola been put on hold? Among other things, consumers were less than enthusiastic about the uninspired *style* of Motorola phones, and make no mistake about it—for a lot of people, style is just as important in picking a cell phone as its features list. As a reviewer for one industry publication puts it, “With some phones, we just want to see the look on people’s faces when we slide it out of our pockets to take a call.”

And yet, there was a glimmer of hope at Motorola. Despite its recent lapse in cell phone fashion sense, Motorola (like just about every other maker of wireless hardware) still maintained a *concept-phone* unit—a group responsible for designing futuristic new product features such as speech-recognition capability, liquid batteries, flexible touchscreens, and touch-sensitive body covers. Now, in every concept-phone unit, developers are engaged in an ongoing struggle to balance the two often-opposing demands of cell phone design: how to build the smallest possible phone with the largest possible screen. The previous year, designers in the Motorola concept-phone unit had unveiled the rough model of an ultrathin phone—at 10 millimeters, about half the width of the average flip-top or “clamshell” design. It was on this concept that Motorola decided to stake the revival of its reputation as a cell phone maker who knew how to package functionality with a wow factor.



The Motorola RAZR: Thin is in, according to Motorola.

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The next step in developing a concept phone, of course, is actually *building* it. And this is where teamwork comes in. For one thing, you need a little diversity in your expertise. An *electronic engineer*, for example, knows how to apply energy to transmit information through a system but not how to apply physics to the design and manufacture of the system; that’s the specialty of a *mechanical engineer*. And engineers aren’t *designers*—the specialists who know how to enhance the marketability of a product by adding aesthetic value.

In addition, when you set out to build any kind of innovative high-tech product, you need to become a master of *trade-offs*—in Motorola’s case, the compromises resulting from the demands of state-of-the-art functionality on the one hand and

fashionable design on the other. *Negotiating trade-offs is a team sport*: it takes at least two people, for example, to resolve such disputes as whether you can put the antenna of a cell phone inside its mouthpiece or whether you should put the caller-ID display inside or outside the flip-top.

The responsibility for assembling and managing the Motorola “thin-clam” team fell to veteran electronic engineer Roger Jellicoe. His mission: create the world’s thinnest phone, do it in one year, and try to keep it a secret. Before the project was completed, the team had grown to more than twenty members, and with increased creative input and enthusiasm came increased confidence and clout. Jellicoe, for instance, had been warned by company specialists in such matters that no phone wider than 49 millimeters could be held comfortably in the human hand. When the team had finally arrived at a satisfactory design that couldn’t work at less than 53 millimeters, they ignored the “49 millimeters warning,” built a model, handed it around, and came to a consensus: As one team member put it, “People could hold it in their hands and say, ‘Yeah, it doesn’t feel like a brick.’” Four millimeters, they decided, was an acceptable trade-off, and the new phone went to market at 53 millimeters.

Team members liked to call this process the “dance.” Sometimes it flowed smoothly and sometimes people stepped on one another’s toes, but for the most part, the team moved in lockstep toward its goal. After a series of trade-offs about what to call the final product (suggestions ranged from *Razor Clam* to *V3*), Motorola’s new RAZR was introduced in July 2004. Recall that the product was originally conceived as a high-tech toy—something to restore the luster to Motorola’s tarnished image. It wasn’t supposed to set sales records, and sales in the fourth quarter of 2004, though promising, were in fact fairly modest. Back in September, however, a new executive named Ron Garriques had taken over Motorola’s cell phone division, and one of his first decisions was to raise the bar for RAZR. Disregarding a 2005 budget that called for sales of two million units, Garriques pushed expected sales for the RAZR up to twenty million. The RAZR topped that target, shipped ten million in the first quarter of 2006, and hit the fifty-million mark at midyear. Talking on a RAZR, declared hip-hop luminary Sean “P. Diddy” Combs, “is like driving a Mercedes versus a regular ol’ ride.”

As for Jellicoe and his team, they were invited to attend an event hosted by top executives. As they walked into the room, they received a standing ovation—along with a cartload of stock options—and outside observers applauded them for revitalizing “the stodgy, engineering-driven, Midwestern company that was Motorola.” One of the reasons for the RAZR’s success, admits Jellicoe, “was that it took the world by surprise. Very few Motorola products do that.” After the introduction of the RAZR, perceptions of the company’s flair for fashion and innovation underwent a critical change: “Now,” reports Jellicoe, “whenever we say

we have this secret program we're working on, nobody wants to be left out....It's kicked down some doors...and gets us noticed. It really is a tremendous brand builder. As for credibility in the marketplace, it's been a very big win." In fact, for a while it was the best selling phone in the world.

Will the Droid RAZR be as successful as the original RAZR? Only time will tell, but many are optimistic about its chances. In a November 2011 *New York Times* article, "Motorola's Droid Razr Still Has It," Roy Furchgott conveys the opinions of many in the tech field:

The new Droid RAZR has a lot to live up to. The original RAZR was a flip-phone marvel of sleek design. It became the best-selling phone in the United States until the iPhone knocked it from its perch. The new RAZR, while lacking the wow factor of the original, is still a credible heir to the name. Two things—speed and battery life—set the phone apart. Roy Furchgott, "Motorola's Droid Razr Still Has It," *New York Times*, November 28, 2011, <http://gadgetwise.blogs.nytimes.com/2011/11/28/motorolas-droid-razr-still-has-it/> (accessed January 24, 2012).

And, if an incredibly fast download speed and approximately 12 hours of talk time and 250 hours of standby time are not enough to get customers onboard, they might be won over by the purple version.

## 8.1 The Team and the Organization

### LEARNING OBJECTIVES

1. Define a *team* and describe its key characteristics.
2. Explain why organizations use teams, and describe different types of teams.

### What Is a Team? How Does Teamwork Work?

A **team**<sup>1</sup> (or a *work team*) is a group of people with complementary skills who work together to achieve a specific goal. This section is based in part on Leigh L. Thompson, *Making the Team: A Guide for Managers* (Upper Saddle River, NJ: Pearson Education, 2008), 4. In the case of Motorola's RAZR team, the specific goal was to develop (and ultimately bring to market) an ultrathin cell phone that would help restore the company's reputation as a designer of stylistically appealing, high-function phones. The team achieved its goal by integrating specialized but complementary skills in engineering and design and by making the most of its authority to make its own decisions and manage its own operations.

### Teams versus Groups

"A group," suggests Bonnie Edelstein, a consultant in organizational development, "is a bunch of people in an elevator. A team is also a bunch of people in an elevator, but the elevator is broken." This distinction may be a little oversimplified, but as our tale of teamwork at Motorola reminds us, a *team* is clearly something more than a mere *group* of individuals. In particular, members of a group—or, more accurately, a *working group*—go about their jobs independently and meet primarily to share information. A group of department-store managers, for example, might meet monthly to discuss their progress in cutting plant costs, but each manager is focused on the goals of his or her department because each is held accountable for meeting only those goals. Teams, by contrast, are responsible for achieving specific common goals, and they're generally empowered to make the decisions needed to complete their authorized tasks.

### Some Key Characteristics of Teams

1. Group of people with complementary skills who work together to achieve a specific goal.

To keep matters in perspective, let's identify five key characteristics of work teams: Adapted from Leigh L. Thompson, *Making the Team: A Guide for Managers* (Upper Saddle River, NJ: Pearson Education, 2008), 4–5. See C. P. Alderfer, "Group

and Intergroup Relations,” in *Improving Life at Work*, ed. J. R. Hackman and J. L. Suttle (Palisades, CA: Goodyear, 1977), 277–96.

1. *Teams are accountable for achieving specific common goals.* Members are collectively responsible for achieving team goals, and if they succeed, they’re rewarded collectively.
2. *Teams function interdependently.* Members cannot achieve goals independently and must rely on each other for information, input, and expertise.
3. *Teams are stable.* Teams remain intact long enough to finish their assigned tasks, and each member remains on board long enough to get to know every other member.
4. *Teams have authority.* Teams possess the decision-making power to pursue their goals and to manage the activities through which they complete their assignments.
5. *Teams operate in a social context.* Teams are assembled to do specific work for larger organizations and have the advantage of access to resources available from other areas of their organizations.

## Why Organizations Build Teams

Why do major organizations now rely more and more on teams to improve operations? Executives at Xerox have reported that team-based operations are 30 percent more productive than conventional operations. General Mills says that factories organized around team activities are 40 percent more productive than traditionally organized factories. According to in-house studies at Shenandoah Life Insurance, teams have cut case-handling time from twenty-seven to two days and virtually eliminated service complaints. FedEx says that teams reduced service errors (lost packages, incorrect bills) by 13 percent in the first year. Kimball Fisher, *Leading Self-Directed Work Teams: A Guide to Developing New Team Leadership Skills*, rev. ed. (New York: McGraw-Hill Professional, 1999). See Jerald Greenberg and Robert A. Baron, *Behavior in Organizations*, 9th ed. (Upper Saddle River, NJ: Pearson Education, 2008), 315–16.

Today it seems obvious that teams can address a variety of challenges in the world of corporate activity. Before we go any further, however, we should remind ourselves that data like those we’ve just cited aren’t necessarily definitive. For one thing, they may not be objective—companies are more likely to report successes than failures. As a matter of fact, teams *don’t* always work. Indeed, according to one study, team-based projects fail 50 to 70 percent of the time. Jerald Greenberg and Robert A. Baron, *Behavior in Organizations*, 9th ed. (Upper Saddle River, NJ: Pearson Education, 2008), 316; Leigh L. Thompson, *Making the Team: A Guide for Managers* (Upper Saddle River, NJ: Pearson Education, 2008), 5.

### The Effect of Teams on Performance

Research shows that companies build and support teams because of their effect on overall workplace performance, both organizational and individual. If we examine the impact of team-based operations according to a wide range of relevant criteria—including product quality, worker satisfaction, and quality of work life, among others—we find that overall organizational performance improves. [Table 8.1 "Effect of Teams on Workplace Performance"](#) lists several areas in which we can analyze workplace performance and indicates the percentage of companies that have reported improvements in each area.

Table 8.1 Effect of Teams on Workplace Performance

Area of Performance	Percent of Firms Reporting Improvement
Product and service quality	70
Customer service	67
Worker satisfaction	66
Quality of work life	63
Productivity	61
Competitiveness	50
Profitability	45
Absenteeism/turnover	23

Source: Adapted from Edward E. Lawler, S. A. Mohman, and G. E. Ledford, *Creating High Performance Organizations: Practices and Results of Employee Involvement and Total Quality in Fortune 1000 Companies* (San Francisco: Wiley, 1992). Reprinted with permission of John Wiley & Sons Inc.

### Types of Teams

Teams, then, can improve company and individual performance in a number of areas. Not all teams, however, are formed to achieve the same goals or charged with the same responsibilities. Nor are they organized in the same way. Some, for instance, are more *autonomous* than others—less accountable to those higher up in the organization. Some depend on a team leader who's responsible for defining the team's goals and making sure that its activities are performed effectively. Others are more or less self-governing: though a leader lays out overall goals and strategies, the team itself chooses and manages the methods by which it pursues its



goals and implements its strategies. See Leigh L. Thompson, *Making the Team: A Guide for Managers* (Upper Saddle River, NJ: Pearson Education, 2008), 8–13. Teams also vary according to their membership. Let's look at several categories of teams.

### Manager-Led Teams

As its name implies, in the **manager-led team**<sup>2</sup> the manager is the team leader and is in charge of setting team goals, assigning tasks, and monitoring the team's performance. The individual team members have relatively little autonomy. For example, the key employees of a professional football team (a manager-led team) are highly trained (and highly paid) athletes, but their activities on the field are tightly controlled by a head coach. As team manager, the coach is responsible both for developing the strategies by which the team pursues its goal of winning games and for the final outcome of each game (not to mention the season). He's also solely responsible for interacting with managers above him in the organization. The players are responsible only for executing plays. Leigh L. Thompson, *Making the Team: A Guide for Managers* (Upper Saddle River, NJ: Pearson Education, 2008), 9.

### Self-Managing Teams

**Self-managing teams**<sup>3</sup> (also known as *self-directed* or *self-regulating teams*) have considerable autonomy. They are usually small and often absorb activities that were once performed by traditional supervisors. A manager or team leader may determine overall goals, but the members of the self-managing team control the activities needed to achieve the goals, such as planning and scheduling work, sharing tasks, meeting quality standards, and handling day-to-day operations.

Self-managing teams are the organizational hallmark of Whole Foods Market, the largest natural-foods grocer in the United States. Each store is run by ten teams (produce, prepared foods, and so forth), and virtually every store employee is a member of a team. Each team has a designated leader and its own performance targets. (Team leaders also belong to a store team, and store-team leaders belong to a regional team.) To do its job, every team has access to the kind of information—including sales and even salary figures—that most companies reserve for the eyes of traditional managers. Charles Fishman, "Whole Foods Is All Teams," *Fast Company.com*, December 18, 2007, <http://www.fastcompany.com/node/26671/print> (accessed October 11, 2011).

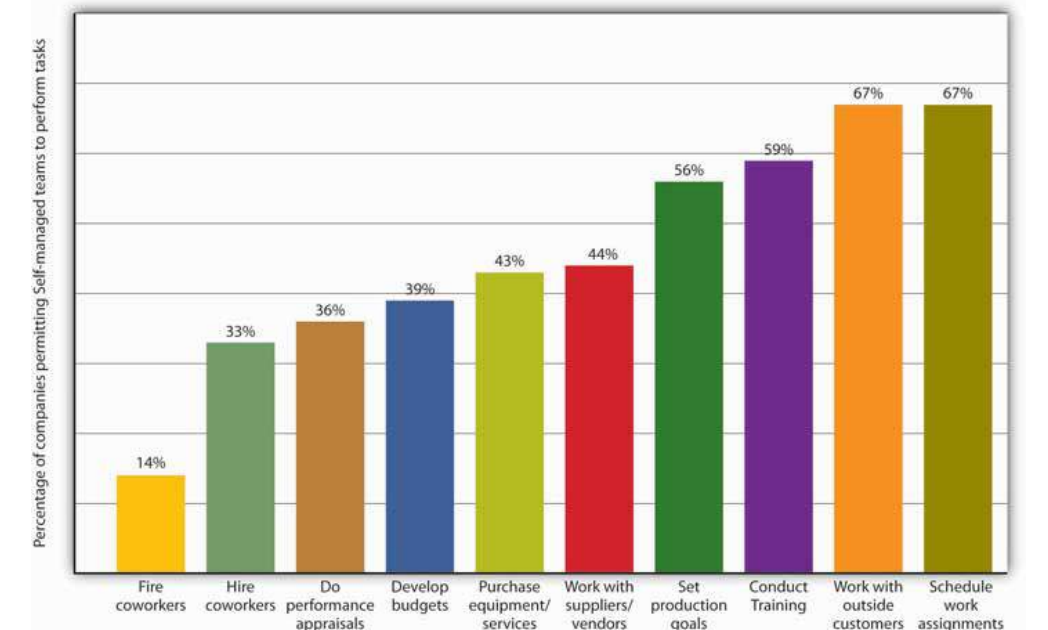
Needless to say, not every self-managed team enjoys the same degree of autonomy. Companies vary widely in choosing which tasks teams are allowed to manage and which ones are best left to upper-level management only. As you can see in **Figure 8.1 "What Teams Do (and Don't) Manage"**, for example, self-managing teams are

2. Team on which a manager defines goals and methods and is solely responsible for interactions with higher-level management.

3. Team on which employees control the activities needed to meet overall goals.

often allowed to schedule assignments, but they are rarely allowed to fire coworkers.

Figure 8.1 What Teams Do (and Don't) Manage



### Cross-Functional Teams

Many companies use **cross-functional teams**<sup>4</sup>—teams that, as the name suggests, cut across an organization’s *functional areas* (operations, marketing, finance, and so on). A cross-functional team is designed to take advantage of the special expertise of members drawn from different functional areas of the company. When the Internal Revenue Service, for example, wanted to study the effects on employees of a major change in information systems, it created a cross-functional team composed of people from a wide range of departments. The final study reflected expertise in such areas as job analysis, training, change management, industrial psychology, and even ergonomics. Human Technology Inc., “Organizational Learning Strategies: Cross-Functional Teams,” *Getting Results through Learning*, <http://www.humtech.com/opm/grtl/ols/ols3.cfm> (accessed October 11, 2011).

4. Team designed to take advantage of the special expertise of members drawn from different functional areas of the organization.

Cross-functional teams figure prominently in the product-development process at Nike, where they take advantage of expertise from both inside and outside the company. Typically, team members include not only product designers, marketing specialists, and accountants but also sports-research experts, coaches, athletes, and even consumers. Likewise, Motorola’s RAZR team was a cross-functional team: Responsibility for developing the new product wasn’t passed along from the design

team to the engineering team but rather was entrusted to a special team composed of both designers and engineers.

We can also classify the RAZR team as a *product-development* or *project team* (a topic we'll discuss in more detail in [Chapter 10 "Product Design and Development"](#)). *Committees* and *task forces*, both of which are dedicated to specific issues or tasks, are often cross-functional teams. *Problem-solving teams*, which are created to study such issues as improving quality or reducing waste, may be either intradepartmental or cross-functional. See Stephen P. Robbins and Timothy A. Judge, *Organizational Behavior*, 13th ed. (Upper Saddle River, NJ: Pearson Education, 2009), 340–42.

### Virtual Teams

“Teamwork,” said someone (we’re not sure who), “doesn’t tolerate the inconvenience of distance.” Indeed, technology now makes it possible for teams to function not only across such organizational boundaries as functional areas, departments, and divisions but also across time and space, as well. Working in **virtual teams**<sup>5</sup>, geographically dispersed members interact electronically in the process of pursuing a common goal. Such technologies as videoconferencing, instant messaging, and electronic meetings, which allow people to interact simultaneously and in real time, offer a number of advantages in conducting the business of a virtual team. See Jennifer M. George and Gareth R. Jones, *Understanding and Managing Organizational Behavior*, 5th ed. (Upper Saddle River, NJ: Pearson Education, 2008), 381–82. Among other things, members can participate from any location or at any time of day, and teams can “meet” for as long as it takes to achieve a goal or solve a problem—a few days, a few weeks, or a few months.

Nor does team size seem to be an obstacle when it comes to calling virtual-team meetings: In building the F-35 Strike Fighter, U.S. defense contractor Lockheed Martin staked the \$225 billion project on a virtual product-team of unprecedented global dimension, drawing on designers and engineers from the ranks of eight international partners ranging from Canada and the United Kingdom to Norway and Turkey. “Lockheed Martin Chooses Mathcad as a Standard Design Package for F-35 Joint Strike Fighter Project,” *Adept Science*, September 23, 2003, <http://www.adeptscience.co.uk/pressroom/article/96> (accessed October 11, 2011).

5. Teams whose geographically dispersed members interact electronically in the process of pursuing a common goal.

## KEY TAKEAWAYS

- Teamwork brings diverse areas of expertise to bear on organizational problems and projects.
- Reaching teamwork goals requires skills in negotiating trade-offs, and teamwork brings these skills into play at almost every step in the process.
- To be successful, teams need a certain amount of autonomy and authority in making and implementing their decisions.
- A **team** (or a *work team*) is a group of people with complementary skills who work together to achieve a specific goal. Members of a *working group* work independently and meet primarily to share information.
  - Work teams have five key characteristics:
    1. They are accountable for achieving specific common goals.
    2. They function interdependently.
    3. They are stable.
    4. They have authority.
    5. They operate in a social context.
  - Companies build and support teams because of their effect on overall workplace performance, both organizational and individual.
    - Work teams may be of several types:
      1. In the traditional **manager-led team**, the leader defines the team's goals and activities and is responsible for its achieving its assigned goals.
      2. The leader of a **self-managing team** may determine overall goals, but employees control the activities needed to meet them.
      3. A **cross-functional team** is designed to take advantage of the special expertise of members drawn from different functional areas of the company.
      4. On **virtual teams**, geographically dispersed members interact electronically in the process of pursuing a common goal.

## EXERCISE

### (AACSB) Analysis

You're a marketing researcher for a multinational food-products corporation, and for the past two years, you've been able to work at home. The international division of the company has asked you to join a virtual team assigned to assess the prospects for a new sandwich planned for the Indian market.

List a few of the challenges that you're likely to encounter as a member of the virtual team. Explain the steps you'd take to deal with each of the challenges that you've listed.

## 8.2 Why Teamwork Works

### LEARNING OBJECTIVES

1. Explain why teams may be effective or ineffective.
2. Identify factors that contribute to team cohesiveness.

Now that we know a little bit about *how* teams work, we need to ask ourselves *why* they work. Not surprisingly, this is a fairly complex issue. In this section, we'll answer these closely related questions: Why are teams often effective? Why are they sometimes *ineffective*?

### Factors in Effective Teamwork

First, let's begin by identifying several factors that, in practice, tend to contribute to effective teamwork. Generally speaking, teams are effective when the following factors are met: This section is based on David A. Whetten and Kim S. Cameron, *Developing Management Skills*, 7th ed. (Upper Saddle River, NJ: Pearson Education, 2007), 497.

- *Members depend on each other.* When team members rely on each other to get the job done, team productivity and efficiency are high.
- *Members trust one another.* Teamwork is more effective when members trust each other.
- *Members work better together than individually.* When team members perform better as a group than alone, collective performance exceeds individual performance.
- *Members become boosters.* When each member is encouraged by other team members to do his or her best, collective results improve.
- *Team members enjoy being on the team.* The more that team members derive satisfaction from being on the team, the more committed they become.
- *Leadership rotates.* Teams function effectively when leadership responsibility is shared over time.

Most of these explanations probably make pretty clear intuitive sense. Unfortunately, because such issues are rarely as clear-cut as they may seem at first glance, we need to examine the issue of group effectiveness from another

perspective—one that considers the effects of factors that aren't quite so straightforward.

### Group Cohesiveness

The idea of **group cohesiveness**<sup>6</sup> refers to the *attractiveness* of a team to its members. If a group is high in cohesiveness, membership is quite satisfying to its members; if it's low in cohesiveness, members are unhappy with it and may even try to leave it. The principle of group cohesiveness, in other words, is based on the simple idea that groups are most effective when their members like being members of the group. This section is based mostly on Jennifer M. George and Gareth R. Jones, *Understanding and Managing Organizational Behavior*, 5th ed. (Upper Saddle River, NJ: Pearson Education, 2008), 371–77. See Leon Festinger, "Informal Social Communication," *Psychological Review* 57 (1950): 271–82.

### What Makes a Team Cohesive?

Numerous factors may contribute to team cohesiveness, but in this section, we'll focus on five of the most important:

1. *Size*. The bigger the team, the less satisfied members tend to be. When teams get too large, members find it harder to interact closely with other members; a few members tend to dominate team activities, and conflict becomes more likely.
2. *Similarity*. People usually get along better with people like themselves, and teams are generally more cohesive when members perceive fellow members as people who share their own attitudes and experience.
3. *Success*. When teams are successful, members are satisfied, and other people are more likely to be attracted to their teams.
4. *Exclusiveness*. The harder it is to get into a group, the happier the people who are already in it. Status (the extent to which outsiders look up to a team, as well as the perks that come with membership) also increases members' satisfaction.
5. *Competition*. Members value membership more highly when they're motivated to achieve common goals—especially when those goals mean outperforming other teams.

6. Principle that groups are most effective when members like being members.

There's such a thing as too much cohesiveness. When, for instance, members are highly motivated to collaborate in performing the team's activities, the team is more likely to be effective in achieving its goals. Clearly, when those goals are aligned with the goals of the larger organization, the organization, too, will be happy. If, however, its members get too wrapped up in more immediate team goals, the whole team may lose sight of the larger organizational goals toward which it's supposed to be working.

### Groupthink

Likewise, it's easier for leaders to direct members toward team goals when members are all on the same page—when there's a basic willingness to conform to the team's rules and guidelines. When there's too much conformity, however, the group can become ineffective: It may resist change and fresh ideas and, what's worse, may end up adopting its own dysfunctional tendencies as its way of doing things. Such tendencies may also encourage a phenomenon known as **groupthink**<sup>7</sup>—the tendency to conform to group pressure in making decisions, while failing to think critically or to consider outside influences.

Figure 8.2



*A cohesive team with goals that are aligned with the goals of the organization is most likely to succeed.*

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Groupthink is often cited as a factor in the explosion of the space shuttle *Challenger* in January 1986: Engineers from a supplier of components for the rocket booster warned that the launch might be risky because of the weather but were persuaded to reverse their recommendation by NASA officials who wanted the launch to proceed as scheduled. See Em Griffin, "Groupthink of Irving Janis," 1997, [http://www.doh.state.fl.us/alternatesites/cms-kids/providers/early\\_steps/training/documents/groupthink\\_irving\\_janus.pdf](http://www.doh.state.fl.us/alternatesites/cms-kids/providers/early_steps/training/documents/groupthink_irving_janus.pdf) (accessed October 11, 2011).

### Why Teams Fail

Teams don't always work. To learn why, let's take a quick look at four common obstacles to success in introducing teams into an organization: This section is based on Jerald Greenberg and Robert A. Baron, *Behavior in Organizations*, 9th ed. (Upper Saddle River, NJ: Pearson Education, 2008), 317–18.

7. Tendency to conform to group pressure in making decisions while failing to think critically or to consider outside influences.

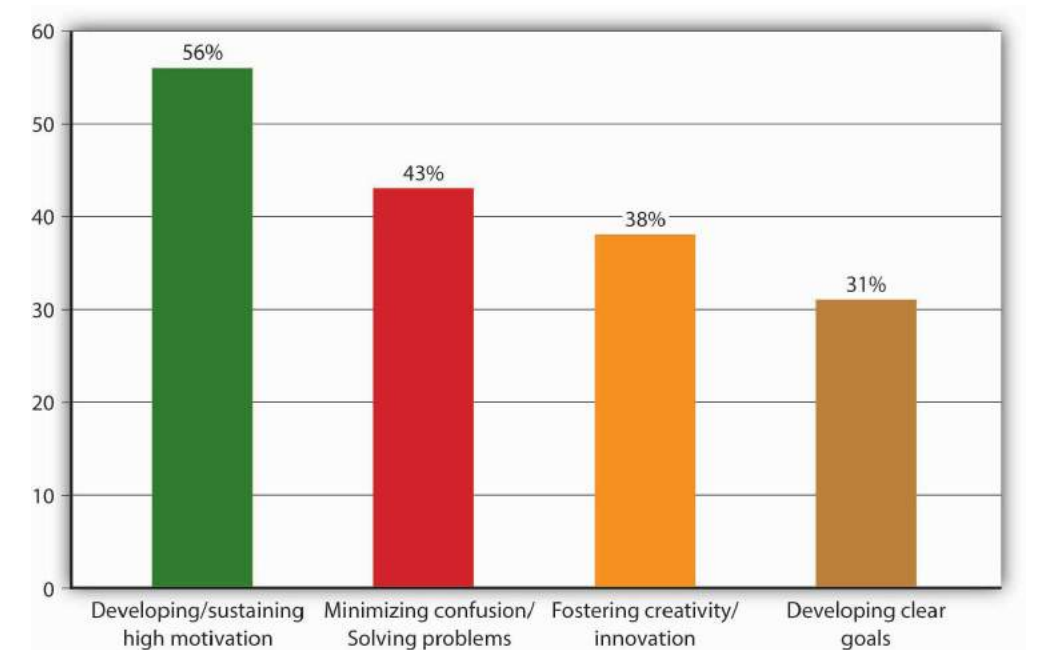


- *Unwillingness to cooperate.* Failure to cooperate can occur when members don't or won't commit to a common goal or set of activities. What if, for example, half the members of a product-development team want to create a brand-new product and half want to improve an existing product? The entire team may get stuck on this point of contention for weeks or even months.
- *Lack of managerial support.* Every team requires organizational resources to achieve its goals, and if management isn't willing to commit the needed resources—say, funding or key personnel—a team will probably fall short of those goals.
- *Failure of managers to delegate authority.* Team leaders are often chosen from the ranks of successful supervisors—first-line managers who, as we saw in [Chapter 6 "Managing for Business Success"](#), give instructions on a day-to-day basis and expect to have them carried out. This approach to workplace activities may not work very well in leading a team—a position in which success depends on building a consensus and letting people make their own decisions.
- *Failure of teams to cooperate.* If you're on a workplace team, your employer probably depends on teams to perform much of the organization's work and meet many of its goals. In other words, it is, to some extent, a team-based organization, and as such, reaching its overall goals requires a high level of cooperation *among teams*. See Leigh L. Thompson, *Making the Team: A Guide for Managers* (Upper Saddle River, NJ: Pearson Education, 2008), 323–24. When teams can't agree on mutual goals (or when they duplicate efforts), neither the teams nor the organization is likely to meet with much success.

### Motivation and Frustration

Finally, remember that teams are composed of people, and whatever the roles they happen to be playing at a given time, people are subject to psychological ups and downs. As members of workplace teams, they need motivation, and as we observed in [Chapter 7 "Recruiting, Motivating, and Keeping Quality Employees"](#), when motivation is down, so are effectiveness and productivity. As you can see in [Figure 8.3 "Sources of Frustration"](#), the difficulty of maintaining a high level of motivation is the chief cause of frustration among members of teams. As such, it's also a chief cause of ineffective teamwork, and that's one reason why more employers now look for the ability to develop and sustain motivation when they're hiring new managers. See Leigh L. Thompson, *Making the Team: A Guide for Managers* (Upper Saddle River, NJ: Pearson Education, 2008), 18–19.

Figure 8.3 Sources of Frustration



## KEY TAKEAWAYS

- Generally speaking, teams are effective when the following are true:
  1. Members are interdependent.
  2. Members work better together than individually.
  3. Teams work well enough to satisfy members.
  4. Leadership rotates.
  5. Members help one another.
  6. Members become boosters.
  7. Members trust one another.
- **Group cohesiveness** refers to the *attractiveness* of a team to its members. If a group is high in cohesiveness, membership is quite satisfying to its members; if it's low in cohesiveness, members are unhappy with it and may even try to leave it.
- Common obstacles to team success include the following:
  1. Unwillingness to cooperate
  2. Lack of managerial support
  3. Failure of managers to delegate authority
  4. Failure of teams to cooperate

## EXERCISE

### (AACSB) Analysis

At some point in the coming week, while you're working on an assignment for any one of your classes, ask at least one other member of the class to help you with it or to collaborate with you in studying for it. After you've completed your assignment, make a list of the advantages and disadvantages of working on the assignment with another person.

## 8.3 The Team and Its Members

### LEARNING OBJECTIVES

1. Understand the importance of learning to participate in team-based activities.
2. Identify the skills needed by team members and the roles that members of a team might play.
3. Learn how to survive team projects in college (and actually enjoy yourself).
4. Explain the skills and behaviors that foster effective team leadership.

### “Life Is All about Group Work”

“I’ll work extra hard and do it myself, but please don’t make me have to work in a group.”

Like it or not, you’ll probably be given some teamwork assignments while you’re in college. More than two-thirds of all students report having participated in the work of an organized team, and if you’re in business school, you will almost certainly find yourself engaged in team-based activities. David A. Whetten and Kim S. Cameron, *Developing Management Skills*, 7th ed. (Upper Saddle River, NJ: Pearson Education, 2007), 498–99. See Richard S. Wellins, William C. Byham, and Jeanne M. Wilson, *Empowered Teams* (San Francisco: Jossey-Bass, 1991).

Why do we put so much emphasis on something that, reportedly, makes many students feel anxious and academically drained? Here’s one college student’s practical-minded answer to this question:

“In the real world, you have to work with people. You don’t always know the people you work with, and you don’t always get along with them. Your boss won’t particularly care, and if you can’t get the job done, your job may end up on the line. Life is all about group work, whether we like it or not. And school, in many ways, prepares us for life, including working with others.” Hannah Nichols, “Teamwork in School, Work and Life,” *iamnext.com*, 2003, <http://www.iamnext.com/academics/groupwork.html> (accessed September 1, 2008).

She's right. In placing so much emphasis on teamwork skills and experience, college business departments are doing the responsible thing—preparing students for the business world that awaits them. A survey of *Fortune* 1000 companies reveals that 79 percent already rely on self-managing teams and 91 percent on various forms of employee work groups. Another survey found that the skill that most employers value in new employees is the ability to work in teams. David A. Whetten and Kim S. Cameron, *Developing Management Skills*, 7th ed. (Upper Saddle River, NJ: Pearson Education, 2007), 498–99. See Edward E. Lawler, *Treat People Right* (San Francisco: Jossey-Bass, 2003). If you're already trying to work your way up an organizational ladder, consider the advice of former Chrysler Chairman Lee Iacocca: "A major reason that capable people fail to advance is that they don't work well with their colleagues." Quoted by Terry L. Paulson, "Building Bridges vs. Burning Them: The Subtle Art of Influence," 1990, at [http://books.google.com/books?id=iXkq-IFFJpcC&pg=PA55&lpq=PA55&dq=%22capable+people+fail+to+advance%22&source=web&ots=a2l2cJ2\\_AF&sig=4Xk7EuOq2htSf2XqBWSFQxJwVqE&hl=en&sa=X&oi=book\\_result&resnum=1&ct=result](http://books.google.com/books?id=iXkq-<u>IFFJpcC&pg=PA55&lpq=PA55&dq=%22capable+people+fail+to+advance%22&source=web&ots=a2l2cJ2_AF&sig=4Xk7EuOq2htSf2XqBWSFQxJwVqE&hl=en&sa=X&oi=book_result&resnum=1&ct=result</u>) (accessed September 2, 2008). The importance of the ability to work in teams was confirmed in a survey of leadership practices of more than sixty of the world's top organizations. "What Makes Great Leaders: Rethinking the Route to Effective Leadership," Findings from the Fortune Magazine/Hay Group 1999 Executive Survey of Leadership Effectiveness, [http://ei.haygroup.com/downloads/pdf/Leadership%20White%20Paper.pdf](http://ei.haygroup.com/downloads/pdf/<u>Leadership%20White%20Paper.pdf</u>) (accessed August 9, 2008). When top executives in these organizations were asked, "What causes high-potential leadership candidates to derail? (stop moving up in the organization)," 60 percent of the organizations cited "inability to work in teams." Interestingly, only 9 percent attributed the failure of these executives to advance to "lack of technical ability." While technical skills will be essential in your getting hired into an organization, your team skills will play a significant role in your ability to advance.

To be team-ready or not to be team-ready—that is the question. Or, to put it in plainer terms, the question is not whether you'll find yourself working as part of a team. You will. The question is whether you'll know how to participate successfully in team-based activities.

### **Will You Make a Good Team Member?**

What if your instructor in this course decides to divide the class into several three-, four-, or five-member teams and assigns each team to develop a new product plus a business plan to get it into production and out on the market? What teamwork skills could you bring to the table? What teamwork skills do you need to work on? What qualities do you possess that might make you a good team leader?

### What Skills Does the Team Need?

Sometimes we hear about a sports team made up of mostly average players who win a championship because of coaching genius, flawless teamwork, and superhuman determination. This section is based on Stephen P. Robbins and Timothy A. Judge, *Organizational Behavior*, 13th ed. (Upper Saddle River, NJ: Pearson Education, 2009), 346–47. But not terribly often. In fact, we usually hear about such teams simply because they're newsworthy—exceptions to the rule. Typically a team performs well because its members possess some level of talent. This doesn't mean, however, that we should reduce team performance to the mere sum of its individual contributions: Members' talents aren't very useful if they're not managed in a collective effort to achieve a common goal.

In the final analysis, of course, a team can succeed only if its members provide the skills that need managing. In particular, every team requires some mixture of three sets of skills:

- *Technical skills.* Because teams must perform certain tasks, they need people with the skills to perform them. For example, if your project calls for a lot of math work, it's good to have someone with the necessary quantitative skills.
- *Decision-making and problem-solving skills.* Because every task is subject to problems, and because handling every problem means deciding on the best solution, it's good to have members who are skilled in identifying problems, evaluating alternative solutions, and deciding on the best options.
- *Interpersonal skills.* Because teams are composed of people, and because people need direction and motivation and depend on communication, every group benefits from members who know how to listen, provide feedback, and smooth ruffled feathers. The same people are usually good at communicating the team's goals and needs to outsiders.

The key to success is ultimately the right mix of these skills. Remember, too, that no team needs to possess all these skills—never mind the right balance of them—from day one. In many cases, a team gains certain skills only when members volunteer for certain tasks and perfect their skills in the process of performing them. For the same reason, effective teamwork develops over time as team members learn how to handle various team-based tasks. In a sense, teamwork is always work in progress.

### What Roles Do Team Members Play?

Like your teamwork skills, expect your role on a team to develop over time. Also remember that, both as a student and as a member of the workforce, you'll be a *member* of a team more often than a *leader* (a subject that we'll take up in the next section). Team members, however, can have as much impact on a team's success as its leaders. The key is the quality of the contributions they make in performing nonleadership roles. This section is based on David A. Whetten and Kim S. Cameron, *Developing Management Skills*, 7th ed. (Upper Saddle River, NJ: Pearson Education, 2007), 516–20.

What, exactly, are those roles? At this point, you've probably concluded that every team faces two basic challenges:

1. Accomplishing its assigned task
2. Maintaining or improving group cohesiveness

Whether you affect the team's work positively or negatively depends on the extent to which you help it or hinder it in meeting these two challenges. David A. Whetten and Kim S. Cameron, *Developing Management Skills*, 7th ed. (Upper Saddle River, NJ: Pearson Education, 2007), 516–17. We can thus divide teamwork roles into two categories, depending on which of these two challenges each role addresses. These two categories (task-facilitating roles and relationship-building roles) are summarized in Table 8.2 "Roles that Team Members Play".

Table 8.2 Roles that Team Members Play

Task-facilitating Roles	Example	Relationship-building Roles	Example
Direction giving	"Jot down a few ideas and we'll see what everyone has come up with."	Supporting	"Now, that's what I mean by a practical application."
Information seeking	"Does anyone know if this is the latest data we have?"	Harmonizing	"Actually, I think you're both saying pretty much the same thing."
Information giving	"Here are latest numbers from...."	Tension relieving	"Before we go on to the next section, how many people would like a pillow?"

Task-facilitating Roles	Example	Relationship-building Roles	Example
Elaborating	“I think a good example of what you’re talking about is....”	Confronting	“How does that suggestion relate to the topic that we’re discussing?”
Urging	“Let’s try to finish this proposal before we adjourn.”	Energizing	“It’s been a long time since I’ve had this many laughs at a meeting in <i>this</i> department.”
Monitoring	“If you’ll take care of the first section, I’ll make sure that we have the second by next week.”	Developing	“If you need some help pulling the data together, let me know.”
Process analyzing	“What happened to the energy level in this room?”	Consensus building	“Do we agree on the first four points even if number five needs a little more work?”
Reality testing	“Can we make this work and stay within budget?”	Empathizing	“It’s not you. The numbers <i>are</i> confusing.”
Enforcing	“We’re getting off track. Let’s try to stay on topic.”		
Summarizing	“Before we jump ahead, here’s what we’ve decided so far.”		

Source: Adapted from David A. Whetten and Kim S. Cameron, *Developing Management Skills*, 7th ed. (Upper Saddle River, NJ: Pearson Education, 2007), 517, 519.

### Task-Facilitating Roles

**Task-facilitating roles**<sup>8</sup> address challenge number one—accomplishing the team goals. As you can see from [Table 8.2 "Roles that Team Members Play"](#), such roles include not only providing information when someone else needs it but also asking for it when you need it. In addition, it includes *monitoring* (checking on progress) and *enforcing* (making sure that team decisions are carried out). Task facilitators are especially valuable when assignments aren’t clear or when progress is too slow. Moreover, every team needs people who recognize when a little task facilitation is called for.

8. Member role that helps a team accomplish its goals.



### Relationship-Building Roles

When you challenge unmotivated behavior or help other team members understand their roles, you’re performing a **relationship-building role**<sup>9</sup> and addressing challenge number two—maintaining or improving group cohesiveness. This type of role includes just about every activity that improves team “chemistry,” from *confronting* to *empathizing*.

Bear in mind three points about this model of team-membership roles: (1) Teams are most effective when there’s a good balance between task facilitation and relationship building; (2) it’s hard for any given member to perform both types of roles, as some people are better at focusing on tasks and others on relationships; and (3) overplaying any facet of any role can easily become counterproductive. For example, *elaborating* on something may not be the best strategy when the team needs to make a quick decision; and *consensus building* may cause the team to overlook an important difference of opinion.

### Blocking Roles

Finally, review **Table 8.3 "How to Block Teamwork"**, which summarizes a few characteristics of another kind of team-membership role. So-called **blocking roles**<sup>10</sup> consist of behavior that inhibits either team performance or that of individual members. Every member of the team should know how to recognize blocking behavior. If teams don’t confront dysfunctional members, they can destroy morale, hamper consensus building, create conflict, and hinder progress.

Table 8.3 How to Block Teamwork

<b>Blocking Strategy</b>	<b>Tactics</b>
Dominate	Talk as much as possible; interrupt and interject
Overanalyze	Split hairs and belabor every detail
Stall	Frustrate efforts to come to conclusions: decline to agree, sidetrack the discussion, rehash old ideas
Remain passive	Stay on the fringe; keep interaction to a minimum; wait for others to take on work
Overgeneralize	Blow things out of proportion; float unfounded conclusions
Find fault	Criticize and withhold credit whenever possible

9. Member role that helps a team maintain or improve group cohesiveness.

10. Behavior that inhibits either team performance or that of individual members.

Blocking Strategy	Tactics
Make premature decisions	Rush to conclusions before goals are set, information is shared, or problems are clarified
Present opinions as facts	Refuse to seek factual support for ideas that you personally favor
Reject	Object to ideas offered by people who tend to disagree with you
Pull rank	Use status or title to push through ideas, rather than seek consensus on their value
Resist	Throw up roadblocks to progress; look on the negative side
Deflect	Refuse to stay on topic; focus on minor points rather than main points

Source: Adapted from David A. Whetten and Kim S. Cameron, *Developing Management Skills*, 7th ed. (Upper Saddle River, NJ: Pearson Education, 2007), 519–20.

### Class Team Projects

As we highlighted earlier, throughout your academic career you'll likely participate in a number of team projects. Not only will you make lasting friends by being a member of a team, but in addition you'll produce a better product. To get insider advice on how to survive team projects in college (and perhaps really enjoy yourself in the process), let's look at some suggestions offered by two students who have gone through this experience. Hannah Nichols, "Teamwork in School, Work and Life," *iamnext.com* 2003, <http://www.iamnext.com/academics/groupwork.html> (accessed August 10, 2008); and Kristin Feenstra, "Study Skills: Team Work Skills for Group Projects," *iamnext.com*, 2002, <http://www.iamnext.com/academics/groupproject.html> (accessed October 11, 2011).

- *Draw up a team charter.* At the beginning of the project, draw up a team charter (or contract) that includes the goals of the group; ways to ensure that each team member's ideas are considered and respected; when and where your group will meet; what happens if a team member skips meetings or doesn't do his or her share of the work; how conflicts will be resolved.
- *Contribute your ideas.* Share your ideas with your group; they might be valuable to the group. The worst that could happen is that they won't be used (which is what would happen if you kept quiet).
- *Never miss a meeting.* Pick a weekly meeting time and write it into your schedule as if it were a class. Never skip it. And make your meetings productive.

- *Be considerate of each other.* Be patient, listen to everyone, communicate frequently, involve everyone in decision making, don't think you're always right, be positive, avoid infighting, build trust.
- *Create a process for resolving conflict.* Do this before conflict arises. Set up rules to help the group decide whether the conflict is constructive, whether it's personal, or whether it arises because someone won't pull his or her weight. Decide, as a group, how conflict will be handled.
- *Use the strengths of each team member.* Some students are good researchers, others are good writers, others have strong problem-solving or computer skills, while others are good at generating ideas. Don't have your writer do the research and your researcher do the writing. Not only would the team not be using its resources wisely, but two team members will be frustrated because they're not using their strengths.
- *Don't do all the work yourself.* Work with your team to get the work done. The project output is not as important as the experience of working in a team.
- *Set deadlines.* Don't leave everything to the end; divide up tasks, hold team members accountable, and set intermediary deadlines for each team member to get his or her work done. Work together to be sure the project is in on time and in good shape.

### **What Does It Take to Lead a Team?**

“Some people are born leaders, some achieve leadership, and some have leadership thrust upon them.” Or so Shakespeare might have said if he were managing a twenty-first-century work team instead of a sixteenth-century theater troupe. At some point in a successful career, whether in business, school, or any other form of organizational work, you may be asked (or assigned) to lead a team. The more successful you are, the more likely you are to receive such an invitation. So, what will you have to do as a leader? What skills will you need?

Like so many of the questions that we ask in this book, these questions don't have any simple answers. As for the first question—what does a leader have to do?—we can provide one broad answer: A leader must help members develop the attitudes and behavior that contribute to team success: interdependence, collective responsibility, shared commitment, and so forth.

### **Influence Team Members and Gain their Trust**

Team leaders must be able to influence their team members. And notice that we say *influence*: except in unusual circumstances, giving commands and controlling everything directly doesn't work very well. This section is based on David A.

Whetten and Kim S. Cameron, *Developing Management Skills*, 7th ed. (Upper Saddle River, NJ: Pearson Education, 2007), 510–13. As one team of researchers puts it, team leaders are more effective when they work *with* members rather than *on* them. David A. Whetten and Kim S. Cameron, *Developing Management Skills*, 7th ed. (Upper Saddle River, NJ: Pearson Education, 2007), 511. Hand in hand with the ability to influence is the ability to gain and keep the *trust* of team members. People aren't likely to be influenced by a leader whom they perceive as dishonest or selfishly motivated.

Assuming you were asked to lead a team, there are certain leadership skills and behaviors that would help you influence your team members and build trust. Let's look at seven of these:

- *Demonstrate integrity.* Do what you say you'll do, and act in accordance with your stated values. Be honest in communicating with members, and follow through on promises.
- *Be clear and consistent.* Let members know that you're certain about what you want, and remember that being clear and consistent reinforces your credibility.
- *Generate positive energy.* Be optimistic and compliment team members. Recognize their progress and success.
- *Acknowledge common points of view.* Even if you're about to propose some kind of change, before embarking on a new stage of a project recognize the value of the views that members already hold in common.
- *Manage agreement and disagreement.* When members agree with you, focus on your point of view and present it reasonably. When they disagree with you, acknowledge both sides of the issue and support your own with strong, clearly presented evidence.
- *Encourage and coach.* Buoy up members when they run into new and uncertain situations and when success depends on their performing at a high level. Give them the information they need and otherwise help them to perform tasks.
- *Share information.* Let members know that you're knowledgeable about team tasks and individual talents. Check with team members regularly to find out what they're doing and how the job is progressing. Collect information from outside sources, and make sure that it gets to the team members who need it.

Figure 8.4



*Team leaders are most effective when they can not only influence members but also gain their trust.*

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## KEY TAKEAWAYS

- As the business world depends more and more on teamwork, it's increasingly important for incoming members of the workforce to develop skills and experience in team-based activities.
  - Every team requires some mixture of three skill sets:
    1. *Technical skills*: skills needed to perform specific tasks
    2. *Decision-making and problem-solving skills*: skills needed to identify problems, evaluate alternative solutions, and decide on the best options
    3. *Interpersonal skills*: skills in listening, providing feedback, and resolving conflict
  - Team members deal with two basic challenges: (1) accomplishing the team's assigned task and (2) maintaining or improving group cohesiveness.
  - **Task-facilitating roles** address challenge number one—accomplishing team tasks. **Relationship-building roles** address challenge number two—maintaining or improving group cohesiveness. **Blocking roles** consist of behavior that inhibits either team performance or that of individual members.
  - The following are eight ways to add value to and survive team projects in college:
    1. Draw up a team charter.
    2. Contribute your ideas.
    3. Never miss a meeting.
    4. Be considerate of each other.
    5. Create a process for resolving conflict.
    6. Use the strengths of each team member.
    7. Don't do all the work yourself.
    8. Set deadlines.
  - The following are seven types of skills and behaviors that help team leaders influence their members and gain their trust:
    1. Demonstrating integrity
    2. Being clear and consistent
    3. Generating positive energy
    4. Acknowledging common points of view

5. Managing agreement and disagreement
6. Encouraging and coaching
7. Sharing information

## EXERCISE

### (AACSB) Analysis

One student, a veteran of team-based assignments, has some good advice to offer students who are following in her footsteps. Don't start, she advises, until you've drawn up a *team charter*. This charter (or contract) should include the following: the goals of the group; information on meeting times and places; ways to ensure that each member's ideas are considered and respected; methods for resolving conflicts; a "kick-out" clause—a statement of what will happen if a team member skips meetings or fails to do his or her share of the work. Kristen Feenstra, "Study Skills: Teamwork Skills for Group Projects," *iamnext.com*, 2002, <http://www.iamnext.com/academics/groupproject.html> (accessed October 11, 2011).

Now assume that you've just been assigned to a team in one of your classes. Prepare a first-draft charter in which you spell out rules of conduct for the team and its members.

## 8.4 The Business of Communication

### LEARNING OBJECTIVES

1. Discuss the role of communication in the design of the RAZR cell phone.
2. Define *communication* and discuss the ways in which organizations benefit from effective communication.

### Communication by Design

As the chief designer assigned to the “thin-clam” team at Motorola, Chris Arnholt was responsible for some of the phone’s distinctive physical features, including its sleek aluminum finish and backlit keyboard. In fact, it was he who pushed the company’s engineers and marketers to buck an industry trend toward phones that were getting fatter because of many add-ons such as cameras and stereo speakers. For Arnholt had a vision. He called it “rich minimalism,” and his goal was to help the Motorola cell phone team realize a product that embodied that profile.

But what exactly did Arnholt mean by rich minimalism? “Sometimes,” he admits, “my ideas are tough to communicate,” but as a veteran in his field, he also understands that “design is really about communication.” See Adam Lashinsky, “RAZR’s Edge,” *Fortune*, *CNNMoney.com*, June 1, 2006, [http://money.cnn.com/magazines/fortune/fortune\\_archive/2006/06/12/8379239/index.htm](http://money.cnn.com/magazines/fortune/fortune_archive/2006/06/12/8379239/index.htm) (accessed August 22, 2008); Scott D. Anthony, “Motorola’s Bet on the RAZR’s Edge,” *HBS Working Knowledge*, September 12, 2005, <http://hbswk.hbs.edu/archive/4992.html> (accessed October 11, 2011). His chief (and ongoing) task, then, was communicating to the cell phone team what he meant by rich minimalism. Ultimately, of course, he had to show them what rich minimalism looked like when it appeared in tangible form in a fashionable new cell phone. In the process, he also had to be sure that the cell phone included certain key benefits that prospective consumers would want. As always, the physical design of the finished product had to be right for its intended market.

We’ll have much more to say about the process of developing new products in [Chapter 10 "Product Design and Development"](#). Here, however, let’s simply highlight two points about the way successful companies approach the challenges of new-product design and development (which you will likely recognize from reading the first part of this chapter):

1. In contributing to the new-product design and development process, industrial designers like Chris Arnholt must effectively communicate both ideas and practical specifications.
2. The design and development process usually succeeds only when the assigned team integrates input from every relevant area of the organization. See Glen L. Urban and John R. Hauser, *Design and Marketing of New Products*, 2nd ed. (Upper Saddle River, NJ: Prentice Hall, 1993), 173.

The common denominator in both facets of the process is effective communication. The designer, for example, must communicate not only his vision of the product but also certain specifications for turning it into something concrete. Chris Arnholt sculpted models out of cornstarch and then took them home at night to refashion them according to suggestions made by the product team. Then he'd put his newest ideas on paper and hand the drawings over to another member of his design team, who'd turn them into 3D computer graphics from which other specialists would build plastic models. Without effective communication at every step in this process, it isn't likely that a group of people with different skills would produce plastic models bearing a practical resemblance to Arnholt's original drawings. On top of everything else, Arnholt's responsibility as chief designer required him to communicate his ideas not only about the product's visual and physical features but also about the production processes and manufacturing requirements for building it. See Industrial Designers Society of America (IDSA), "About ID," IDSA, <http://www.idsa.org/absolutenm/templates/?a=89&z=23> (accessed September 4, 2008).

Thus Arnholt's job—which is to say, his responsibility on the cell phone team—meant that he had to do a lot more than merely design the product. Strictly speaking, the designer's function is to understand a product from the consumer's point of view; develop this understanding into a set of ideas and specifications that will satisfy not only consumer needs but producer requirements; and make recommendations through drawings, models, and verbal communications. IDSA, Industrial Designers Society of America (IDSA), "About ID," IDSA, <http://www.idsa.org/absolutenm/templates/?a=89&z=23> (accessed September 4, 2008). Even our condensed version of the RAZR story, however, indicates that Arnholt's job was far broader. Why? Because new-product design is an integrative process: contributions must come from all functions within an organization, including *operations* (which includes research and development, engineering and manufacturing), *marketing*, *management*, *finance*, and *accounting*. See Glen L. Urban and John R. Hauser, *Design and Marketing of New Products*, 2nd ed. (Upper Saddle River, NJ: Prentice Hall, 1993), 173.



Our version of the RAZR story has emphasized operations (which includes research and development, engineering, and manufacturing) and touched on the role of marketing (which collects data about consumer needs). Remember, though, that members from several areas of management were recruited for the team. Because the project required considerable investment of Motorola's capital, finance was certainly involved, and the decision to increase production in late 2004 was based on numbers crunched by the accounting department. At every step, Arnholt's drawings, specs, and recommendations reflected his collaboration with people from all these functional areas.

As we'll see in [Section 8.4.2 "What Is Communication?"](#), what all this interactivity amounts to is *communication*. See Glen L. Urban and John R. Hauser, *Design and Marketing of New Products*, 2nd ed. (Upper Saddle River, NJ: Prentice Hall, 1993), 653. As for what Arnholt meant by rich minimalism, you'll need to take a look at the picture of the RAZR at the beginning of the chapter. Among other things, it means a blue electroluminescent panel and a 22 kHz polyphonic speaker.

### What Is Communication?

Let's start with a basic (and quite practical) definition of **communication**<sup>11</sup> as the process of transferring information from a sender to a receiver. When you call up a classmate to inform him that your Introduction to Financial Accounting class has been canceled, you're sending information and your classmate is receiving it. When you go to your professor's Web site to find out the assignment for the next class, your professor is sending information and you're receiving it. When your boss e-mails you the data you need to complete a sales report and tells you to e-mail the report back to her by 4 o'clock, your boss is sending information and, once again, you're receiving it; later in the day, the situation will be reversed.

### Your Ticket In (or Out)

11. Process of transferring information from a sender to a receiver.

Obviously, you participate in dozens of "informational transfers" every day. (In fact, they take up about 70 percent of your waking hours—80 percent if you have some sort of managerial position. Stephen P. Robbins and Timothy A. Judge, *Organizational*

Figure 8.5



*The explosion of text messaging has changed the way people use their cell phones and created new design needs for manufacturers like Motorola.*

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*Behavior*, 13th ed. (Upper Saddle River, NJ: Pearson Education, 2009), 368; David A. Whetten and Kim S. Cameron, *Developing Management Skills*, 7th ed. (Upper Saddle River, NJ: Pearson Education, 2007), 243.) In any case, it wouldn't make much sense for us to pursue the topic much further without assuming that you've gained *some* experience and mastered *some* skills in the task of communicating. At the same time, though, we'll also venture to guess that you're much more comfortable having casual conversations with friends than writing class assignments or giving speeches in front of classmates. That's why we're going to resort to the same plain terms that we used when we discussed the likelihood of your needing teamwork skills in an organizational setting: The question is not whether you'll need communication skills (both written and verbal). You will. The question is whether you'll develop the skills to communicate effectively in a variety of organizational situations.

Once again, the numbers back us up. In a recent survey by the Association of Colleges and Employers, the ability to communicate well topped the list of skills that business recruiters want in potential hires. National Association of Colleges and Employers, "2006 Job Outlook," *NACEWeb*, 2007, <http://www.naceweb.org> (accessed October 11, 2011). A College Board survey of 120 major U.S. companies concludes that writing is a "threshold skill" for both employment and promotion. "In most cases," volunteered one human resources director, "writing ability could be your ticket in—or your ticket out." Applicants and employees who can't write and communicate clearly, says the final report, "will not be hired and are unlikely to last long enough to be considered for promotion." College Board, "Writing: A Ticket to Work...or a Ticket Out: A Survey of Business Leaders," *Report of the National Commission on Writing*, September 2004, [http://www.writingcommission.org/prod\\_downloads/writingcom/writing-ticket-to-work.pdf](http://www.writingcommission.org/prod_downloads/writingcom/writing-ticket-to-work.pdf) (accessed October 11, 2011).

### Why Are Communication Skills Important?

They're important to you because they're important to prospective employers. And why do employers consider communication skills so important? Because they're good for business. Research shows that businesses benefit in several ways when they're able to foster effective communication among employees: John V. Thill and Courtland L. Bovée, *Excellence in Business Communication*, 8th ed. (Upper Saddle River, NJ: Pearson Education, 2008), 4. See Nicholas Carr, "Lessons in Corporate Blogging," *Business Week*, July 18, 2006, 9.

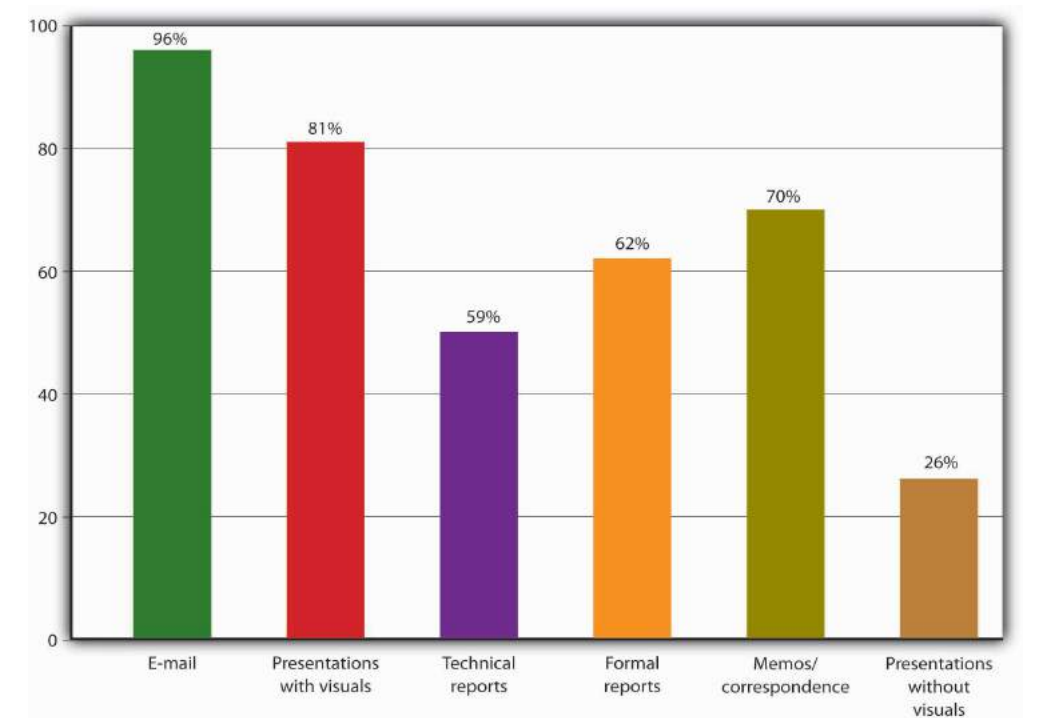
- Decisions are more convincing and certain, and problem solving is faster.
- Warning signs of potential problems appear earlier.
- Workflow moves more smoothly and productivity increases.
- Business relationships are stronger.

- Marketing messages are more persuasive.
- The company’s professional image is enhanced.
- Employee satisfaction goes up and turnover goes down.
- The firm and its investors enjoy better financial results.

### What Skills Are Important?

Figure 8.6 "Required Skills" reveals some further findings of the College Board survey that we mentioned previously—namely, the percentage of companies that identified certain communication skills as being “frequently” or “almost always” necessary in their workplaces. As you can see, ability in using e-mail is a nearly universal requirement (and in many cases this includes the ability to adapt messages to different receivers or compose persuasive messages when necessary). The ability to make presentations (with visuals) also ranks highly.

Figure 8.6 *Required Skills*



## KEY TAKEAWAYS

- Effective communication is needed in several facets of the new-product design and development process:
  1. Designers must effectively communicate both ideas and practical specifications.
  2. The process usually succeeds only when the assigned team integrates input from every relevant area of the organization.
- **Communication** is the process of transferring information from a sender to a receiver.
- Businesses benefit in several ways when they're able to foster effective communication among employees:
  1. Decisions are more assured and cogent, and problem solving is faster.
  2. Warning signs of potential problems appear earlier.
  3. Workflow moves more smoothly and productivity increases.
  4. Business relationships are stronger.
  5. Marketing messages are more persuasive.
  6. The company's professional image is enhanced.
  7. Employee satisfaction goes up and turnover goes down.
  8. The firm and its investors enjoy better financial results.

## EXERCISE

### (AACSB) Analysis

Pick a company you're interested in working for when you graduate from college. For this company, identify the following:

1. A starting position you'd like to obtain on graduation
2. A higher-level position you'd like to be promoted to in five years.

For each of these positions, describe the skills needed to get the job and those needed to be successful in the position.

## 8.5 Communication Channels

### LEARNING OBJECTIVES

1. Discuss the nature of communications in an organizational setting, including communication flows, channels, and networks.
2. Explain barriers to communication, and discuss the most common types of barriers to group communication.

### What Is *Organizational* Communication?

Clearly, the task of preparing and submitting a finished sales report doesn't require the same kinds of communication skills as talking on the phone with a classmate. No matter what your "workstation" happens to be—whether your workplace office or your kitchen table—you're performing the task of preparing that sales report in an *organizational setting*. You're still a sender transferring information to a receiver, but the organizational context of the task requires you to consider different factors for success in communicating effectively (including barriers to success). A report, for example, must be targeted for someone in a specific position and must contain the information necessary to make a specific set of decisions. See Michael Netzley and Craig Snow, *Guide to Report Writing* (Upper Saddle River, NJ: Prentice Hall, 2002), 3–21.

### Communication Flows

Here's another way of thinking about communication in an organizational setting. Let's assume that you and the classmate you called on the phone are on roughly equal footing—you're both juniors, your grades in the class are about the same, and so forth. Your phone conversation, therefore, is "lateral": You belong to the same group (your accounting class), and your group activities take place on the same level.

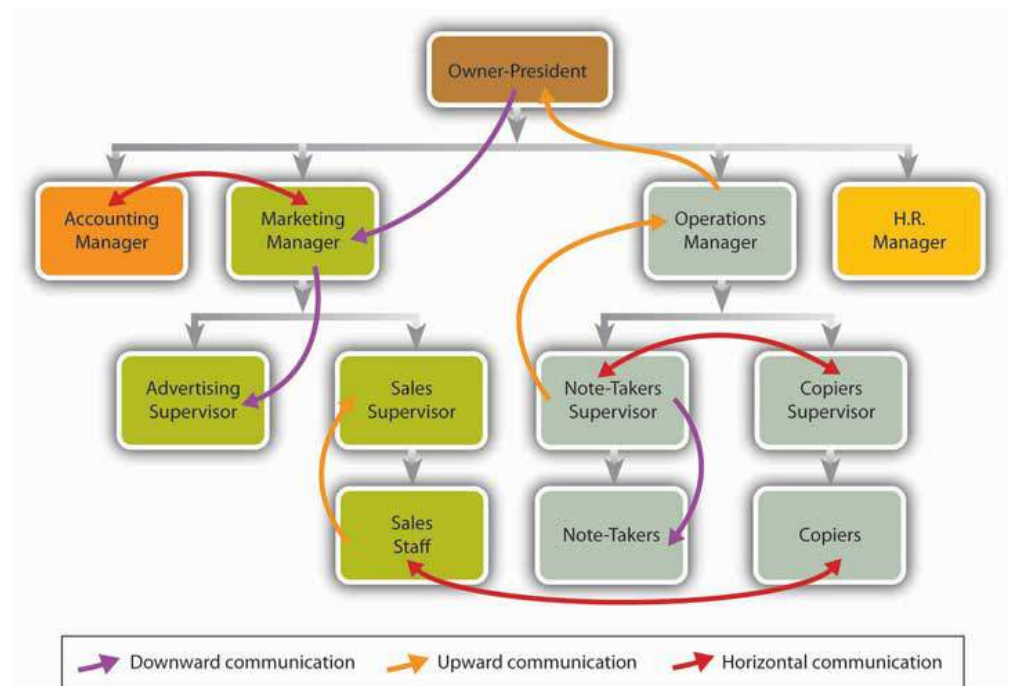
Communication may also flow laterally in organizational settings (as it does between you and your classmate), but more often it flows up or down. Take a look at [Figure 8.7 "Formal Communication Flows"](#). If it looks familiar, that's because we've borrowed it from [Chapter 6 "Managing for Business Success"](#), where it appeared as the *organization chart* for the fictional company Notes-4-You. As you can see, we've added a few lines to show the three directions in which communications can flow in a typical organization: This section is based on Jerald Greenberg and

Robert A. Baron, *Behavior in Organizations*, 9th ed. (Upper Saddle River, NJ: Pearson Education, 2008), 351–53.

- As the term suggests, **downward communication**<sup>12</sup> flows from higher organizational levels (supervisors) to lower organizational levels (subordinates).
- **Upward communication**<sup>13</sup> flows from lower to higher organizational levels.
- **Lateral (or horizontal) communication**<sup>14</sup> flows across the organization, among personnel on the same level.

Your boss’s request for a sales report is an instance of downward communication, and when you’ve finished and submitted it, you will have completed a task of upward communication.

Figure 8.7 Formal Communication Flows



12. Communication flow from higher to lower organizational levels.
13. Communication flow from lower to higher organizational levels.
14. Communication flow across the organization, among personnel on the same level.

### Advantages of Communication Flows

Naturally, each of these different directional flows has its functions and advantages. Downward communication, for example, is appropriate for giving instructions or directions—telling people what to do. (As a goal of communication, by the way, giving orders isn’t as one-sided as it may seem. One of the things that

employees—the receivers—most want to know is: What, exactly, does my job entail?) Jerald Greenberg and Robert A. Baron, *Behavior in Organizations*, 9th ed. (Upper Saddle River, NJ: Pearson Education, 2008), 350–51. Like a sales report, upward communication usually provides managers with information that they need for making decisions, but it’s also the vehicle for new ideas, suggestions, and complaints. Horizontal communication supports efforts to coordinate tasks and otherwise help people work together.

### Disadvantages of Communication Flows

And, of course, each type of flow has its disadvantages. As information seeps downward, for instance, it tends to lose some of its original clarity and often becomes distorted or downright wrong. (This is especially true when it’s delivered orally.) In addition, unlike Donald Trump, most people who are responsible for using downward communication don’t like delivering bad news (such as “You’re fired” or, more commonly, “Your job is being phased out”); as a result, bad news—including bad news that happens to be important news—is often ignored or disguised. The same thing may happen when bad news—say, a negative status report—must be sent upward.

Finally, while horizontal flows are valuable for promoting cooperation, they can also be used to engage in conflict—for instance, between two departments competing for the same organizational resources. The problem is especially bad when such horizontal communications breach official upward or downward lines of communication, thus bypassing managers who might be able to resolve the conflict.

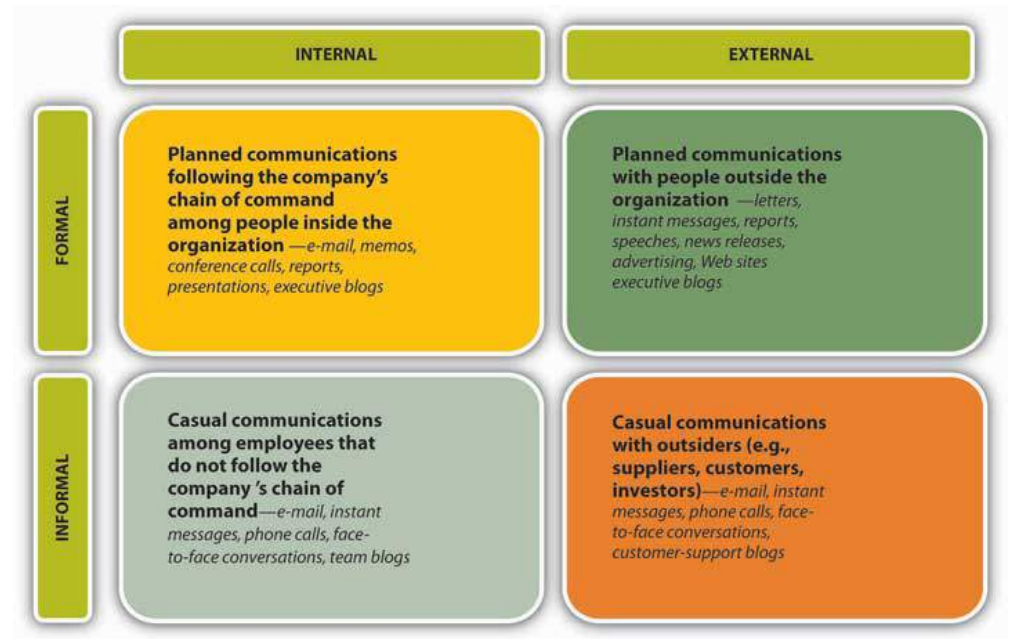
### Channels of Communication

**Figure 8.8 "Channels of Communication"** summarizes two additional sets of characteristics of organizational communication—*internal and external channels* and *formal and informal channels*. This section is based on John V. Thill and Courtland L. Bovée, *Excellence in Business Communication*, 8th ed. (Upper Saddle River, NJ: Pearson Education, 2008), 4–6. **Internal communication**<sup>15</sup> is shared by people at all levels within a company. **External communication**<sup>16</sup> occurs between parties inside a company and parties outside the company, such as suppliers, customers, and investors. Both internal and external forms of communication include everything from formal e-mail and official reports to face-to-face conversations and casual phone calls. External communication also takes such forms as customer and supplier Web sites, news releases, and advertising.

15. Channel by which communication is shared by people at all levels within a company.

16. Channel through which communication occurs between parties inside a company and parties outside it.

Figure 8.8 Channels of Communication



Note that Figure 8.8 "Channels of Communication" takes the form of a grid, thus creating four dimensions in which communication can take place. Informal communication, for example, can take place either among people within the company (internally) or between insiders and outsiders (externally). By and large, though you can use the same set of tools (memos, reports, phone calls) to communicate in any of these four situations, some tools (team blogs, news releases, supplier Web sites) are useful only in one or two.

### The Formal Communication Network

An organization's **formal communication network**<sup>17</sup> consists of all communications that flow along its official lines of authority. Look again at Figure 8.7 "Formal Communication Flows". Because it incorporates the *organization chart* for Notes-4-You, it shows the company's lines of authority—what, in Chapter 6 "Managing for Business Success", we called its *reporting relationships*. Here we can see that the reporting relationships in question consist of *upward communication* from subordinates to superiors. In reporting to the operations manager, for example, the notetakers' supervisor communicates upward. Conversely, when the notetakers' manager needs to give direction to notetakers, she will use *downward communication*. If the notetakers' manager and the copiers' manager must get together to prepare a joint report for the operations manager, they'll engage in *lateral communication*. In short, an organization's formal communication network is basically the same thing as its network of reporting relationships and lines of

17. Network consisting of all communications that flow along an organization's official lines of authority.



authority. See Jerald Greenberg and Robert A. Baron, *Behavior in Organizations*, 9th ed. (Upper Saddle River, NJ: Pearson Education, 2008), 349–50.

### The Informal Communication Network

Every company also has an **informal communication network (or grapevine)**<sup>18</sup>, which goes to work whenever two or more employees get together and start talking about the company and their jobs. Informal communication can take place just about anywhere (in one person’s cubicle, in the cafeteria, on the golf course) and by just about any means (phone, e-mail, instant messaging, face-to-face conversation).

Though it’s sometimes called the *grapevine*, an informal network is an extremely important communication channel. Why? For the simple reason that it’s typically widespread and can rarely be prevented, even if it’s not officially sanctioned by the company—indeed, even when the company tries to discourage or bypass it. Unofficial information crosses virtually every boundary drawn by a firm’s organization chart, reaching out and touching everyone in the organization, and what’s more, it travels a lot faster than official information.

### Problems with the Flow of Information through Informal Channels

The downside of “unofficial” information should be obvious. Because much of it is communicated orally, it’s likely to get distorted and often degenerates into outright misinformation. Say, for example, that a rumor about layoffs gets started in your workplace. As more than one manager will verify, such rumors can do more damage than the reality. Morale may plummet and productivity won’t be far behind. Valuable employees may abandon ship (needlessly, if the rumors are false). See Steven A. Watson, “Sharing Info and Defusing Rumors Helps Keep Staff Motivated During Layoffs,” ZDNet, July 29, 2003, <http://www.zdnetasia.com/sharing-info-and-defusing-rumors-helps-keep-staff-motivated-during-layoffs-39140816.htm> (accessed October 11, 2011).

And imagine what can happen if informal information gets outside the organization. In the 1970s, Chicago-area McDonald’s outlets found themselves fighting rumors about worms in their hamburgers. Over the years, Coca-Cola has had to fight rumors about terrorists joining its organization, subversive messages concealed in its label, and hyperacidity (false rumors that Coke causes osteoporosis and makes a good pesticide and an equally good spermicide). Allan J. Kimmel, *Rumors and Rumor Control* (Mahwah, NJ: Erlbaum, 2004), [http://books.google.com/books?id=a0FZz3Jq8lIC&pg=PA64&lpg=PA64&dq=rumors+about+Coke&source=web&ots=wtBktafiKZ&sig=HbsDm2Byd0ZPkZH2YUWITwWTDac&hl=en&sa=X&oi=book\\_result&resnum=6&ct=result](http://books.google.com/books?id=a0FZz3Jq8lIC&pg=PA64&lpg=PA64&dq=rumors+about+Coke&source=web&ots=wtBktafiKZ&sig=HbsDm2Byd0ZPkZH2YUWITwWTDac&hl=en&sa=X&oi=book_result&resnum=6&ct=result) (accessed October 11, 2011). See also Jerald Greenberg

18. Network that carries information whenever two or more employees get together and start talking about the company and their jobs.

and Robert A. Baron, *Behavior in Organizations*, 9th ed. (Upper Saddle River, NJ: Pearson Education, 2008), 359.

### What to Do about Informal Information Flows

On the upside, savvy managers can tap into the informal network, either to find out what sort of information is influencing employee activities or to circulate more meaningful information, including new ideas as well as corrective information. In any case, managers have to deal with the grapevine, and one manager has compiled a list of suggestions for doing so effectively: Charles R. McConnell, “Controlling the Grapevine,” *Small Business Toolbox*, June 18, 2008, [http://www.nfib.com/object/IO\\_37650?templateId=315](http://www.nfib.com/object/IO_37650?templateId=315) (accessed September 6, 2008).

- *Learn to live with it.* It’s here to stay.
- *Tune into it.* Pay attention to the information that’s circulating and try to learn something from it. Remember: The more you know about grapevine information, the better you can interact with employees (who, in turn, will probably come to regard you as someone who keeps in touch with the things that concern them).
- *Don’t participate in rumors.* Resist the temptation to add your two cents’ worth, and don’t make matters worse.
- *Check out what you hear.* Because it’s your job to replace bad information with good information, you need to find out what’s really going on.
- *Take advantage of the grapevine.* Its only function is to carry information, so there’s no reason why you can’t pump some useful information through it.

Perhaps most importantly, when alert managers notice that the grapevine is particularly active, they tend to reach a sensible twofold conclusion:

1. The organization’s formal lines of communication aren’t working as well as they should be.
2. The best way to minimize informal communication and its potential damage is to provide better formal communication from the outset—or, failing that, to provide whatever formal communication will counteract misinformation as thoroughly as possible.

Let’s go back to our example of a workplace overwhelmed by layoff rumors. In a practical sense, what can a manager—say, the leader of a long-term product-development team—do to provide better communication? One manager suggests at least three specific responses: Steven A. Watson, “Sharing Info and Defusing Rumors Helps Keep Staff Motivated During Layoffs,” *TechRepublic*, June 17, 2003,

[http://articles.techrepublic.com.com/5100-10878\\_11-5035116.html](http://articles.techrepublic.com.com/5100-10878_11-5035116.html) (accessed September 6, 2008).

1. Go to your supervisor or another senior manager and try to find out as much as you can about the organization's real plans.
2. Ask a senior manager or a human resources representative to meet with your team and address members' concerns with accurate feedback.
3. Make it a priority to keep channels open—both between yourself and your team members and between team members and the human resources department.

Because actions of this sort send a message, they can legitimately be characterized as a form of formal communication. They also reflect good leadership: Even though the information in this case relates only indirectly to immediate team tasks, you're sharing information with people who need it, and you're demonstrating integrity (you're being honest, and you're following through on a commitment to the team).

## **Overcoming Barriers to Communication**

### **What Are Barriers to Communication?**

By *barriers* we mean anything that prevents people from communicating as effectively as possible. Noise, for example, can be a barrier to communication; if you and other team members are mumbling among yourselves while your team leader is trying to explain task assignments, you're putting up a barrier to group communication. As a matter of fact, you're putting up two barriers: In addition to *creating noise*, you're *failing to listen*. About 80 percent of top executives say that learning to listen is the most important skill in getting things done in the workplace. John V. Thill and Courtland L. Bovée, *Excellence in Business Communication*, 8th ed. (Upper Saddle River, NJ: Pearson Education, 2008), 53. See Judi Brownell, *Listening*, 2nd ed. (Boston: Allyn & Bacon, 2002), 9–10. and as President Calvin Coolidge once remarked, "No man ever listened himself out of a job." Business people who don't listen risk offending others or misinterpreting what they're saying.

## Two Types of Barriers

As for creating unnecessary verbal noise and failing to listen, we can probably chalk them up to poor communication habits (or maybe the *same* habit, for as legendary management expert Peter Drucker argues, “Listening is not a skill; it is a discipline. All you have to do is keep your mouth shut”). In the rest of this section, we’ll overlook personal barriers to communication and concentrate instead on two types of barriers that are encountered by groups of people, sometimes large and sometimes small, working toward organizational goals.

Figure 8.9



Though developed to improve communication, in some cases cell phones can create a barrier.

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### Cultural Barriers

**Cultural barriers**<sup>19</sup>, which are sometimes called cultural filters, are the barriers that result from differences among people of different cultures. See Melinda G. Kramer, *Business Communication in Context: Principles and Practice* (Upper Saddle River, NJ: Prentice Hall, 2001), 87. As we point out in [Chapter 7 "Recruiting, Motivating, and Keeping Quality Employees"](#), experts and managers agree that cultural diversity in the workplace can and should be a significant asset: It broadens the perspectives from which groups approach problems, gives them fresh ideas, and sparks their creativity; it also gives organizations an advantage in connecting with diverse customer bases. None of these advantages, though, magically appears simply because workplace diversity increases. To the contrary: As diversity increases, so does the possibility that a group will be composed of people who have different attitudes and different ways of expressing them.

If it hasn't happened already, for example, one of these days you'll find yourself having a work-related conversation with a member of the opposite sex. If the conversation doesn't go as smoothly as you'd expected, there's a good reason: Men and women in the workplace don't communicate the same way. According to American linguist Deborah Tannen, men tend to assert their status, to exert confidence, and to regard asking questions as a sign of weakness. Women, in contrast, tend to foster positive interrelationships, to restrain expressions of confidence, and to ask questions with no trouble. See Jerald Greenberg and Robert A. Baron, *Behavior in Organizations*, 9th ed. (Upper Saddle River, NJ: Pearson Education, 2008), 360–61. See Deborah Tannen, *Talking 9 to 5: Women and Men at Work* (New York: Avon, 1995).

19. Barriers that result from differences among people of different cultures.

It really doesn't matter which "style" (if either) is better suited to making a conversation more productive. Two points, however, are clear:

1. Even if two people of the opposite sex enter a conversation with virtually identical viewpoints, their different styles of expressing themselves might very well present a barrier to their reaching an agreement. Much the same can be said of differences in style arising from other cultural filters, such as ethnicity, education, age, and experience.
2. Workplace conversations can be tricky to negotiate, yet there's no escaping them. Like life in the outside world, observes Tannen, life in the workplace "is a matter of dealing with people...and that means a series of conversations." That's also why surveys continue to show that managers regard the ability to communicate face to face as a key factor in an employee's promotability. David A. Whetten and Kim S. Cameron, *Developing Management Skills*, 7th ed. (Upper Saddle River, NJ: Pearson Education, 2007), 243.

### Functional Barriers

Let's return for a moment to [Figure 8.7 "Formal Communication Flows"](#). Recall that when we introduced the organizational structure of Notes-4-You in [Chapter 6 "Managing for Business Success"](#), we characterized it as a *functional organization*—one that groups together people who have comparable skills and perform similar tasks. Note, however, that in setting up this form of organization for our hypothetical company, we found it necessary to insert two layers of management (four functional managers and two job supervisors) between our owner/president and our lowest-level employees. In this respect, our structure shares certain characteristics with another form of organization—*divisional*, which groups people into units that are more or less self-contained and that are largely accountable for their own performance.

What does all this have to do with barriers to communication? Simply this: The more "divisionalized" an organization becomes, the more likely it will be to encounter communication barriers. Not surprisingly, communication gets more complicated, for the same reason that an organization comes to rely on more levels of management. See Jennifer M. George and Gareth R. Jones, *Understanding and Managing Organizational Behavior*, 5th ed. (Upper Saddle River, NJ: Pearson Education, 2008), 544. Notes-4-You, for instance, needs two supervisors because its notetakers don't do the same work as its copiers. In addition, because their groups don't perform the same work, the two supervisors don't call on the same resources from the company's four functional managers. (Likewise, Notes-4-You also has four

functional-area managers because none of them does the same work as any of the others.)

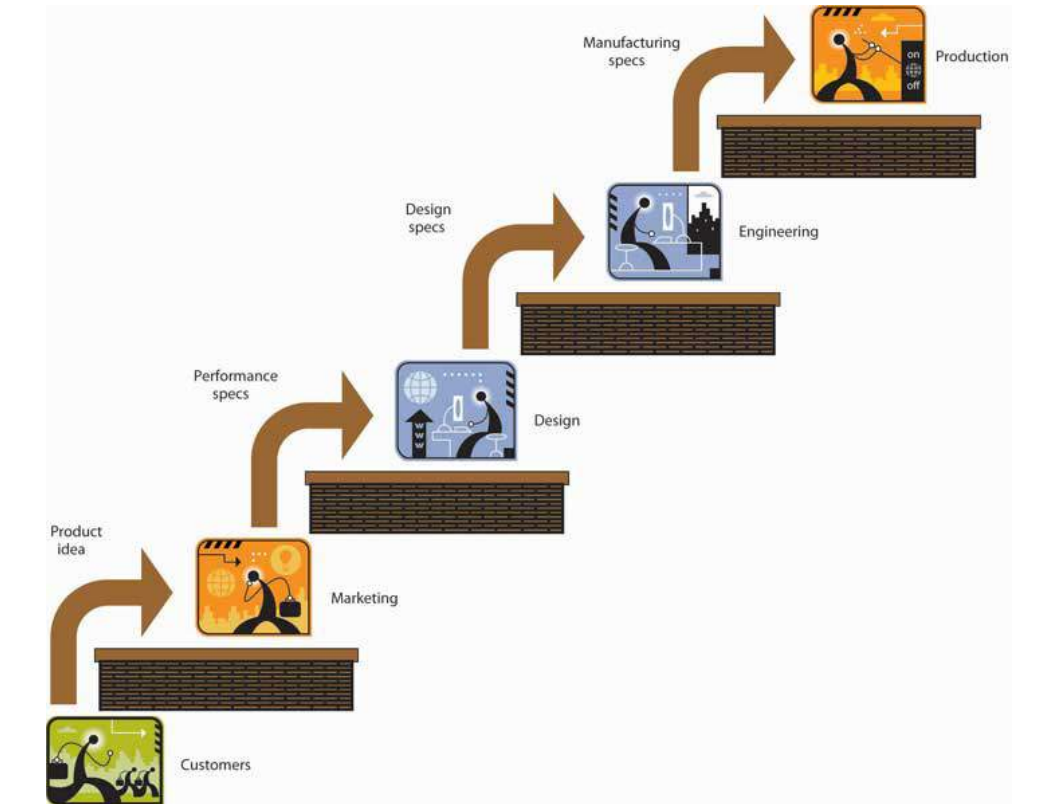
Officially, then, the operations of the two work groups remain distinct or specialized. At the same time, each group must contribute to the company-wide effort to achieve common goals. Moreover, certain organizational projects, like Motorola's cell phone project, may require the two groups to work together more closely than usual. When that happens, employees from each of the two groups may find themselves working together on the same team, but even so, one crucial fact remains: Information that one group possesses and the other doesn't must still be exchanged among team members. It may not be quite as apparent as the *cultural diversity* among men and women in many workplace situations, but there is in fact a *functional diversity* at Notes-4-You among notetakers and copiers. See Anne S. Tsui and Barbara A. Gutek, *Demographic Differences in Organizations* (Lanham, MD: Lexington Books, 1999), 91-95, [http://books.google.com/books?hl=en&id=Rr8jYPKF0hoC&dq=Tsui%2BGutek&printsec=frontcover&source=web&ots=svMB027a6s&sig=pQForzFKUkbWr1HbNBBLE42EoL0&sa=X&oi=book\\_result&resnum=1&ct=result](http://books.google.com/books?hl=en&id=Rr8jYPKF0hoC&dq=Tsui%2BGutek&printsec=frontcover&source=web&ots=svMB027a6s&sig=pQForzFKUkbWr1HbNBBLE42EoL0&sa=X&oi=book_result&resnum=1&ct=result) (accessed September 9, 2008).

**Figure 8.10 "Functional Barriers to Communication"** illustrates the location of barriers that may be present when a team-based project must deal with a certain degree of functional diversity. As you can see, we've modeled our process on the process of the Motorola ultratrim phone project. See Roberta S. Russell and Bernard W. Taylor, *Operations Management*, 5th ed. (Hoboken, NJ: Wiley, 2005), 85. We don't need to describe the entire process in detail, but we will focus on two aspects of it that we've highlighted in the drawing:

1. The company has assigned team members from different functional areas, notably marketing and operations (which, as at Motorola, includes design, engineering, and production).
2. Information (which we've characterized as different types of "specs") must be transferred from function to function, and at the key points where this occurs, we've built in communication barriers (symbolized by brick walls).

If, for example, marketing specs called for the new Motorola phone to change colors with the user's mood, someone in engineering might have to explain the difficulties in designing the software. If design specs called for quadraphonic sound, production might have to explain the difficulties in procuring sufficiently lightweight speaker components.

Figure 8.10 *Functional Barriers to Communication*



Each technical problem—each problem that arises because of differences in team members’ knowledge and expertise—becomes a problem in communication. In addition, communicating as a member of a team obviously requires much more than explaining the limitations of someone else’s professional expertise. Once they’ve surfaced, technical and other problems have to be resolved—a process that will inevitably require even more communication. As we’ve seen in this part of the chapter, improving communication is a top priority for most organizations (for one thing, developing a team-based environment is otherwise impossible), and the ongoing task of improving communication is pretty much the same thing as the ongoing task of overcoming barriers to it.

## KEY TAKEAWAYS

- In a typical organizational setting, *communication flows* may take three directions:
  1. **Downward communication** flows from higher organizational levels (supervisors) to lower organizational levels (subordinates).
  2. **Upward communication** flows from lower to higher organizational levels.
  3. **Lateral (or horizontal) communication** flows across the organization, among personnel on the same level.
- Organizational communication flows through two different *channels*. **Internal communication** is shared by people at all levels within a company. **External communication** occurs between parties inside a company and parties outside the company, such as suppliers, customers, and investors.
- Organizational communication also flows through two different *networks*. Its **formal communication network** consists of all communications that flow along an organization's official lines of authority. The **informal communication network**, sometimes called the *grapevine*, goes to work whenever two or more employees get together and start talking about the company and their jobs.
- *Barriers to communication* include anything that prevents people from communicating as effectively as possible. Among groups, two types of barriers are common. *Cultural barriers*, sometimes called *cultural filters*, are the barriers that result from differences among people of different cultures. *Functional barriers* arise when communication must flow among individuals or groups who work in different functional areas of an organization.



## EXERCISE

(AACSB) Analysis

Write three messages (you decide which communication channel to use):

1. To a coworker asking her for a report on this quarter's sales for your division
2. To your manager telling him what the sales were for the quarter and whether sales improved (or got worse), and why
3. To the vice president of the company recommending a new system for tracking sales in your division

## 8.6 Forms of Communication

### LEARNING OBJECTIVES

1. Explain the do's and don'ts of business e-mails.
2. Describe the process followed to create and deliver successful presentations.
3. Learn how to write clear, concise memos.

As mentioned previously, the College Board identified these communication skills as “frequently” or “almost always” necessary in the workplace: College Board, “Writing: A Ticket to Work...or a Ticket Out: A Survey of Business Leaders,” *Report of the National Commission on Writing*, September 2004, [http://www.writingcommission.org/prod\\_downloads/writingcom/writing-ticket-to-work.pdf](http://www.writingcommission.org/prod_downloads/writingcom/writing-ticket-to-work.pdf) (accessed October 11, 2011). e-mail, presentation with visuals, technical reports, formal reports, memos, and presentations without visuals. The skill ranked highest in importance was the use of e-mails, including the ability to adapt messages to different receivers or compose persuasive messages when necessary. The ability to make presentations (with visuals) ranked second in importance. Report writing came next. Given the complexity of report writing, we will not cover this topic here. Instead, we will look at the remaining three forms of communication: e-mail, presentations with visuals, and memos.

### Tips for Writing Business E-Mails

Dennis Jerz and Jessica Bauer created the following list of the top 10 tips for writing effective e-mail messages: Dennis G. Jerz and Jessica Bauer, “Writing Effective E-Mail: Top 10 Email Tips,” *Jerz's Literacy Weblog*, March 8, 2011, <http://jerz.setonhill.edu/writing/e-text/email/> (accessed October 19, 2011).

1. *Write a meaningful subject line.* Recipients use the subject line to decide whether to open or delete a message and sometimes where to store it. Write a subject line that describes the content.
2. *Keep the message focused.* Avoid including multiple messages or requests in one e-mail. Try to focus on only one topic. Use standard capitalization and spelling; none of this “thx 4 ur help 2day ur gr8.”
3. *Avoid attachments.* Extract the relevant text from a large file and ask the recipient if he or she wants to see the full document.

4. *Identify yourself clearly.* Identify yourself in the first few lines—otherwise your message might be deleted quickly.
5. *Be kind. Don't flame.* Avoid writing e-mails when you are upset. Always think before you hit the “send” button. Once it's gone, you can't get it back. If you're mad, write the e-mail, but don't send it. Keep it in your “save” or “draft” folder and reread it the next day.
6. *Proofread.* Use spell check and read the memo carefully before sending it.
7. *Don't assume privacy.* Don't send anything you wouldn't want posted on the office bulletin board (with your name on it). Remember, employers can read your e-mails!
8. *Distinguish between formal and informal situations.* When writing to a coworker with whom you are friends, you can be less formal than when you are writing to your manager or a client.
9. *Respond promptly.* Get back quickly to the person who sent you the e-mail. If you're too busy to answer, let the person know you got the message and will respond as soon as you can.
10. *Show respect and restraint.* Watch out: Don't use the “reply to all” button in error. Don't forward an e-mail before getting permission from the sender.

### **Planning, Preparing, Practicing, and Presenting**

For some, the thought of making a presentation is traumatic. If you're one of those people, the best way to get over your fear is to get up and make a presentation. With time, it will get easier, and you might even start enjoying it. As you progress through college, you will have a number of opportunities to make presentations. This is good news—it gives you practice, lets you make your mistakes in a protected environment (before you hit the business world), and allows you to get fairly good at it. Your opportunities to talk in front of a group will multiply once you enter the business world. Throughout your business career, you'll likely be called on to present reports, address groups at all levels in the organization, represent your company at various events, run committee meetings, lead teams, or make a sales pitch. Paul W. Barada, “Confront Your Fears and Communicate,” <http://career-advice.monster.com/in-the-office/workplace-issues/confront-your-fears-and-communicate/article.aspx> (accessed October 11, 2011). In preparing and delivering your presentation, you can follow a four-step process (plan, prepare, practice, and present) designed by Dale Carnegie, a global training company named after its famed founder. “Presentation Tips from Dale Carnegie Training,” Dale Carnegie, [http://www.erinhoops.ca/LobbyingHandbook/Presentation\\_Tips.htm](http://www.erinhoops.ca/LobbyingHandbook/Presentation_Tips.htm) (accessed October 11, 2011).

### **Plan**

Plan your presentation based on your purpose and the knowledge level and interest of your audience. Use words and concepts your audience can understand, and stay focused. If your audience is knowledgeable about your topic, you can skim over the generalities and delve into the details. On the other hand, if the topic is new to them, you need to move through it slowly. As you plan your presentation, ask yourself these questions: What am I trying to accomplish? Am I trying to educate, inform, motivate, or persuade my audience? What does my audience know about the topic? What do I want them to know? How can I best convey this information to them?

### **Prepare**

Once you have planned your presentation, you're ready to prepare. It might be easier to write your presentation if you divide it into three sections: opening, body, close. Your opening should grab your audience's attention. You can do this by asking a question, telling a relevant story, or even announcing a surprising piece of information. About 5 to 10 percent of your time can be spent on the opening. The body covers the bulk of the material and consumes about 80 to 85 percent of your time. Cover your key points, stay focused, but do not overload your audience. It has been found that an audience can absorb only about four to six points. Your close, which uses about 5 to 10 percent of your time, should leave the audience with a positive impression of you and your presentation. You have lots of choices for your close: You can either summarize your message or relate your closing remarks to your opening remarks or do both.

### **Practice**

This section should really be called "Practice, Practice, Practice" (and maybe another Practice for emphasis). The saying "practice makes perfect" is definitely true with presentations, especially for beginners. You might want to start off practicing your presentation by yourself, perhaps in front of a mirror. You could even videotape yourself and play it back (that should be fun). As you get the hang of it, ask a friend or a group of friends to listen to and critique your talk. When you rehearse, check your time to see whether it's what you want. Avoid memorizing your talk, but know it well.

## Present

Figure 8.11



*Preparation is key to a successful presentation.*

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Now you're ready for the big day—it's time to present. Dress for the part—if it's a professional talk, dress like a professional. Go early to the location where you'll present, check out the room, and be sure any equipment you'll need is there and works. Try to connect with your audience as soon as you start your presentation. Take your time delivering your opening. Act as natural as you can, and try to relax. Slow your speech down, as you'll likely have a tendency to speed up if you get nervous. Pause before and after your main point for emphasis. If you put brief notes on index cards, avoid reading from the cards. Glance down at them when needed, but then look up at your audience as you speak. Involve your audience in your presentation by asking them questions. Not only will they feel included, but it will help you relax. When you're close to finishing, let your audience know this (but don't announce it too early in the talk or your audience might start packing up prematurely). Remember to leave some time for questions and answers.

## Visual Aids

It's very common to use visual aids (generally PowerPoint slides) in business presentations. The use of visual aids helps your audience remember your main points and keeps you focused. If you do use PowerPoint slides, follow some simple (but important) rules: "Making PowerPoint Slides—Avoiding the Pitfalls of Bad Slides," <http://www.iasted.org/conferences/formatting/Presentations-Tips.ppt> (accessed October 11, 2011).

- Avoid wordiness: use key words and phrases only.
- Don't crowd your slide: include at most four to five points per slide.
- Use at least an eighteen-point font (so that it can be seen from the back of the room).
- Use a color font that contrasts with the background (for example, blue font on white background).
- Use graphs rather than just words.
- Proof your slides and use spell check.

And most important: The PowerPoint slides are background, but you are the show. Avoid turning around and reading the slides. The audience wants to see you talk; they are not interested in seeing the back of your head.

## How to Write an Effective Memo

Memos are effective at conveying fairly detailed information. To help you understand how to write a memo, read the following sample memorandum.

## Memorandum

TO
FROM
DATE
RE

As college students, you'll be expected to analyze real-world situations, research issues, form opinions, and provide support for the conclusions that you reach. In addition to engaging in classroom discussions of business issues, you'll be asked to complete a number of written assignments. For these assignments, we'll give you a business situation and ask you to analyze the issues, form conclusions, and provide support for your opinions.

In each assignment, you'll use the *memo format*, which is the typical form of written communication used in business. Writing in memo format means providing a *complete but concise response* to the issues at hand. Good memo writing demands time and effort. Because the business world expects you to possess this skill, we want to give you an opportunity to learn it now.

### Guidelines

Here are a few helpful hints to get you started on the right track:

- **The format should follow the format of this memo.** Note the **guide headings**—"TO," "FROM," "DATE," and "RE" (which, by the way, stands for "regarding" or "reference"). We also include a line across the page to signal the beginning of the body of the memo.
- Keep **paragraphs** short and to the point. The trick is being concise yet complete—summarizing effectively. Paragraphs should be single-spaced, flush against the left margin, and separated by a single blank line.
- Accent or highlight **major points**. Use underlining, bullets, or bold type for desired effect (taking care not to overdo it).

- Use *short headings* to distinguish and highlight vital information. Headings keep things organized, provide structure, and make for smooth reading. Headings (and, as appropriate, subheadings) are an absolute *must*.
- Your **title** (the “Re” line) should reflect the contents of your memo: It should let the reader know why he or she should read it. Keep the title short—a phrase of a few words, not a sentence.
- Be persuasive and convincing in your narrative. You have limited space in which to get your **key points** across. State your positions clearly. And again, be concise (a memo is not a term paper).
- If you have any additional information in the form of **exhibits**—charts, tables, illustrations, and so forth—put them in an **attachment**. Label each item “Exhibit 1,” “Exhibit 2,” and the like. Give each one a title, and be sure to reference them in your narrative (“As shown in Exhibit 1, the annual growth rate in sales has dropped from double-digit to single-digit levels”).
- Finally, *staple* multiple pages for submission. Needless to say, be sure to proofread for correct spelling and punctuation. Don’t scribble in changes by hand: They’re sloppy and leave a bad impression.

#### Final Comment

Now that you’ve read our memo, we expect you to follow the simple guidelines presented in it. This form of communication is widely practiced in business, so take advantage of this opportunity to practice your memo-writing skills.

## Nonverbal Communication

Sometimes it’s not what you say or how you say it that matters, but what your body language communicates about you and how you feel. When a good friend who’s in a bad mood walks into a room, you don’t need to hear a word from her to know she’s having an awful day. You can read her expression. In doing this, you’re picking up on her **nonverbal communication**<sup>20</sup>—“nonword” messages communicated through facial expressions, posture, gestures, and tone of voice. People give off nonverbal cues all the time. So what effect do these cues have in the business setting? Quite a bit—these cues are often better at telling you what’s on a person’s mind than what the person actually says. If an employee is meeting with his supervisor and frowns when she makes a statement, the supervisor will conclude that he disapproved of the statement (regardless of what he claims). If two employees are discussing a

20. “Nonword” messages communicated through facial expressions, posture, gestures, and tone of voice.



work-related problem and one starts to fidget, the other will pick this up as disinterest.

Given the possible negative effect that nonverbal cues can have in business situations, how can you improve your body language? The best approach is to become aware of any nonverbal cues you give out, and then work to eliminate them. For example, if you have a habit of frowning when you disapprove of something, recognize this and stop doing it. If the tone of your voice changes when you are angry, try to maintain your voice at a lower pitch.

## KEY TAKEAWAYS

- Here are ten tips for writing an e-mail:
  1. Write a meaningful subject line.
  2. Keep the message focused and readable.
  3. Avoid attachments.
  4. Identify yourself clearly in the first few lines.
  5. Be kind. Don't flame. Always think before hitting the "send" button.
  6. Proofread.
  7. Don't assume privacy.
  8. Distinguish between formal and informal situations.
  9. Respond promptly.
  10. Show respect and restraint.
- In preparing and delivering your presentation, you can follow a four-step process: plan, prepare, practice and present.
- You should **plan** your presentation based on your purpose and the knowledge level and interest of your audience.
- In **preparing** your presentation, it helps to divide it into three sections: opening, body and close.
  1. Your **opening**, which uses about 5–10 percent of your time, should grab your audience's attention.
  2. The **body** covers your main points and uses about 80 to 85 percent of your time.
  3. Your **close**, which uses about 5 to 10 percent of your time, should leave the audience with a positive impression of you and your presentation.
- The saying "**practice** makes perfect" is definitely true when giving presentations (especially for beginners).
- When you **present**, dress professionally, connect with your audience, try to relax and pause before and after your main points for emphasis.
  1. Visual aids, such as PowerPoint slides, can aid your presentation if they are used properly.

- Memos are effective at conveying fairly detailed information. Here are some tips:
  1. Keep paragraphs short and to the point.
  2. Accent or highlight **major points**.
  3. Use **short** headings.
  4. Your **title** should reflect the contents of your memo.
  5. Be persuasive and convincing in your narrative.

## EXERCISE

### (AACSB) Reflection

1. Ask a friend or a family member to tell you which nonverbal cues you frequently transmit. Identify those that would be detrimental to you in a business situation. Indicate how you could eliminate or reduce the impact of these cues. Ask the same person (or someone else) whether you are a good listener. If the answer is no, indicate how you could improve your listening skills.
2. Prepare a presentation on “planning, preparing, practicing, and presenting.” Divide your presentation into three parts: opening, body, and closing. Prepare visual aids. Pretend that your audience is made up of recent college graduates hired by Nike.

## **8.7 Cases and Problems**

## LEARNING ON THE WEB (AACSB)

### Factors Contributing to Nike's Success

This writing assignment solicits your opinion on factors contributing to Nike's success. To complete it, you should go to [http://www.nikebiz.com/company\\_overview/timeline](http://www.nikebiz.com/company_overview/timeline) to learn about Nike's history by reviewing the company's time line.

### Memo Format

Use the memo format described in the chapter for this assignment. Your memo should not exceed two pages. It should be single spaced (with an extra space between paragraphs and bulleted items).

### Scenario

You're one of the fortunate college students selected to participate in Nike's summer internship program. The program is quite competitive, and you still can't believe that you were chosen. You arrived in Beaverton, Oregon, yesterday morning and have been busy ever since. Last night, you attended a dinner for new interns where you were welcomed to Nike by CEO Mark Parker.

You were lucky to be sitting next to a personable, well-informed Nike veteran named Simon Pestrige. Pestrige joined Nike about twelve years ago. He was telling you about a past assignment he had as director of marketing for Australia. (You were impressed with his status at Nike, not just because he doesn't look much older than you, but also because you've always wanted to travel to Australia.) The dinner conversation turned to a discussion of the reasons for Nike's success. Others at the table were giving their opinions on the subject when Pestrige turned to you and said, "As a new intern, give us an outsider's point of view. Why do you think Nike's been so successful?" You were about to venture an opinion when Pestrige was called away for a phone call. As he got up, however, he quickly said, "Send me a memo telling me what factors you think have contributed to Nike's success. Keep it simple. Three factors are plenty." Though you were relieved to have a little time to think about your answer, you were also a bit nervous about the prospect of writing your first official memo.

As everyone else headed for the Bo Jackson gym, you went back to your room to think about Pestrige's question and to figure out how to go about

writing your memo. You want to be sure to start by telling him that you enjoyed talking with him. You also need to remind him that you're responding to his question about three factors in Nike's success, and must be sure to explain why you believe they're important. You'll end by saying that you hope the information is helpful and that he can contact you if he has any further questions.

So far, so good, but you're still faced with the toughest part of your task—identifying the three factors that you deem important to Nike's success. Fortunately, even at Nike there's always tomorrow to get something done, so you decide to sleep on it and write your memo in the morning.

## ETHICS ANGLE (AACSB)

### The Goof-Off

You and three other students have been working on a group project all semester in your Introduction to Business class. One of the members of the team did very little work; he failed to attend almost all the meetings, took no responsibility for any of the tasks, didn't attend the practice session before your presentation, and in general was a real goof-off. But he happens to be friends with two of the team members. You and your other team members have been asked to complete the attached team member evaluation. You want to give the student what he deserves—almost no credit. But your other two team members don't agree. They argue that it is “unsocial and mean” to tell the truth about this student's lack of contribution. Instead, they want to report that everyone shared the work equally. The evaluation will be used in determining grades for each team member. Those who contributed more will get a higher grade than those who did not. Prepare an argument that you can advance to the other team members on the ethics of covering for this student. Assuming that your two teammates won't change their minds, what would you do?

### Attachment to Ethics Angle Problem

#### Introduction to Business

#### Team Member Evaluation

(To be given to your faculty member during the last week of class)

TEAM \_\_\_\_\_

You have a total of \$100,000. You can use this to reward your team members (including yourself) for their contributions to the team project.

Fill in each team member's name below (including your own), and show beside each name how much of the \$100,000 you would give that member for his or her contributions to the preparation and presentation of the team project. Do not share your recommendations with your team members.

Your recommendations will be confidential.

Team Members (including yourself)	Amount to be given for efforts on team project
-----	\$-----
-----	\$-----
-----	\$-----
-----	\$-----
-----	\$-----
-----	\$-----
TOTAL (MUST EQUAL \$100,000)	\$-----

YOUR NAME -----



**TEAM-BUILDING SKILLS (AACSB)**

**Team Skills and Talents**

Team projects involve a number of tasks that are handled by individual team members. These tasks should be assigned to team members based on their particular skills and talents. The next time you work on a team project, you should use the following table to help your team organize its tasks and hold its members responsible for their completion.

Here is how you should use this document:

1. Identify all tasks to be completed.
2. Assign each task to a member (or members) of your team based on their skills, talents, and time available.
3. Determine a due date for each task.
4. As a task is completed, indicate its completion date and the team member (or members) who completed the task. If more than one team member works on the assignment, indicate the percentage of time each devoted to the task. You can add tasks that surface as your team works its way through the project.
5. If the assigned person fails to complete the task, or submits poor quality work, add a note to the report explaining what happened and how the situation was corrected (for example, another team member had to redo the task).
6. Submit the completed form (with all columns completed) to your faculty member at the class after your team project is due. Include a cover sheet with your team's name (or number) and the name of each team member.

Tasks to Be Completed	Initials of Team Member(s) Who Will Complete Task	Date to Be Completed	Date Completed	Initials of Team Member(s) Who Completed Task (Add a Note Below the Table Explaining Any Problems with Completion or Quality of Work)
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Tasks to Be Completed	Initials of Team Member(s) Who Will Complete Task	Date to Be Completed	Date Completed	Initials of Team Member(s) Who Completed Task (Add a Note Below the Table Explaining Any Problems with Completion or Quality of Work)
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**THE GLOBAL VIEW (AACSB)**

**A Multicultural Virtual Team**

You work for Nike, a global company. You just learned that you were assigned to a virtual team whose mission is to assess the feasibility of Nike’s making an inexpensive shoe that can be sold in Brazil. The team consists of twelve members. Three of the members work in the United States (two in Beaverton, Oregon, and one in New York City). Two work in England, two in China, two in India, and three in Brazil. All are Nike employees and all were born in the country in which they work. All speak English, though some speak it better than others. What challenges do you anticipate the team will face because of its multicultural makeup?. How could these challenges be overcome?