Top Performance through Empowerment, Teamwork, and Communication

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Learning Objectives

1. Discuss empowering employees
2. Distinguish the five types of teams
3. Identify team characteristics
4. Evaluate team cohesiveness and norms
5. Describe team conflict
6. Explain the importance of effective communication
7. Compare the basic forms of communication
8. Explain external communication and crisis management
Empowering Employees

- Empowerment – giving employees authority and responsibility to make decisions about their work.
- By sharing information and decision-making authority
- Gives workers a sense of ownership
- Keeping them informed about the company’s financial performance
- Giving them broad authority to make workplace decisions that implement a firm’s vision and competitive strategies
Employee Stock Ownership Plans (ESOPs)
- 11 million workers at 12,000 companies participate in ESOPs
- Gives employees financial ownership, leading to potential profits
- This motivates employees to work smarter and harder.

Stock Options
- Right to buy a specified amount of company stock at a given price within a given time period.
- Being offered more frequently to employees at all levels.
- 1/3 of all options go to the top five executives at a firm.
## Employee Stock Ownership Plans and Stock Options

<table>
<thead>
<tr>
<th><strong>EMPLOYEE STOCK OPTION PLANS</strong></th>
<th><strong>STOCK OPTIONS</strong></th>
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</thead>
<tbody>
<tr>
<td>Company-sponsored trust fund holds shares of stock for employees</td>
<td>Company gives employees the option to buy shares of its stock</td>
</tr>
<tr>
<td>Usually covers all full-time employees</td>
<td>Can be granted to one, a few, or all employees</td>
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<tr>
<td>Employer pays for the shares of stock</td>
<td>Employees pay a set price to exercise the option</td>
</tr>
<tr>
<td>Employees receive stock shares (or value of stock) upon retiring or</td>
<td>Employees receive shares of stock when (and if) they exercise the option, usually</td>
</tr>
<tr>
<td>leaving the company</td>
<td>during a set period</td>
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</table>

Teams

- A **team** is a group of employees who are committed to a common purpose, approach, and set of performance goals.
- Members are mutually responsible and accountable for accomplishing objectives.
- Ability to work on teams often emphasized during the hiring process.
- **Work teams** are groups of people with complementary skills who are committed to a common purpose.
- Two-thirds of U.S. firms currently use work teams, permanent employee groups.
Five Types of Teams

- **Self-Managed Teams**: Teams that are empowered to decide how they complete their daily tasks.
- **Cross-Functional Teams**: Teams that are made up of members from different functions, or parts, of a firm.
- **Work Teams**: An increasingly popular type, work teams do just that—the daily work. When empowered, they are self-managed teams.
- **Virtual Teams**: Groups of geographically and/or organizationally dispersed co-workers who use a combination of telecommunications and information technologies to accomplish an organizational task.
- **Problem-Solving Teams**: This most popular of types comprises knowledge workers who gather to solve specific problems and then disband.
Team Characteristics

- Team Size
  - Can range widely, but most have fewer than 12 members.
  - Ideal size is often six or seven members

- Team Level and Team Diversity
  - Team level – average level of ability, experience, personality, or any other factor on a team
  - Team diversity - variances or differences in ability, experience, personality, or any other factor on a team.
Stages of Team Development

**Figure 9.2: Stages of Team Development**

- **FORMING**: Orientation, breaking the ice. Leader facilitates social interchanges.
- **STORMING**: Conflict, disagreement. Leader encourages participation, differences surface.
- **NORMING**: Establishment of order and cohesion. Leader helps clarify team roles, norms, and values.
- **PERFORMING**: Cooperation, problem solving. Leader facilitates task accomplishment.
- **ADJOURNING**: Task completion. Leader brings to closure, signifies completion.
Team Cohesiveness and Norms

- Team **cohesiveness** is the extent to which team members feel attracted to the team and motivated to remain part of it.
- Increases when members interact frequently, share common attitudes and goals, and enjoy being together.
- Cohesive teams quickly achieve high levels of performance and consistently perform better.
- Increases when Team norms are the informal standards of conduct shared by team members that guide their behavior.
  - Can be positive or negative
Team Conflict

- Conflict – when one person or group’s needs do not match those of another, and attempts may be made to block the opposing side’s intentions or goals.
  - Cognitive conflict focuses on problem-related differences of opinion.
    - Reconciling these differences strongly improves team performance
  - Affective conflict refers to the emotional reactions that can occur when disagreements become personal rather than professional.
    - Team leaders should facilitate good communication so that teammates respect each other and work cooperatively.
Importance of Effective Communication

- Communication is the meaningful exchange of information through messages.
- Managers spend 80 percent of their time in direct communication with others.
- Company recruiters rate effective communication as the most important skill they’re looking for in hiring new college graduates.
The Communication Process
Cultural Context

- Communication in low-context cultures tends to rely on explicit written and verbal messages.
  - Switzerland, Austria, Germany and the U.S.

- Communication in high-context cultures depends not only on the message itself but also on the conditions that surround it, including nonverbal cues, past and present experiences, and personal relationships between the parties.
  - Japan, Latin America, and India
# Basic Forms of Communication

## Table 9.2: Forms of Communication

<table>
<thead>
<tr>
<th>Form</th>
<th>Description</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oral communication</td>
<td>Communication transmitted through speech</td>
<td>Personal conversations, speeches, meetings, voice mail, telephone conversations, video or web conferences</td>
</tr>
<tr>
<td>Written communication</td>
<td>Communication transmitted through writing</td>
<td>e-mails, letters, memos, formal reports, news releases, online discussion groups, text messages</td>
</tr>
<tr>
<td>Formal communication</td>
<td>Communication transmitted through the chain of command within an organization to other members or to people outside the organization</td>
<td>Internal—memos, reports, meetings, written proposals, oral presentations, meeting minutes; external—letters, written proposals, oral presentations, speeches, news releases, press conferences</td>
</tr>
<tr>
<td>Informal communication</td>
<td>Communication transmitted outside formal channels without regard for the organization’s hierarchy of authority</td>
<td>Rumors spread informally among employees via the grapevine</td>
</tr>
<tr>
<td>Nonverbal communication</td>
<td>Communication transmitted through actions and behaviors rather than through words</td>
<td>Gestures, facial expressions, posture, body language, dress, makeup</td>
</tr>
</tbody>
</table>
Listening

- **Cynical Listening:** Receiver of a message feels that the sender is trying to gain some advantage from the communication.

- **Offensive listening:** Receiver tries to catch the speaker in a mistake or contradiction.

- **Polite Listening:** Receiver listens mechanically to be polite rather than to communicate.

- **Active Listening:** Requires involvement with the information and empathy with the speaker’s situation; the basis for effective communication.
Written Communication

- Channels include reports, letters, memos, online discussion boards and social media, emails, and text messages
- Delayed feedback
- Provides a record of the message
- Importance to consider audience, the channel carrying the message, and the appropriate degree of formality
- Email is ubiquitous in nature
Formal Communication

- Carries messages that flow within the chain of command structure defined by an organization.

- Downward communication
  - carries messages from someone who holds a senior position in the organization to subordinates

- Upward communication
  - communication from employees to supervisors and upward to top management levels

- Open and honest communication is key in formal communication
Open Communication

- With open communication, employees feel free to express opinions, offer suggestions, and even voice complaints.

- 7 Characteristics of Open Communication:
  - Employees are value
  - High level of trust exists
  - Conflict is invited and resolved politely
  - Creative dissent is welcome
  - Employee input is solicited
  - Employees are well-informed
  - Feedback is ongoing
Formal and Informal Channels of Communication
Informal Communication

- Informal communication channels carry messages outside formally authorized channels within an organization’s hierarchy.

- The grapevine is an internal channel that passes information from unofficial sources.
  - Company communications should be managed so that the grapevine is not the main source.
  - When managed well, managers can get a feel for company morale.
  - Gossip is a main drawback of this channel of communication.
Nonverbal Communication

- Nonverbal communication transmits messages through actions and behaviors.
- Gestures, posture, eye contact, tone and volume of voice, and even clothing choices are all nonverbal actions that become communication cues.
- Can have a greater impact on communications than many people realize.
- It is estimated that 70 percent of interpersonal communication is conveyed through nonverbal cues.
Personal Space in Nonverbal Communication

- Personal space can convey powerful messages.
- There are four zones of personal space:
  - Intimate
  - Social
  - Personal
  - Public
External Communication and Crisis Management

- External communication is a meaningful exchange of information through messages transmitted.
- Messages are transmitted between an organization and its major audiences: customers, suppliers, firms, general public, and government officials.
- Communicating during a public relations crisis:
  - Respond to crisis quickly
  - Put top company management in front of the press.
  - Stick to the facts
  - When you don’t know, offer to find out.
  - Never say “no comment.”
  - Speak to your audience

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