INSIDE DECISION MAKING FOR MANAGED TEAMS WITHIN LARGE ORGANISATIONS: A CASE FOR PARTIAL PARTICIPATIVE MANAGEMENT

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Abstract

The purpose of the pilot study reported in this paper is to add to the analysis of participative management. In this regard, the study attempts to critically delve into the complexities of managing a team in a large organisation. Since the inception of human resource management (HRM) as a formal discipline much has been much written about management styles and the employee/employer relationship. HRM theoretical frames of reference have gone from the scientific approach to a more humanistic one. Participative management is a popular ideal for today’s manager. Through the examination of the literature, a picture is beginning to develop of the strategic and functional decision-making outcomes of partial participative management (PPM) based on teams.

Using a case study approach, participative management based on teams was examined in the context of one of New Zealand’s largest companies, Telecom, in which, employees were invited to complete a structured questionnaire. Although the findings support the idea of PPM as a popular and effective management approach, the data highlight some of the pitfalls when adopting a team decision-making process.

Keywords: Teams, Participative management, Decision-making, Communication, Leadership

Pooling the individual talents of each team member and producing something beyond what any individual could produce is probably the single main reason behind having teams. For large organisations, with thousands of employees, with many tasks to complete for the day to day running of the business, teams are a fact of life that cannot be done away with. In these large organisations, which have large functional areas, there will be teams created to perform specific requirements.

Much has been written about teams. Most modern human resource management (HRM) theory writes about empowering teams through participative management. Little has been written about the managed team (MT), and in particular the MT in a large organisation where it is not practical for it to be self managed.

The purpose of this pilot study is to understand decision making in MTs. Identifying the differences between functional and strategic decisions and their impact on the MT. Through this understanding a clear picture of partial participative management (PPM) will appear that describes a deliverable version of participative management. In order to discuss this topic, it is important to define what is a team, the decisions made by a team, the emergence of teams, what happens within a team, their manager, and communication within a team. Once these areas are defined it is then possible to look at the advantages and disadvantages of team decision-making, how to make team
decision making work, and finally a model for PPM.

What is a Team?

“Teams are groups committed to goals or objectives which require high levels of performance in order to be successful” (Inksen & Kolb, 1995, p. 330). Another definition is that “a team is a small number of people with complementary skills who are committed to common purposes, have a common approach and agreed performance goals, for which they hold each other mutually accountable” (Coopers & Lybrand, 1996, p. 3). These teams in large organisations are predominately managed. Working together and complimenting each other to be better than an individual team member, is an important aspect of being part of a team, and a fundamental reason why teams are popular in many organisations.

There are two main types of teams. There is the bossless or self managed team (Barry, 1991). These are teams with no direct supervisor. Self-managed teams have become increasingly popular for innovative companies, leading them to cost reductions and advances otherwise unheard of. The other type of team is a MT. A MT has a direct supervisor in a hierarchical structure. In a large organisation, which has large functional areas such as call centres these functions will be broken up into teams to perform specific requirements. Due to the nature of the
organisation and the tasks performed they require direct supervision.

The Decisions Made by Teams

The vision and mission statements of the organisation are decided and passed down by senior management. There can however be some input into functional-level strategic planning.

*Functional-level strategic planning is the process of determining policies and procedures for relatively narrow areas of activity that are critical to the success of the organisation* (Mondy, Noe & Premeaux, 1999, p. 144).

This area of decision-making is constrained by the overall direction of the organisation.

Top management focuses on strategic decision making, middle management emphasize decisions about internal structural arrangements and co-ordination among units, and lower level managers are responsible for decisions about day-to-day operational activities within their assigned units (Hatch, 1997, p.270).

Decisions in these MTs are made generally regarding the day-to-day operation of their functional area. There is no real input into strategic planning. It is the responsibility of the manager to ensure that their team carries out its function to achieve the strategic goals of the organisation. They are left with the job of getting the ‘best fit’ for their functional area’s goals, with those of the organisation as a whole.

Emergence of Managed Teams

The powerful argument that draws organisations to using teams is that teams outperform individuals acting alone and “are particularly more effective when performance requires multiple skills, judgement and experience” (Coopers & Lybrand, 1996, p.41). This ability to successfully draw the potentialities out of individuals to form exceptional teams is the desire of all organisations. It is important to remember, “much of the value of teams lies in the disciplined pursuit of performance” (Coopers & Lybrand, 1996, p.2). The teams that have emerged and become commonplace are formal, as they are officially recognised as belonging to a department or area, and are recognised by others as a distinct group. It is not unusual for a large organisation to have many teams that interact to perform the tasks required for the organisation to function optimally.

Each member of the team performs different roles. These roles can be functional such as answering calls, or can be informal such as being the ‘clown’. These informal roles as noted by Inkson and Kolb (1995) can be as important if not more important than the formal functionally defined roles within the team.

Patterns of behaviour or norms develop within a team. This can be an unwritten rule that team members arrive five minutes before their start time. Once this pattern of behaviour is set within the team, any new members are expected to adjust to the norms and behave in a similar fashion. New members speed and degree of acceptance is often determined by their conformity to team norms.

Social positioning within a team is a common occurrence. There are different reasons and forms of status in a team. By being there the longest, a member may be considered senior. Possibly if one person is significantly more knowledgeable they may gain greater status by being thought of as highly skilled.

Size is also a determinant of team behaviour. Generally a smaller team is more cohesive. Larger teams develop smaller sub groups called cliques that divide a team internally. These cliques can develop through doing the same tasks, seniority or any other factor that two or more people find they have in common that they feel differentiates them from the rest of their team. Cohesiveness is generally lost with the forming of such cliques, and as such group effectiveness is lost to some extent. Group effectiveness usually results from a positive relationship with group cohesion (Department of Management & Employment Relations, 1998: 48). Enjoying working together and bonding with fellow team members helps to get through difficult times and to form a strong team identity.

The Manager

The manager can choose to have maximum control by being authoritarian or can opt for minimum control by facilitating a leaderless group. “Authoritarian leaders do not allow individual members to contribute freely” (Galvin, Prescott, & Huseman, 1992, p.386). This form of strict control inhibits the team members from contributing and is regarded as counterproductive. “Participative leaders encourage rather than dictate. This is usually the most productive style in business” (Galvin, Prescott, & Huseman, 1992, p.386). In the age of learning organisations openness is a critical ingredient to the ability to learn. “Openness requires that managers be willing to suspend their need for control” (McGill, Slocum, & Lei, 1991, p.11).

The manager has to come to their team listening to their needs and goals. They must understand their role as motivators and leaders.

Motivation is about individual needs and finding how these needs relate to performance within the group or organisation. Leadership involves individual performance toward the group.
or organisation's vision and goals” (Inkson & Kolb, 1995, p. 234).

This is done in a team through facilitation or linking. The team manager does not necessarily have to be the facilitator, but in many situations it is vital that the team manager with official status does perform this role. “A facilitator is a person who manages and enhances group process by gathering others’ input and seeking collective decisions from the group” (Inkson & Kolb, 1995, p. 332). Margerison and McCann (1993) describe this as internal linking, with the people who perform this role as being ‘good organisational politicians’. Their definition of the role is “those who are effective at internal linking will be very good at integrating and producing working arrangements between people” (Margerison & McCann, 1993, p. 14). The reason why the manager must fulfill this role sometimes is that the manager decides what decisions the team makes together, and also has given power that must in some part be rescinded to allow open discussion. Margerison and McCann (1993) state that in their experience the successful teams they have observed have at least one person performing the role of a linker. They go on to add that they have observed poor performance in teams with no or low linking. Their conclusion is that the role of linker must be given importance and performed within a team over and above the functional roles if the team is to perform together effectively. Coopers & Lybrand (1996) develop and specify the role of a linker and the skill required, stating that specifically with regard to decision-making and problem solving the linking role is to involve team members in these processes. The particular skill required to make this successful is participative decision-making.

Communication within the Team

Communication is a key component of group decision-making.

There is an inherent and obvious link between communication concepts and the subject of group decision-making: we communicate information and information is used in the making of decisions (Robbins et al, 1994, p.442, cited in Department of Management & Employment Relations, 1998, p. 51).

Communication must be managed to be effective. Managers must assess who should be involved in the decision making process. To function efficiently according to Mintzberg (Mintzberg, & Quinn, 1996, p. 27) the manager must spend a large proportion of their time, sharing information with people within their team in a disseminator role. This is because “inside the unit, everyone else is a specialist who generally knows more about his or her specialty than the manager” (Mintzberg et al, 1996, p. 27). Therefore to gather the most information the manager should seek as much input as possible. By fostering openness through a participative style the manager can gain maximum benefit from the knowledge his or her team holds.

Advantages and Disadvantages of Team Decision Making

Team decision-making can allow more information and knowledge to be accessed prior to a decision being made. The diversity of various team members provides a multidimensional outlook. Significantly there is more acceptance and legitimacy to any decision made if all the members of the team contributed to the final decision (The Department of Management and Employment Relations, 1998).

Research has shown that participants gain a sense of status and recognition from the responsibility and interaction involved in group decision making (Galvin, Prescott, & Huseman, 1992, p. 380).

However it can be time consuming to involve the whole team in decisions, and at times this delay cannot be afforded. Peer pressure and the need to conform can restrict true open discussion for decisions. Their can be domination by stronger members of the team leading to them getting the decisions they want, which may not necessarily be the best for the team to fulfill the organisations goals. There is also ambiguous responsibility as no one individual takes full responsibility if the decision is wrong.

Two other phenomena can occur in a team environment. Groupthink is one outcome, which is where the need to avoid conflict and reach consensus exceeds the need to explore and appraise decisions. By maintaining the groups’ cohesiveness above all else, decisions are made without really delving into other options. Groupshift can also occur where the risks of acting in a team vary from if individuals were acting by themselves. This can lead to decisions made that involve greater risk than if they were acting as individuals. Alternatively it could involve teams not willing to take huge risks because they are part of a team, whereas if they were by themselves they would be less risk adverse.

Making Team Decision-Making Work

Rosabeth Moss Kanter in her defence of the Abilene Paradox (Harvey, 1974) identifies some relevant issues for establishing effective teams. She uses a term ‘pluralistic ignorance’ that describes a situation where everybody in a group feels the same way, but feels they are isolated in that opinion; therefore no one shares the opinion with each other. She also describes an unwillingness to speak up in a team environment. Managing communication is the way in which Kanter believes these problems for group decision-making can be overcome. Participative management where the manager encourages or even insists on input from members of the team creates an environment for open
expression. Trying to create an atmosphere where questioning decisions is welcome can be done through encouragement in many forms such as being the 'devils advocate'. Kanter also talks about a change in culture. There has to be a situation where questioning is encouraged. Empowerment is necessary for the individuals in the team to take the chance and feel their input is important.

To have a team that works well the leader must have effective followers.

*Effective followers have the courage to initiate change and put themselves at risk or in conflict with others, even their leaders, to serve the best interest of the organisation* (Daft, 1999, P.399).

This means that members of the team must be willing to contribute. Being an effective follower is where you challenge a leader, where you don't just sit back if there is something you think is not in the best interests of the team. Also the leader has to foster an open environment where this is expected behaviour, not insubordination.

If decisions are made simply through hierarchical power there are several problems with implementation. Pfeffer asks the question of "how many times have you been able to get your children to do something based on your authority as a parent?" (Pfeffer, 1992, p.41). He cites rising education, democritisation, popularity of participative management and a distrust of institutions of authority as catalysts for a social change away from the traditional military style of acceptance of authority. Another issue that he has is that what happens when the person at the apex of authority is wrong? If there is no culture to question decisions then there is little to prevent bad decisions from being examined before they are implemented.

**Partial Participative Management**

When functional decisions are made by those in authority without trying to elicit relevant information from team members who have specialist knowledge, it follows poor decisions will frequently be made. Strategic decisions can be different from this as they involve the strategic goals of the organisation and are generally decided by senior management, with lower management left to implement. By separating strategic decision-making and functional decision-making, there is a possibility to use PPM. This will ensure the most knowledge possible is brought into the discussion leading to a more informed decision. Additionally this will ensure that implementation of decisions is easier and more effective as team members are more likely to have increased buy in.

Figure 1.1 shows the interactions that the team manager has when using PPM. Strategic decisions have a degree of feedback and input from the team manager to senior or middle management, and then it is one way from the team manager to his or her team. Functional decisions, which are participative, have feedback or discussion with the team utilising the knowledge of the people who understand how the functional area works. There is also the need for the team manager to try to ensure that the team enter into discussion and share their knowledge, whether to be passive or effective. This model demonstrates how best to use PPM, for MTs in large organisations. Due to the complexity and size of large organisations it is impossible to be fully participative and by adopting this partial approach managers can maximize the potential of their teams. MTs in many ways can only be as exceptional as their manager allows them. This approach allows effective informed decisions to be made for functional areas, and does not take away form organisational

![Figure 1.1 Interactions for Functional and Strategic Decisions](image-url)
goals by making conflicting strategic decisions across the organisation. The difficult part for the manager is to ensure that this process occurs, and that clear communication allowing all feedback form all team members is fostered.

The Telecom Partial Participative Managed Teams Case Study

Decision-making and how individuals within teams perceive and react to the processes used within their own environment are difficult to measure. Measuring success purely in adherence to budget figures or the like can be misleading. Understanding the processes is subjective and within the same team perceptions of individuals can vary. This pilot research attempts to develop an understanding of how MTs within a large organisation, Telecom, deal with decision-making. A cross section was surveyed to see how teams operate and in particular how decisions are arrived at in a group situation. From the research it does seem that Telecom managers do attempt to be open and participative as much as possible.

A structured questionnaire was sent via email to the participants consisting of twenty questions. The sample was restricted to approximately 500 possible respondents that were employees of Telecom in MTs. There was no other bias and while the questionnaire was anonymous biographical data was collected to see gain an understanding of how the sample was distributed. A variety of questions were asked, some were asking the individual to categorise themselves, and others to rate performance. These ratings were either through numerical ranking from one to ten or through varying levels of disagreeing or agreeing to statements. The options of strongly agreeing (SA), agreeing (A), disagreeing (D), and strongly disagreeing (SD) were available depending on how each individual responded to the statement put before them. There was no neutral option to ensure that an opinion either passively or strongly was given.

While only ten percent of the possible sample chose to answer the questionnaire, the results do show interesting trends. The pure model of participative management, fully empowering lower levels to make all decisions is not exercised in Telecom. In fact this is an unrealistic expectation considering the vast amount of decisions and relationships of interdependence within such a large organisation. What there is in these MTs is a decision making process which depending on the judgement call of the individual manager does allow for inclusion in the decision making process by team members. There are times when senior management have made decisions that affect teams without consultation, but when necessary and appropriate all parties involved are sought for input.

The first question asked was, are you in a team with a manager/leader. While Figure 1 shows that seven people advised they were not, the reality is that all 55 participants are in MTs. Only people in MTs were given the questionnaire, the misunderstanding was that people who had acting managers or who were unsure of changes going into a new structure classed themselves as not being managed. In an organisation such as Telecom, which has a clear hierarchy, there are very few if any self managed teams.

As can be seen by Figure 2, a wide cross section of ages is covered. The even balance of ages ranging from twenty years to forty-one plus years reduced the age bias that could have possibly affected answers to later questions.
Following from the spread of ages, the work experience also spreads fairly evenly from less than five years to greater than twenty years experience (see Figure 3).

Despite the even spread of ages and work experience there is definite proof of the emergence of teams as a dominant workplace characteristic. A clear trend for this sample is that they have been in five or more teams, as shown in Figure 4. Considering that many have only worked a short time this is an indicator that many if not all of their positions during their careers have been within teams.

Large organisations form teams that are established for different purposes. They could be twelve call centre employees all answering inbound calls without any differentiation with their tasks. Another type of team could be a project team that also has twelve people that have complimentary skills that work together. The majority of this sample are teams that are not made up of totally identical job roles, nor are they totally dissimilar roles either. I would suggest that the people who agree that their team members perform the same tasks would say that overall they do the same tasks but there is some differentiation. The people who disagree see their teams as differentiated but share some similar tasks (see Figure 5).

Figures 6 through to 9 show the feelings of the sample regarding the way in which their manager approaches decision-making. Figure 8 shows that the majority of the sample believes when possible their manager does not make decisions without input from their team. Further to this Figure 9 shows that the sample passively agree that their own manager encourages their team to make decisions together. The majority do not believe either statement fully represent their manager. I consider the combined results illustrated in Figures 8 and 9 to show PPM, as in the structure of a large organisation with many levels and organisational strategic goals to be met, it is not possible to have fully participative management. Feedback may be taken but the decision will be made regardless at times.

Interestingly the entire sample believes that to some extent individuals have some degrees of freedom within their team (see Figure 10). The majority passively agree that individuals can make their own decisions. This correlates with the relatively open management style, which seems to be prevalent within these teams. It can be taken that this does not mean that they can make all decisions, but that a large percentage of routine functional decisions are left to the individual to make. In larger work teams that exist in such large organisations
there is more freedom than may otherwise not exist in smaller teams with stricter controls. This is due to the span of control with one manager covering a large group of people.

With this freedom in these teams there then can arise a situation where decisions are not followed. When asked the question of if a team member disagrees with a decision do they continue to do things the way they want to, the majority of the sample passively disagreed (see Figure 11). This leads to the conclusion that overall there is not insubordination with every decision, but there definitely are occasions where this does occur. Many of the sample also passively agreed with the statement. This can have a significant bearing on effectiveness of decisions. It would be hard to monitor if a decision made is a success if only half of the team is implementing it the way it is intended. The manager must also keep this in mind and work to get maximum implementation of decisions, by getting buy in from team members.

Managers can choose to action a decision then seek feedback in an evaluation process, or alternatively seek input in the decision prior to any action taking place. As shown
in Figure 6, when the sample was asked this question the majority agreed that they were consulted prior to any decision being made. Very few felt this was unquestionable and strongly agreed with the statement. This would suggest that opinions are sought when possible but not always. This further supports the theory that the majority of Telecom teams are managed in a partial participative manner.

The sample was asked if they do not feel their opinion is valued when discussing decisions (see Figures 12 and 13). The majority disagreed with this statement, implying again that sometimes their opinions are valued and taken into account, but not always. Partial participative MTs are requested by their manager to input into functional decisions, but have little or no say in strategic decisions.

Power in a team does not always emanate for the team manager. Many times in a team situation, other members of the team can hold power because they have greater knowledge, or are more charismatic possibly. Feeling you have power in your team leads to being a more effective follower (Daft, 1999). Over half of the sample was able to at least partially identify with feeling powerless as indicated by their response to the statement that they feel
powerless in their team (see Figure 14). This is a strong statement that some strongly disagreed with but many only passively disagreed with. This sample shows that while most of the time they feel they have power in their team, this is not always the case all of the time. Relating this back to the previous questions there is a sense that at times being part of these teams you have no control over what you are doing.

Considering that there is a level of uncertainty and lack of control the next statement asking if they enjoy being part of a team has interesting answers. No one strongly disagreed with this statement (see Figure 15). In fact most people passively agreed. People have a natural tendency to be part of a team or a group. Groups "fulfil affiliation needs for friendship, love and support" (Chell, 1993, p. 84). However the uncertainty and loss of identity and control may be factors that mitigate this human desire for affiliation. Allowing input into functional decision-making can empower team members, and ensure that they get greater enjoyment out of their team involvement.

If a manager asked for feedback and gets none they will not even have the option of disregarding the opinions of their team. The sample responded to the statement that if they disagree with a decision they don't voice their opinion by disagreeing with it (see Figure 16). In fact many strongly disagreed with no one strongly agreeing. This means that if and when the manager chooses to include the team in decision-making, the team members will not be passive and will discuss the ramifications of the possible course of action.

If the team is going to function successfully toward the organisation's goals, then it is important that the team members understand the organisation's goals. Specifically if input is going to be made into decisions that affect other parts of the organisation. When asked if they understood the goals of their organisation, a majority agreed that they did (see Figure 17).

What makes team members work harder towards their organisations goals? The sample agreed with the statement that they work harder towards their organisations goals when they were included in the decision-making process (see Figure 18). No one strongly disagreed with this statement. Most passively agreed acknowledging there are other factors which influence motivation, but overall inclusion in the decision-making process does make people work harder towards these goals.

Figures 19 and 20 rate how the team members rate decisions made with or without consultation. The sample has a wide range of responses to decisions made without consultation, ranging from one to ten (one being poor and ten being excellent). The overall rating does lean towards the poor side with the majority rating the results at five or below. The vast spread of results may be due to the realisation that some decisions are made by senior management without consultation, in order to meet organisational goals, are successful. When rating the decisions with consultation there are no ratings below four. Without a doubt the sample believes that generally good decisions are made through consultation.

Telecom from the results of this survey appears to use a PPM style. This allows feedback and team input into functional decision-making. There is a degree of decision-making, which is handed down from higher levels of management, which would fit the model of strategic decision-making not involving full participation. Each team manager has the choice of how much input he or she will allow from their team, but from the results there is a trend towards openness and empowerment. Further examination of this subject area can be undertaken in many directions, including comparing qualitative data, to
quantitative results, also this study can be extended to other Telco's or similar large organizations. Comparative study can be done on differences in New Zealand and other countries. Clearly from the research to date there is a case for other organizations with MTs to allow input into functional decision-making. PPM as derived from these results and supported by the literature, is arguably the most effective management style, as it empowers team members, allowing effective decisions, and does not dilute the organization's strategic goals.

References


Figure 20. How Would you Rate Decisions Made with Team Consultation?


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