

# **A NEW APPROACH TO SMALL BUSINESS MANAGEMENT: MANAGING EFFECTIVELY THROUGH TEAMS**

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**Abstract:** *The fundamental unit of work in the modern organization is the team, not the individual. Developing a team is a very hard work and the responsibility lies with the organization, the team manager or leader, and the team members themselves. Characteristics of successful teams include open-mindedness, involvement, ability to deal with conflict, responsibility, trust, respect for others, effective listening, and full participation. Teams and performance are an unbeatable combination.. Teams are not the solution to everyone's current and future organizational needs. They represent one of the best ways to support the broad-based changes necessary for the high – performing organization*

**Key words:** *small business management, team, organization*

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To succeed, organizations must rely on the knowledge, skills, experience, and perspectives of a wide range of people to solve multifaceted problems, make good decisions, and deliver effective solutions. The fundamental unit of work in the modern organization is the team, not the individual. According to these predictions, when management seeks faster, better ways to best match resources to customer opportunity or competitive challenge, the critical building block will be at the team, not individual level. This does not mean that either individual performance or accountability become unimportant. Rather, the challenge for management increasingly becomes that of balancing the roles of individuals and teams versus displacing or favoring one over the other.

Teams are groups of individuals who accomplish designated objectives by working interdependently, communicating effectively and making decisions that affect their work. They often have a certain level of autonomy and they develop procedures for accomplishing their goals. Teams have a common purpose or goal and a clear mission statement of that purpose. They know what their desired results are and they can measure their progress toward those goals. Factors that influence team performance are:

- 1. Clear sense of direction*

Two or more individuals interacting with each other are considered a group. If a group has a purpose to accomplish, we call it a team. Thus, goals define the very reason for a team to exist. They provide a team with a purpose and a sense of direction. Goals act as a magnet, aligning the energy and actions of individuals. If the goals attract the individuals completely, the total force available on the team is maximized. Goals provide a target for people, and hitting a target provides them with satisfaction. When team members want to accomplish a goal, they seem to need to work together. Goals funnel the competitive stimulus toward behaviors conducive to the desires of the organization and the needs of the individuals on the team. Goal statements attempt to channel the competitive urge but require a management style that directs individuals toward a sense of commitment to work together. Goals mobilize effort. Measures of progress toward the accomplishment of team goals verify whether the team is on target. Knowing that the team is achieving its goals provides a source of pride.

Statements of team goals should satisfy four criteria: measurable, attainable, performance related, specific. By measurable, it is meant that the statement makes it easy to document whether the goal was actually accomplished or not. The statement needs to specify how much must be accomplished up to what standard and by when. The goals must be stated in terms such that ambiguity is eliminated. There should be a clear means of documenting and monitoring accomplishment and/ or progress. Goals that are impossible to reach will frustrate, not motivate people. Ideally, the goals will be challenging but attainable. They will require team members to attend to their behaviors and deliver their skills, resulting in the satisfaction of achievement. Goals clarify expected levels of performance and effort. Getting a goal that is challenging but attainable, one that is neither too low nor too high, requires knowledge of the capabilities of the people and systems involved. A manager or team leader who wants to build an effective team needs to let the members know that goal settings is something that is to be continuously improved on. In addition, the leader may want to have the team participate in the goal – setting process. Collaborative goal setting establishes ownership. Team members will be more dedicated to accomplishing goals that they helped establish than they will be the goals that are imposed on them. Goal statements must also be performance related. The goals must be seen by team members as appropriate and must make sense in light of the team's purpose. It is imperative that the goals are clearly consistent with the reason this team exists and how it supports the profitability and other goals of the larger organizations.

Team goals should reflect the dual purposes of the team approach – accomplishing more/ better work, and promoting the quality of the work lives of the people getting the work done. If the goal statement fails to be performance related, it indicates that someone is not taking teams seriously as a business strategy. Goals must be stated in very specific terms the more specific the goals are, the more focused the team will be. The goal statement should clearly identify the quantity and quality standards to be reached. Feedback regarding whether these standards are being met provides a team with the sense of direction so crucial for team effectiveness.

## 2. *Talented Members*

Performance is a function of abilities, motivation, and opportunities. For a team, to be effective, the necessary talent must be there, and it has to be utilized and continually developed and improved. When a team is formed, someone must have enough vision regarding what the team is supposed to accomplish so that the full range of competencies needed can be identified. Teams can get extraordinary results from ordinary people when each member is: truly focused on the mission she or he is to accomplish for the team; capable of feeling truly relaxed and focused at the same time; willing to mentally rehearse actions and statements she or he is going to make beforehand; willing to let go of the past and excessive self – monitoring and allow his or her inner self to perform. Teams are taken seriously when the knowledge, skills and abilities exist and are activated.

## 3. *Clear and Enticing Responsibilities*

Once a work team knows what it is to accomplish, the various tasks needed to succeed can be identified through job analysis techniques. These tasks can be used to define the roles of team members. The roles can be assigned if the talent of the members is already known or, if it is a new team about to be formed, the job analysis can be used to identify the criteria for selecting team members. The more clearly the role is defined, the better the member will be able to focus his or her talent. If the role is too narrowly defined, the team may lose out on the opportunity to capitalize on the multiple talents of the member. The key is getting enough clarity to know how to contribute to the team's success while providing each member with a sense of individual accomplishment and satisfaction. When a team has the right mix of tasks that are well differentiated and integrated, members have the sense that none of us succeed unless we all succeed.

## 4. *Reasonable and Efficient Operating Procedures*

Work teams also need some structured and disciplined approaches to their tasks. The task assigned to a team may require a certain set of procedures. Teams need procedures to plan, schedule, budget, set goals, hold meetings, share information, make decisions, identify and resolve problems, and evaluate progress. These procedures must be effective enough to live up to established standards. Perhaps the most important procedure a team needs to commit to using is a systematic approach to problem solving. Once established, the team can use its problem solving procedures to solve the problems in all of its other procedures.

## 5. *Constructive Interpersonal Relationships*

Even if every team member clearly knows and understands the goals of the team and is talented and knows each team member's roles and responsibilities and then has a great set of procedures for working together, the team could become ineffective and dissatisfying if team members do not get along well enough with each other. Team building requires a balance of task – oriented and relationship – oriented developmental opportunities. The elements of goal relationships are: effective communications, dynamics of personalities and constructive conflict resolution. Communication skills are the key relationship – building behaviors that people need to develop and utilize with their teammates. Basically, communication is a matter of sharing information, listening effectively, and providing constructive feedback.

## 6. *Active Reinforcement Systems*

Teams go through various stages of development: forming, norming, storming, performing and closing. If the organization is dedicated to using self-directed work teams as a long – term business strategy and structure, a system wide reward process will be needed: revamping the organization's performance appraisal system to recognize the expectation of being team oriented and include all levels of employees in the performance review procedures; establishing a gain sharing plan to provide a structure for teams to participate in cross – functional decision making and share the financial rewards gained by improvements made in the overall effectiveness levels of the organization.

## 7. *Constructive External Relationship*

Effective teams must build good relationships with other teams and key players of the organization who are not members. Organizations cannot afford to allow teams to go off in any direction they please. Plans must be made interactively, and constructive external relations are necessary between and among all elements of a system if effective teams are to be built. Teams must look at their relationship with:

- “suppliers” – any person or group that provides materials, tools, or work for team
- “customers” – any person or group that receives anything that the team produces
- “competitors” – any person or group that could be doing some or all of the work that the team is doing now or could be doing in the future.

Effective teams must establish diplomatic ties with key players and other group in order to succeed within an organizations. Changes within one team will affect others. Organizations need teams to work together for the common goals. Each team should develop strategic plans to build good constructive relationships with other.

Teams work when they are created for the right reason, and when they are created in the right way. Developing a team is a very hard work and the responsibility lies with the organization, the team manager or leader, and the team members themselves. Teams are more flexible than larger organizational groupings because they can be more quickly assembled, deployed, refocused, and disbanded, usually in ways that enhance rather than disrupt more permanent structures and processes. Teams are more productive than groups that have no clear performance objectives because their members are committed to deliver tangible performance results. Teams and performance are an unbeatable combination. The many potential benefits of teams include:

- Providing an important source of stimulation
- Creating higher – quality solutions than most individual working done can create
- Providing structure that encourages a sense of involvement in a large organization
- Serving as a vehicle for organizational development efforts
- Offering a means of satisfying relationship / belongingness needs and thus providing a source of satisfactions
- Providing a forum for constructive conflict resolution
- Providing an opportunity for more individuals to develop and utilize leadership skills and fulfill personal needs
- Improving productivity through a more flexible approach to utilizing the knowledge and skills of employees
- Bringing about a structure that helps employees address the fact that everyone needs to depend on each other in order for the organization to succeed.

When team work, they represent the best proven way to convert embryonic visions and values into consistent action pattern because they rely on people working to develop a shared sense of direction among people throughout an organization. Teams can make hierarchy responsive without weakening it, energize processes across organizational boundaries, and bring multiple capabilities bear on difficult issues.

Why teams perform well?

- They bring together complementary skills and experiences that, by definition, exceed those of any individual on the team. This broader mix of skills and know – how enables teams to respond to multifaceted challenges like innovation, quality, and customer service.
- In jointly developing clear goals and approaches, teams establish communications that support real – time problem solving and initiative. Teams are flexible and responsive to changing events and demands. As a result, teams can adjust their approach to new information and challenges with greater speed, accuracy, and effectiveness than can individuals caught in the web of larger organizational connections.
- Teams provide a unique social dimension that enhances the economic and administrative aspects of work. Real team do not develop until the people in them work hard to overcome barriers that stand in the way of collective performance. By surmounting such obstacles together, people on teams build trust and confidence in each other's capabilities. They also reinforce each other's intentions to pursue their team purpose above and beyond individual or functional agendas.

Successful teams characteristics are: they tap the diverse knowledge, skills, experience, and interests of members; they generate more creative responses to challenges than individuals: they catalyze fresh ideas for new products and services, better business processes, and profitable strategies; they have the leadership abilities of members; they carry out their mission with dedication, energy and efficiency; they engender feelings of satisfaction and pride among members; they channel conflict into productive directions.

Different organizations settings lead to different types of team. The type of team affects how that team is managed, what the communication needs of the team are and, what aspects of the project the project manager needs to emphasize. Four types of teams can be identified in organizations today : work teas, parallel teams, project teams and management teams.

*Work teams* are continuing work units responsible for producing goods or providing services. Their membership is typically stable, usually full – time, and well – defined. Traditionally, work teams are directed by supervisions who make most of the decisions about what is done, how it is done and who does it.

*Parallel Teams* pull together people from different work units or jobs to perform functions that the regular organization is rest equipped to perform well. They exist in parallel with the formal organizational structure. They generally have limited authority and can only make recommendations to individuals higher up in the organizational hierarchy. Parallel teams are used for problem solving and improvement – oriented activities.

*Project teams* are time – limited. They produce one – time outputs, such as a new product or services to be marketed by the company, a new information system, or a new plant. Project teams draw their members from

different disciplines and functional units, so that specialized expertise can be applied to the project at hand. When a project is completed, the members either return to their functional units or move on to the next project.

*Management Teams* coordinate and provide direction to the subunits under their jurisdiction, and is responsible for the overall performance, of a business unit. It is composed of the managers responsible for each subunit. At the top of the organization, the executive management team establish the firm's strategic directions and manages its performance.

In addition to the traditional types of teams outlined above, recent years have seen the growth of interest in two other important types of team : self – managed team and self organizing teams. *Self - managed team* operates in an informal and non – hierarchical manner, and has considerable responsibility for the way it carries out its tasks. *Self – organizing teams* can be found in highly flexible, innovative organizations that thrive on creativity and informality. These are modern organizations that recognize the importance of learning and adaptability in ensuring their success and continued survival.

Table 1 shows typical features of self – managed and self – organizing teams.

Typical features of self – managed and self – organizing teams

Table 1

Self – managed team	Self – organizing team
Usually part of the formal reporting structure	Usually outside the formal reporting structure
Members usually selected by management	Members usually self – selected volunteers
Informal style of working	Informal style of working
Indirectly controlled by senior management	Senior management influences only the team's boundaries
Usually a permanent leader, but may change	Leadership variable – perhaps one, perhaps changing, perhaps shared
Empowered by senior management	Empowered by the team members and a supportive culture and environment.

Many organizations set up self – managed or empowered teams as an important way of improving performance and they are often used as a way of introducing a continuous improvement approach. These teams tend to meet regularly to discuss and put forward ideas for improved methods of working or customer service in their areas. Self/ managed teams give employees an opportunity to take a more active role in their working lives and to develop new skills and abilities. This may result in reduced staff turnover and less absenteeism.

Self – organizing teams are usually formed spontaneously in response to an issues, idea or challenge. This may be the challenge of creating a radically new product, or solving a tough production problem. By using a self – organizing team approach companies were able to tap into the collective wisdom and energy of interested and motivated employees. Self – organizing teams provide a fertile learning environment and participants may acquire new knowledge, new ways of thinking and behaving, and enhanced understandings of the organization and their role in it.

With both forms of team, managers need to rethink their traditional approach to teamworking. Equality of team membership is a key feature of modern teams, with every member playing an equally important role in discussions, problem solving and decision making processes. Managers are not longer expected to control or strongly direct the activities of the team but rather to support and work with the team by acting as coach, facilitator or advises as needed. The team leader helps members to identify unique abilities and talents and then seeks to provide the environment resource and opportunities that will enable them to use their special abilities to experience meaning from their work and contribute to team goals. The leader finds ways to blend the needs of the organization with the higher level needs of team members. The leader takes an active interest in each person in the group and strives to build positive relationships with team members and among team members. In effect the leader is in a continual process of finding ways to build and strengthen each member's skill set and self – work based on their contribution to the group.

Some of the characteristics that are often said of effective team leaders by team members are as follows:

- The team leader is a fellow worker and friend, not a supervisor;
- Leads by example, not by giving directions;
- Is a servant, not a master;
- Is a coordinator, not an order giver;
- Is a facilitator, not an individual decision – maker;
- Is a communications link, not a communications owner.

The team leader facilitates the team decision – making and problem solving processes. Team leader uses systematic step – by – step processes on a consistent basis to help members to make unanimous or consensual decision or to resolve problems. Team leader helps to make the team and the organization become more effective

by harnessing the power of collective management control, collective decision – making and problem solving over defined areas of team responsibility.

The team leader is the logical choice to handle the formal communications responsibilities for the team. The leader coordinates the work of the team with process suppliers and customers and with managers and staff personnel. Team leader plans team meetings, prepares and distributes a meeting agenda to team members and facilitates team meetings.

The team leader acts as the channel through which communications flow both inside of the outside of the team. On issues concerning the team's support or performance, the leader takes care to ensure that he or she is communicating the consensus of the group and not the leader's own position. The leader thinks and communicates in terms of "we".

In **conclusion**, companies need to understand the power of teams. Organizational team leaders need to nurtured and equipped to build teamwork and team efficiency.

Organizations need teams to:

- Socialize new members ( through shared norms and values)
- Facilitate sharing of knowledge ( through the grape vine)
- Implement new policies and systems ( through project teams )
- Improve individual performance ( through task specialization )
- Increase operational flexibility (through job rotation ) .

Teams need organizations too:

- To provide necessary resources ( through budgets )
- To provide attractive working environments ( through job design )
- To provide purpose and direction ( through policy and leadership )
- To learn and improve themselves (through feedback).

Teams are not the solution to everyone's current and future organizational needs. They will nor solve every problem, enhance every group's results, nor help top management address every performance challenge. Moreover, when misapplied , they can be both wasteful and disruptive. They represent one of the best ways to support the broad- based changes necessary for the high – performing organization. And executives who really believe that behaviorally based characteristics like quality, innovation, cost effectiveness,, and customer service will help build sustainable competitive advantage will give up top priority to the development of team performance.

When teams work well, the results can be extremely powerful. Synergy created by member's diverse skills, experiences, and motivations enables teams to respond more quickly to technological, economic, and market changes in our increasingly complex world.

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