Work teams are composed of two or more individuals who (a) perform organizationally relevant tasks, (b) share one or more common goals, (c) interact socially, (d) exhibit interdependencies in task workflows, (e) manage and maintain group boundaries, and (f) are embedded in a broader organizational context that constrains the team and influences exchanges with other units in the organization. During the past two decades, strategic, technological, and economic forces have driven a shift from work organized around individual jobs to team-based structures. Teams serve as the basic building blocks of modern organizations and represent a critical means by which work is accomplished in today’s world. Therefore, significant research during the past few decades has been focused on understanding work team effectiveness. This entry looks at the history of this research and what it says about team types, team composition, team development, team processes, and team effectiveness.

History and Background
The idea of people working together in teams is certainly not new. Yet for much of the 20th century, the concept of work in large organizations was primarily centered on individual jobs. During
the past two decades, however, there has been an evolution in the design of work, shifting from individual jobs in functionalized structures to teams embedded in more complex workflow arrangements. This shift is the result of numerous forces, including increased globalization, consolidation, and technological innovation. To compete in this environment, organizations need access to diverse skills and experiences, they need to remain flexible and adaptive, and they must be able to operate effectively across geographical and cultural boundaries. Teams enable these characteristics. For example, an organization can use cross-functional teams to bring together individuals with diverse talents to solve a problem or create a new product and can use virtual teams to connect individuals who may be distributed around the globe. Unfortunately, the transition to team-based work structures has not always been a smooth one. Teams are frequently unsuccessful, as evidenced by the fact that failures in team functioning are commonly cited as a primary cause of air crashes, medical errors, military catastrophes, and industrial disasters.

The combined promise and peril of work teams has captured the attention of researchers and has led to a growing number of theories, empirical studies, and literature reviews on the topic of work team effectiveness. For many years, team research focused on the study of small interpersonal groups in social psychology, but during the past two decades, it has become increasingly centered in the fields of organizational psychology and organizational behavior, representing the growing interest in work teams. Most theoretical frameworks for understanding team effectiveness follow the input -> process -> output (IPO) logic proposed by Joseph McGrath in 1964. Inputs represent the resources (e.g., characteristics of individual members, organizational resources) that can contribute to team effectiveness and constraints (e.g., task requirements, workflow interdependencies) that have to be managed or resolved for a team to be effective. Processes represent the psychological mechanisms that allow team members to combine their talents and resources to resolve the constraints and achieve success. Outputs represent internal and external aspects of team performance and the impact of the experience on team members (e.g., team member satisfaction).

In a 2005 review, Daniel Ilgen, John Hollenbeck, Michael Johnson, and Dustin Jundt proposed an alternative to the traditional IPO framework, a model they term input–mediator–output–input (IMOI). The IMOI model reflects the fact that there are a broad range of factors, beyond just processes, that mediate the effects of team inputs on outcomes, and it acknowledges the potential for a cyclical feedback loop in which outputs, such as team performance, serve as inputs to future team processes. The following sections review several of the inputs, processes and other mediators, and outputs that have been studied frequently in the research on work team effectiveness.

**Work Team Types**

Work teams come in a variety of different forms, and new forms are regularly invented to deal with emerging organizational needs (e.g., virtual teams). The diversity of team forms presents a challenge for understanding team effectiveness, as many factors that influence team functioning vary across different types of teams. General typologies distinguish a broad range of teams, often based on functional differences. For example, general team types include production teams, service teams, and management teams. Some researchers have identified more specific types of teams, including crews, top management teams, transnational teams, and virtual teams. The value of such typologies stems from the underlying dimensions that distinguish team types, because these dimensions highlight the varying contingencies that determine the effectiveness of different types of teams.

In a 2003 review, Steve Kozlowski and Bradford Bell suggested that the following dimensions can be used to characterize the constraints faced by different team forms: (a) the external environment or organizational context with respect to its dynamics and degree of required coupling; (b) team boundary permeability and spanning; (c) team member diversity and collocation, or spatial distribution; (d) internal coupling requirements; (e) workflow interdependencies, with their implications for goal, role, process, and performance demands; and (f) temporal characteristics that determine the nature of performance episodes, or cycles, and the team life cycle.

**Team Composition**

As noted earlier, one of the resources that work teams use to manage these constraints and achieve
success is the characteristics of their individual members. Although research on team composition has examined many different characteristics of teams and their members, a general conclusion that cuts across this literature is that the effects of team composition depend on the nature of a team’s task. For example, studies examining the effect of team size on effectiveness have failed to reach consensus on an “optimal” size for different types of teams. Rather, it appears that the appropriate team size depends on the task and the environment in which a team operates. Larger teams may be able to leverage their resources to facilitate performance on more complex tasks, but smaller teams may find it easier to coordinate the activities necessary to tackle less complex tasks.

There also exist very few consistent findings regarding the effects of diversity on team performance. Whereas some studies have found that greater levels of heterogeneity or diversity can improve performance, other studies have reported negative results for diversity or have shown diversity to have no significant effects. In a 2005 review of this literature, Elizabeth Mannix and Margaret Neale noted that the effects of diversity depend largely on whether teams are able to capitalize on the benefits of increased information and perspectives while mitigating the disruptive effects of their differences on team processes, such as cohesion. Further, the information-processing and problem-solving benefits of diverse teams are most likely to translate into enhanced effectiveness when the team’s task is cognitively complex or requires multiple perspectives. Although these findings suggest that the effects of team composition are complex, a better understanding of these contingencies can help organizations select and construct effective teams.

Team Development

Team development applies not only to the formation of new teams but also to the process of socializing newcomers to existing teams that naturally experience outflows and inflows of new members during their life span. Much of the research in this area assumes the formation of a brand-new team with no prior history. The classic stage model proposed by Bruce Tuckman in 1965, for example, describes a sequential series of developmental stages: forming, storming, norming, and performing. This model was based on clinical and therapy groups, which had no prior history, no broader context, and an unstructured task. As a result, the model emphasizes the interpersonal processes that teams must manage to achieve their goals.

In contrast, existing teams possess a relatively stable set of shared norms and role expectations and a distinct group climate that have emerged during the course of the team’s life span. The inflow of a new member presents a potential challenge to this stability, and thus teams seek to assimilate newcomers, and newcomers, for their part, endeavor to adapt while seeking accommodation by the group. Unfortunately, much of the research in this area has focused on the socialization of individuals into the organization and has paid very little attention to the role of the work group or team in the socialization process. However, there is some evidence that work group members are helpful socialization agents, much more so than formal socialization practices, and play an important role in newcomers’ learning, understanding, and adjusting.

Team Processes and Performance

At the core of all models of team effectiveness are the process mechanisms through which team inputs are translated into team performance and other outcomes. The literature on team processes is voluminous, and there exists little convergence on a core set of processes or broader mediators. In their 2003 review, Kozlowski and Bell classified team processes into cognitive, affective-motivational, and behavioral mechanisms in an attempt to organize this research. Cognitive mechanisms, such as team mental models, transactive memory, and team learning, capture the collective task-relevant perceptions, knowledge, and information of team members.

A common theme of much of the work in this area is that team performance is enhanced when members share a common understanding of the task environment, its goal–role–strategy requirements, and perceptions of the broader organizational climate. However, other research suggests that success depends on a team’s ability to access the unique informational resources held by members. Transactive memory systems, for example, allow different members of a team to process and store information related to their expertise. The result is that team members can rely on their
teammates’ expertise, enabling the team to access a larger pool of task-relevant information and avoid wasting cognitive effort. Affective and motivational processes are also important to team effectiveness. For example, group cohesion, or team members’ shared commitment or attraction to the group, the task, and one another, has been shown to positively predict team performance. Team efficacy, or the shared belief in a group’s collective capacity to organize and execute courses of action required to produce given levels of goal attainment, has also been shown to relate positively to team performance. In contrast, both interpersonal and task conflict within a team have been shown to undermine team effectiveness. It is important to note that the positive or negative effect of each of these affective-motivational processes has been shown to be stronger when a team’s tasks entail higher levels of interdependence.

Behavioral team processes, such as coordination, communication, and cooperation, focus on what team members do to combine individual effort and action to accomplish team objectives. These three processes are related in that communication serves as a means to enable coordination and cooperation. Coordination and cooperation are related concepts, but coordination involves a temporal component that is not an essential part of cooperation. For example, complex tasks typically require high levels of interdependence, temporal pacing, and synchronicity. Under these conditions, effective performance requires coordinated action, not simply discretionary cooperation.

Enhancing the Effectiveness of Work Teams

Given the growing importance of work teams in today’s organizations, there exists considerable interest in designing, selecting, training, and leading teams to be effective. However, this is also an area in which practice has significantly outpaced research, leading to interventions being developed in the absence of a solid scientific foundation. In a recent 2006 article, Kozlowski and Ilgen identified those areas of the team effectiveness literature that have well-developed theoretical and empirical foundations and used the findings from these areas to identify interventions that can improve team effectiveness. For example, the evidence has consistently supported the use of several training techniques, such as cross-training, simulation-based training, and crew resource management, for enhancing team processes and performance.

Leadership is also a potentially critical lever for enhancing team effectiveness. A variety of leader approaches, such as transformational and transactional leadership, have received consistent research support, although there is a need to extend theory and research in this area to the team context. Research on other topics, such as group composition and team development, holds considerable promise for helping organizations select and develop effective teams, but continued work is needed to develop scientifically grounded tools and applications.

Bradford S. Bell and Steve W. J. Kozlowski

See also Diversity; Group Composition; Group Development; Group Learning; Group Performance; Team Building; Team Performance Assessment; Team Reflexivity; Transactive Memory Systems

Further Readings


