

Team Context and Team Performance: An Integrated Review

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Abstract High-quality teamwork has been recognized as central for organizational success. As such, researchers and practitioners have attempted to uncover how best to ensure high team performance. A review of the literature on teams suggested that team performance is a function of a variety of factors. While research shows that team context is important, investigations on this subject are still inadequate particularly for manufacturing teams within the context of a developing country like Malaysia. Therefore, the purpose of this paper is to review the extant literature on team performance and subsequently propose a model linking team context (team leaders' transformational leadership style and perceived team support) with team performance in the Malaysian manufacturing industry with a focus on the electrical and electronic sector. In addition, trust is explored as a mediator in the above-mentioned relationship.

Keywords Team performance • Team context • Transformational leadership • Perceived team support • Malaysia

1 Introduction

The Malaysian manufacturing sector has progressed tremendously with a record of RM52.1 billion (24.1 %) worth of investment by December 2013 (Malaysian Investment Development Authority [MIDA] 2014). In particular, its foreign investment projects amounted to RM30.5 billion and accounted for 58.5 % of the total investments approved for year 2013. On a similar note, its domestic investments recorded a sum of RM21.6 billion or 41.5 % of total investments (MIDA 2014). In January 2014, the sales value of local manufacturing sector increased by 12.3 % from RM50 billion in January 2013 amounted to a total of RM56.1 billion. It is recently reported that the manufacturing sector in Malaysia offered employment

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opportunities to 1.03 million employees by January 2014 (Department of Statistics 2013). Malaysian manufacturing sector comprises several industries such as electrical and electronics, textiles, food processing, petrochemical and polymer, pharmaceuticals and rubber products (MIDA 2014). Of these, the electrical and electronics industry (thereafter labelled as E and E) has been designated as a leading sector with a contribution of 26.94 % to the country's manufacturing output, 48.7 % to exports, and 32.5 % to employment (MIDA 2014). The E and E industry has evolved and expanded since the 1970s and it has more than 1,695 companies with a workforce of more than 600,000 people (Brandt and Wei 2012).

Orchestrating such a large number of employees can be challenging. Thus companies must be able to smartly integrate employees' skills and knowledge so as to cater customers' demands and beat rising competitions. In order for manufacturing firms to stay ahead of their competitors, researchers have suggested the utilization of teams (Natale et al. 1998; Doolen et al. 2006; Salas et al. 2008a). Neway (2013) professed that manufacturing firms can achieve better process understanding through the establishment of quality teams. As teams can predict trends and provide proactive solutions, companies must be able to gather the right people with the right capabilities to be in teams so that performance can be sustained and renewed accordingly (Neway 2013). Karim and Arif-Uz-Zaman (2013) asserted that the competitive global markets faced by manufacturing firms are a challenge to their capability. Manufacturing teams, consisting of technical experts and management personnel must be able to organize and collaborate to maximize the usage of resources while reducing costs and risks. This collaboration will have to be done in a positive context which includes good leadership style and positive team members' support.

Thus, based on the aforementioned discussion, the purpose of this paper is to review the extant literature and subsequently propose a linkage between team context (transformational leadership and perceived team support) and team performance among E and E teams in the Malaysian manufacturing sector. In addition, given the fact that teams with higher level of trust perform better as opposed to teams with lower trust (Gill et al. 2005; Mayer et al. 1995), team trust has been identified as a potential moderator in the proposed relationship.

2 Literature Review

2.1 Team Performance

Team performance is referred to as an "emergent phenomenon" that developed from shared goals (Salas et al. 2008b). It is a collective work product that reflects real contribution of team members (Katzenbach and Smith 1993). A high performing team will exhibit positive engagement in taskwork and teamwork behaviors, involving shared integration, synthesis and sharing of information

(Salas et al. 2008a). In the context of manufacturing teams, Deshpande (2013) stated that technical teams (such as E and E teams) work together to save costs, exceed customers’ expectations, and enhance product quality which will result in greater performance not only to the team but also to the organization. High performing teams also regularly comes out with innovative ideas for product with reduced product life cycle (Deshpande 2013).

2.2 Predictors of Team Performance

As depicted in Fig. 1, a review of the extant literature (Ganesh and Gupta 2010; Garg and Rastogi 2006; Katz-Navon and Erez 2005; Senior and Swailes 2004; Tannenbaum et al. 2012; Hu and Liden 2013; Schippers et al. 2010; Tuuli and Rowlinson 2010) reveals that the predictors of team performance can generally be categorized into: (1) team task (task identity, task interdependence, and task significance), team composition (team knowledge, team skills, and team diversity), and team context (leadership behaviors and team support). Among these three categories of predictors, team context has been found to be the most critical in shaping positive team surroundings that can maximize performance (Hu and Liden 2013; Giammanco et al. 2010). In team context, the two most prevailing constructs that are important to team performance are leadership behaviors and team support (Tuuli and Rowlinson 2010). As such, this paper will focus on the role of team context (i.e. team leaders’ transformational leadership style and perceived team support) on team performance.

2.3 Team Context

Team context is the internal aspects of a team’s environment, often containing members’ supportive behaviours and members’ exposure to leaders’ behaviors (Hu and Liden 2013). Tuuli and Rowlinson (2010) asserted that the two most important characteristics contained in team context are span of control (i.e. team

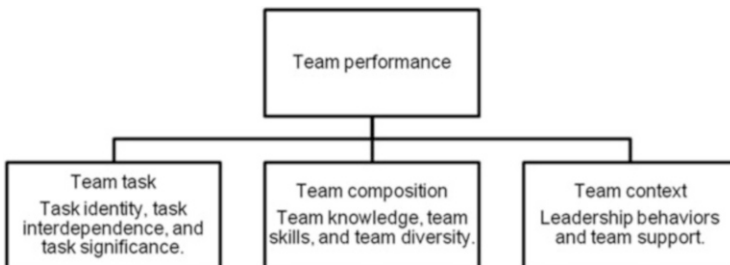


Fig. 1 Predictors of team performance

leaders' leadership style) and team members' interdependence (i.e. the support given by team members). This idea is further supported by Tuuli et al. (2012) who stated that team context reflects key features of a team and it consists of leaders' span of control, team goals, and task interdependence of members. One outstanding leadership style that has been shown to impact team performance is transformational leadership style (Dionne et al. 2004; Mannheim and Halamish 2008; Braun et al. 2013). Transformational leadership promotes leaders' positive values, ethics and long-term goals of a team (Dionne et al. 2004). In addition, team performance is also influenced by the way team members gauge the support they receive from other members. Perceived team support will elevate team performance as members who feel supported will often reciprocate with the team (Paillé 2009). Therefore, we suggest that team context will have a positive influence on team performance. The following section of this paper will focus on the impact of team context on team performance within the Malaysian E and E manufacturing sector.

2.3.1 Transformational Leadership

Transformational leadership raises both leaders' and subordinates' level of motivation and morale and it has been advocated as crucial to overall team performance (Dionne et al. 2004; Mannheim and Halamish 2008; Braun et al. 2013). There are six key behaviors of transformational leaders that were elaborated by previous scholars (Podsakoff et al. 1990; Dionne et al. 2004; Kozlowski and Ilgen 2006). The key behaviors are: (1) Identifying and articulating a vision which concerns a leaders' ability to identify new opportunities while developing, articulating and inspiring others with his/her vision of the future, (2) providing appropriate model that relates to a leaders' behavior that could be set as an example for the employees to follow, (3) fostering the acceptance of group goals which focus on the way leaders promote cooperation among employees that get them to work and achieve common goals, (4) high performance expectations which depict the leaders' expectations for excellence quality and high performance from his follower, (5) providing individualized support is the behavior that suggests the way leaders respect followers' personal feelings and needs, and (6) intellectual stimulation is how the leaders challenge followers' ways of thinking and their assumptions about work (Podsakoff et al. 1990). These key behaviors suggest that transformational leaders possess admirable qualities, have appealing visions, and are sensitive to team members' needs (Kozlowski and Ilgen 2006). For work teams in the E and E manufacturing sector, transformational leadership can be an important human factor especially in ensuring teamwork and effective communication (Fraser et al. 2013). Thus, based on previous evidence that transformational leadership positively affect members' attitudes and behaviors (Podsakoff et al. 1990; Dionne et al. 2004; Kozlowski and Ilgen 2006; Mannheim and Halamish 2008; Braun et al. 2013), it is predicted that team members' perception towards their leaders' transformational leadership will be positively related to the team's performance. Therefore, it is proposed that:

Proposition 1: Team members' perception of their leaders' transformational leadership will be positively related to team performance.

2.3.2 Perceived Team Support

Perceived team support is the extent to which team members feel that their contribution is appreciated and that their well-being are being cared for, and this will stimulate members to exert greater effort in implementing team tasks (Bishop et al. 2000; Paillé 2009). The perceived team support construct was originally derived from perceived organizational support (Eisenberger et al. 1986) and was made popular by researchers investigating team performance (Bishop et al. 2000; Howes et al. 2000; Paillé 2009). Drach-Zahavy (2004) asserted that perceived team support includes emotional support, informational support, instrumental support and appraisal support. These supportive elements will strengthen members' willingness to assist other members, depending on the amount of support they receive (Drach-Zahavy and Somech 2002; Drach-Zahavy 2004). For work teams in the E and E manufacturing sector, perceived team support is crucial as support can help alleviate work stress which ultimately reduce occupational hazards (Tai 2012). As a result, team performance is likely to be improved. Although perceived team support is essential to team performance, empirical studies on this subject are still scarce (Howes et al. 2000; Paillé 2009). Thus, based on the aforesaid discussion, we posit the following:

Proposition 2: Perceived team support will be positively related to team performance.

2.4 The Role of Team Trust as a Moderator in the Team Context-Team Performance Relationships

Team trust is the expectation that others will behave as expected (Jarvenpaa et al. 1998). It is made up of three important elements: ability (set of skills that signify competence), benevolence (feeling of interpersonal care and concern), and integrity (adherence to set, rules or principal) (Jarvenpaa et al. 1998). Teams whose members possess higher sense of trust will usually exhibit better performance compared to teams whose members have lower sense of trust (Sheng et al. 2010). Studies have documented that a higher level of trust will lead team to better team performance and vice versa (Costa 2003; Erdem 2003). More recently, Zhu et al. (2013) found that team trust improves leader-follower relationships and is essential for performance. Therefore, based on the preceding discussion that teams with higher level of trust performs better (Costa 2003; Erdem 2003; Sheng et al. 2010; Zhu et al. 2013), team trust may serve as a plausible moderator in the

relationship between team context and team performance. Therefore, it is postulated that:

Proposition 3: The relationship between team context (team members’ perceptions of their leaders’ transformational leadership and perceived team support) and team performance would be stronger for teams with higher level of trust than for teams with lower level of trust.

2.5 Conceptual Framework

Based on a review of the literature and consistent with the significant role of team context on team performance (Tuuli and Rowlinson 2010; Tuuli et al. 2012; Hu and Liden 2013), our proposed framework is illustrated in Fig. 2. Team context variables consist of transformational leadership style and perceived team support. Along with that, team trust is viewed as a possible moderator in the team context—team performance relationship.

3 Conclusion

Achieving high performance is an aspiration to all teams including manufacturing teams in the Malaysian E and E sector. The ability of teams to unify and cooperate especially in situations of high uncertainties is a determining factor for superior performance. Thus, smart management of teams in handling work activities is important. In managing teams, leaders and members need to be sensitive to the surrounding context in which they work. These contextual variables include team leaders’ leadership style and team members’ support. One particular leadership style that has received much attention in the literature is transformational leadership style. Previous studies have suggested that transformational leadership behaviors tend to motivate and encourage team members towards achieving better performance. Prior literature has also recognized perceived team support as an important element that promotes team performance. Team members will exhibit higher drive

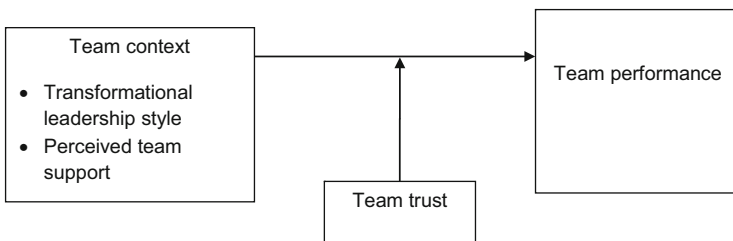


Fig. 2 Proposed conceptual framework

for performance when they believe that they are supported and appreciated by other members. Based on the aforementioned discussion, a conceptual model has been developed where team context (team leaders' transformational leadership style and perceived team support) is proposed as a significant predictor of team performance. Furthermore, since trust in teams play a role in ensuring team success, this variable is expected to have moderating effect on the relationship between team context and team performance.

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