



UNIVERSITI PUTRA MALAYSIA

**FUNDAMENTAL ISSUES AND PROBLEMS THAT HINDER
EFFECTIVE TEAMWORK IN A MERCHANT BANK**

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TEAMWORK IN A MERCHANT BANK**

By

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**This project paper was prepared to fulfill part of the requirement of Master of
Science (Human Resource Development) at Department of Extension Education,
Faculty of Education Studies, Universiti Putra Malaysia**



Project entitled “Fundamentals Issues and Problems that Hinder Effective Teamwork in A Merchant Bank” was prepared by Faridah Hanim Abdul Rahman to fulfill part of the requirement to obtain a Master Degree of Science (Human Resource Development) at Department of Extension Education, Faculty of Education Studies, Universiti Putra Malaysia

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ABSTRACT

FUNDAMENTAL ISSUES AND PROBLEMS THAT HINDER EFFECTIVE TEAMWORK IN A MERCHANT BANK

Faridah Hanim Abdul Rahman
Universiti Putra Malaysia
October 1998

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This research study was concerned with the understanding of issues and problems that hinder effective teamwork or team building in a merchant bank. The purpose of the study was to understand the concepts of effective teamwork, the related dimensions and the challenges involved in teamwork in the bank. During the preliminary stages, an exploration across various domains of literature such as leadership, team building and motivation was done in order to grasp a better understanding of the concept of team development and the requirements for effective teams in an organization. Qualitative methodology was employed in this study. An in-depth interview technique was used to obtain naturalistic data from the participants. The interviews of the ten participants from various race, sex, professions and background had been tape-recorded, transcribed and analyzed. From this study, it was found that the most common understanding of the concept of teamwork revolved around the idea that teamwork as means to improve organizational service and productivity. It was also largely understood that teamwork is an on-going process. Apart from improving service and productivity, teamwork also encompasses other equally important dimensions, such as teamwork is a tool to improve self-control and participation in the workplace, teamwork enhance employee participation in the management's activities. The informants interviewed seemed to regard teamwork as a mean to empower employees to fully contribute and increase organizational productivity. All the ten informants acknowledge the importance of teamwork. They felt that teamwork is an important process for the employees and organization to respond to marketplace demands as they see teams as a better way of doing business. All the informants also agreed that the organization should provide a constructive climate for teamwork. The vision and mission statement of the organization must support team effort. The current status of teamwork in the bank as revealed by the informants was: the Bank's climate is not constructive to promote teamwork and there is inappropriate leadership. The informant's point of view is that to have a successful team, the members should be entrusted to make decisions pertaining to their job. Majority of the informants reported that the management behavior is not consistent with what they preached. The informants also reported that the structure of the Bank is not suitable for team effort, as it



is high in structure and functional approach. Most of the jobs in the Bank is also focus and specialize and low dependence to one another. The interview also revealed that the management does not want to spare the time to do cross-functional training. Therefore each staff only focuses on their on work. All the informants too seem to be dissatisfied with the performance appraisal system. They reported that performance appraisal is only centered to individual performance. They also agreed that it is not easy for them to obtain information from the system as most of the information was treated as confidential. Since the Bank's organization structure is highly vertical, the status gap between one person to another is wide. The informants perceived that teamwork could not be effective if there is no equality. Since there is limited cross-functional training, the concept of teamwork that is to be able to perform multiple tasks cannot be achieved. All the informants agreed that the word teamwork is only a lip- service as in actual the teamwork effort is not appreciated by the power people in the Bank. Among the main problems that hinder effective teamwork: (1) They do not know how to do it – from the report by the informants, it is obvious that there is lack of skill and knowledge in developing teams; (2) They do not feel it is being rewarded – the informants reported that there is lack of apparent connections between the team effort and the formal rewards in the Bank; (3) People don't need teamwork and it takes too much time – most of the informants assumed that teamwork is taking a lot of their time; and lastly (4) they do not get the support from their superior – the informants reported that even though they would like to engage in teamwork, they felt that they did not get the support from their bosses. Majority of the informants agreed that, the Bank must undergo a reorganization program. They believed that with the current structure and system, it is quite impossible for effective teamwork. A framework for improving teamwork was made with specific recommendations for its practice and for further research.



ABSTRAK

ISU FUNDAMENTAL DAN MASALAH YANG MENGHINDARI KERJA BERPASUKAN SECARA EFEKTIF DI BANK SAUDAGAR

Faridah Hanim Abdul Rahman
Universiti Putra Malaysia
Oktober 1998

Penyelia: Azahari bin Ismail, Ph.D.

Kajian ini berkaitan dengan pemahaman isu dan masalah yang menghindari kerja berpasukan secara efektif di bank saudagar. Tujuan kajian ini adalah untuk memahami konsep kerja berpasukan efektif, dimensi yang berkaitan dan cabaran yang terlibat dalam kerja berpasukan di bank tersebut. Pada tahap permulaan kajian ini, eksplorasi sekitar pelbagai domain literatur seperti kepimpinan, pembangunan pasukan dan motivasi telah dirujuk untuk mendapatkan pemahaman yang lebih baik ke atas konsep pembangunan pasukan dan keperluan-keperluan untuk pasukan efektif di dalam organisasi. Cara penyelidikan kualitatif telah digunakan dalam kajian ini. Ia mengutamakan keaslian data daripada para peserta dengan menggunakan teknik temuduga yang mendalam. Temuduga dengan 10 peserta dari berbagai kaum, jantina, profesion dan latar belakang telah dirakamkan, disalin dan kemudian dianalisa. Berdasarkan kajian ini, pemahaman paling umum konsep kerja berpasukan berkisar di sekeliling satu idea bahawa kerja berpasukan merupakan satu cara untuk memperbaiki perkhidmatan dan produktiviti organisasi. Pemahaman kerja berpasukan juga difahamkan secara meluas bahawa kerja berpasukan adalah satu proses yang berterusan. Selain daripada memperbaiki perkhidmatan dan produktiviti, kerja berpasukan juga merangkumi dimensi-dimensi penting yang lain seperti kerja berpasukan merupakan satu bentuk untuk memperbaiki pengawalan diri dan penglibatan di tempat kerja dan kerja berpasukan menonjolkan penglibatan pekerja di dalam aktiviti-aktiviti pengurusan. Para peserta yang ditemuduga mensifatkan kerja berpasukan sebagai satu jalan untuk memberi kuasa kepada pekerja untuk menyumbangkan sepenuhnya dan meningkatkan produktiviti organisasi. Kesemua para peserta mengakui kepentingan kerja berpasukan. Mereka merasakan bahawa kerja berpasukan adalah satu proses yang penting bagi para pekerja dan organisasi untuk bertindakbalas dengan permintaan pasaran kerana mereka melihat pasukan sebagai satu cara yang lebih baik untuk menjalankan perniagaan. Kesemua para peserta juga bersetuju bahawa organisasi patut menyediakan satu iklim yang konstruktif untuk kerja berpasukan. Visi dan misi organisasi mestilah menyokong usaha-usaha berpasukan. Status terkini kerja berpasukan di bank tersebut seperti mana yang didedahkan oleh para peserta

adalah: iklim Bank tidak konstruktif untuk mempromosikan kerja berpasukan dan terdapat kepimpinan yang tidak sesuai. Pada pendapat para peserta untuk mendapatkan kerja berpasukan yang efektif, ahli-ahli pasukan haruslah dipercayai untuk membuat keputusan berkaitan dengan kerja-kerja mereka. Kebanyakan daripada peserta melaporkan bahawa tingkahlaku pengurusan tidak sejajar dengan apa yang mereka katakan. Para peserta juga melaporkan bahawa struktur Bank adalah tidak sesuai untuk usaha pasukan, ini adalah kerana struktur itu terlalu tinggi dan berlandaskan fungsi. Kebanyakan daripada kerja-kerja di dalam Bank adalah fokus dan rendah pergantungan antara satu sama lain. Temuduga tersebut juga mendedahkan bahawa pihak pengurusan tidak mahu mengeneipkan masa untuk melatih secara “cross-functional”. Kesemua para peserta juga menunjukkan rasa tidak puas hati terhadap sistem penilaian prestasi. Mereka melaporkan bahawa penialain prestasi hanya menumpukan kepada prestasi individu. Mereka juga bersetuju bahawa adalah tidak mudah untuk mereka mendapatkan maklumat daripada sistem Bank kerana kebanyakan maklumat diklasifikasikan sebagai sulit. Oleh kerana struktur Bank adalah sangat tinggi maka status di antara seseorang dengan yang lain juga adalah jauh. Para peserta berpendapat bahawa kerja berpasukan tidak akan berjaya jika tiada kesamaan. Oleh kerana latihan “cross-functional” adalah terhad, maka konsep kerja berpasukan iaitu kebolehan untuk melakukan berbagai tugas tidak akan dapat dilaksanakan. Kesemua para peserta bersetuju bahawa perkataan kerja berpasukan ini hanya merupakan percakapan mulut sahaja tetapi pada hakikatnya usaha-usaha kerja berpasukan adalah tidak dihargai oleh orang-orang yang berkuasa di dalam Bank. Di antara masalah utama yang menghindarkan kerja berpasukan efektif adalah: (1) Mereka tidak tahu bagaimana untuk melakukannya – daripada laporan daripada para peserta, adalah jelas bahawa terdapat kekurangan skil dan pengetahuan untuk membentuk pasukan; (2) Mereka merasakan kerja berpasukan tidak diberi ganjaran – para peserta melaporkan bahawa terdapat kekurangan hubungan di antara usaha pasukan dan ganjaran formal di dalam Bank; (3) Orang tidak memerlukan kerja berpasukan dan ianya mengambil terlalu banyak masa – para peserta menyangkakan bahawa kerja berpasukan mengambil banyak masa dan terakhir (4) Mereka tidak mendapat sokongan daripada ketua mereka – para peserta melaporkan bahawa walaupun mereka mahu menglibatkan diri dalam kerja berpasukan tetapi mereka merasakan bahawa mereka tidak mendapat sokongan padu daripada ketua mereka. Majoriti daripada para peserta bersetuju bahawa, pihak Bank harus menjalani program reorganisasi. Mereka percaya dengan sistem dan struktur yang wujud kini, adalah agak mustahil untuk kerja berpasukan efektif beroperasi. Satu rangka untuk memeperbaiki usaha-usaha kerja berpasukan telah dibentuk dengan saranan-saranan tertentu untuk pelaksanaan dan kajian selanjutnya.

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CHAPTER 1

INTRODUCTION AND STATEMENT OF THE PROBLEM

Introduction

In 1969, Beckhard wrote about the constant need for organizations to seek new ways of organizing, ways that would fully utilize their human resources to effectively meet the challenges of the environment (p.5). During the 1970s and into the 1980s, managers began to realize that traditional organizational structures, such as functional or departmental organization, were not always able to respond to marketplace demands (Shonk, 1992). Many organizations began looking for better ways to use their human resources and to improve collaboration (Shonk, 1992). Furthermore, organizations were struggling with a seeming lack of commitment or work ethic within their work forces.

To address these issues, many organizations partially turned to teams (Shonk, 1992). They formed quality circles or started quality of work life, as well as efforts in employee involvement or employee participation efforts. All of these approaches were aimed at giving employees more influence over decisions and increasing collaboration among various skills, disciplines, and levels (Shonk, 1992).

These organizations discovered that teams offered an effective way to coordinate across organizational boundaries in solving problems and in gaining employee commitment. As a result, more and more organizations turned towards teams to better accomplish their goals (Dyer, 1995)



Much has been written on developing and managing a team (Dyer, 1977; Hirschhorn, 1988, and Shonk, 1982)) However, little attention has been given to how to plan for and manage the transition of an organization from a traditional hierarchical and functional structure to an organizational built around teams.

The nature of the modern business enterprise is such that the interdependence of its parts is increasing in response to a more complex environment, one requiring many skills and functions to effectively compete. Traditional organizational structures and processes often work against effective interdependency by focusing on individuals and tightly bound functions and units. New structures and processes must be developed to more effectively manage an organization's interdependencies. Many organizations are finding that team-based organizations are a very promising strategy for managing these interdependencies.

The Problem and Its Context

An organization's greatest asset is its people. It is the people who have the skills, expertise, creativity, and potential. Sometimes organizations do not benefit from these great assets. Therefore, managers and executives as leaders should know how to utilize the know-how and excellence of others. They should practice effective motivation and team building especially using non-financial means since these produce the biggest pay off. Hence effective organizations must recognize the "value-added" from people working in teams rather than simply performing a job.

The use of teams has become an increasingly popular work design in all types of organization, both on a domestic and foreign basis (Jewel & Reitz, 1981)). In many cases, teams are formed because individuals believe that they can derive greater economic benefits from their jobs if they organize. Team pay incentives can be



extremely valuable in supporting the way management wants to run the company (Kimberly & Rottman, 1987, pp. 595 – 622). By working and cooperating as a team, the individuals may obtain higher economic benefits. Conversely, by paying for individual performance, the structure may get in the way of team productivity by stressing self-, versus team, dependencies (Kaplan & Norton, pp.71 – 79). By matching incentive plans with the organization's work culture and the type of team being used, the team's processes can be better aligned with those of the organization (Buchholz, 1988).

Hence, teamwork is the basic upon which excellent companies continue to excel in their pursuit of taking bigger market share and increased productivity. It is of utmost importance that people at all levels of the organization work as a team. Each organization with its own peculiar corporate culture needs to radiate and informalize such culture and corporate ethos amongst its employees.

Statement of the Problem

Bank Teguh was formed in October 1972. It is a subsidiary of one of the largest commercial bank and is currently involved in merchant banking activities. Its staff strength is 183 people as at 31st January 1998. In 1993, 1994 and 1995, Bank Teguh enjoyed a tremendous growth in terms of profit. It was then positioned as the second top bank in the merchant banking industry. It has established itself well in the industry and serving mostly "blue-chip" clients such as, Heavy Industrial Corporation of Malaysia (HICOM), UTUSAN GROUP, and PETRONAS. The researcher assumed that since the Bank was registering profits every year, it became complacent that everything was going well, and thus the future problems was overlooked.

Unfortunately during the financial year 1996/1997, the Bank saw a downturn in profit. Employees started to tender resignations and the situation worsen in 1997. The Executive Director (ED) was suspended from duty in March 1997 pending investigation from Bank Negara Malaysia, overall staff were unhappy and morale of staff were very low. The ED resigned in October 1997 followed by two other Heads of Departments who both have been serving the Bank for more than 15 years. In October 1997, a meeting was held with the Chairman of Bank Teguh urging the employees to start working together and go towards the future and win “ the game of our lives”. He went on urging his employees to drop the “self-centered” syndrome, as it does not help to move forward in the direction of success. In fact, it is not moving anywhere. He went on further to say that, “...we’re in this together so, let’s work it out as a team. It’s the only way to win. We must do it with one strategy, one plan and we must do it together as a team”

In the past however, team building was pushed more by behavioral scientists than it was accepted and practiced in business (Kanter, 1983; Peter, 1987; Cohen, 1976; Lawler, 1987). Teamwork was “nice” but not critical for the success of the organization. Team building was lumped with other corporate goals that were given more lip service than real backing (Adair, 1989). The Bank’s Chairman call to work as a team is very appropriate especially so in the competitive financial market. After the soaring drop in profit, the various departments must synergies to “meet and to achieve the common goals” of the Bank. To achieve this goal, the ‘self-centered’ syndrome should be dropped to give way for team development.

While considerable research on the origins of teamwork has been undertaken especially in the Western cultures, the findings are inconclusive (Belbin, 1981). Very little research was carried out on eastern countries especially in Malaysia where the

society consists of various ethnic groups that carry different culture background. Thus, the need for this study is to identify the issues and problems of non-teamwork in a changing culture and also to find out what are the dimensions that are associated in promoting healthy teamwork.

The research questions to be addressed are: What are the issues that have negative effect on team building among employees in Bank Teguh? What is the status of teamwork among employees in the Bank?

Drawing from the statements made by the Bank's Chairman, the symptoms seems to occur with Dyer (1987) that the inference made towards his earlier statements are: (i) Attitudes of employees towards achieving goals must be changed; (ii) Organizational goals must be communicated clearly at all levels; (iii) There must be conducive collaborative working climate; (iv) Teamwork must be encouraged at all levels; and (v) The choice as a preferred employer must be enhanced.

The above inferences may signal the need for teambuilding and may contribute to the dropping of the "I" syndrome, so that organizational goal maybe achieved by the various employees.

The researcher believed that as an Officer in the Bank, she has the responsibility to create and communicate a vision of the institution and its destiny. This requires a fresh look at the nature of change, the uneasiness it creates in the workplace, and the inter-personal skills needed to wield the people towards the possible course of action to achieve the organizational goals. The researcher was entrusted to do the job, the liberty to observe brought more information towards the study. For the past two years, the researcher has made some observations and friendly discussions with various levels of employees, with regards to the current environment in the organization. Some of their comments are: "I will never trust him again"

(Management Staff); “For all the things I have done but I have not been recognizes” (Supervisor); “Its who you know up there which counts not what you know” (Clerk). In the Bank, morale were low, frustration, “don’t care attitude” have been observed. There is no self-motivation amongst the employees. So much so that, some of them are leaving for greener pastures. The new employees were quite confused, as to what was wrong with the organization. Attempting to obtain more information on the study, a literature review was done. At one instance, it was said that anybody could go and see the Human Resource Manager with regards to grievance matters, but sad to say, that practice is hardly practiced.

An observation made was that favoritism seems to be rampant within the Bank; discrepancy with regards to incentives and compensation packages were found; organization chart, which is hierarchical in nature.

As such teamwork amongst different levels of department and within department leaves much to be desired. There is no urgency in solving this matter and only lip service is paid to the idea. Suspicion and mistrust is the order of the day with certain groups having their own cliques. These have been observed during lunch breaks and meeting sessions. The following statements were made in confidence by a senior employee: “The manager feels frustrated, but was unable to talk about the power exerted by the senior management on personal selection”(RI); “The staff who hesitates to tell the manager about ways to make work go smoothly”(RZ);“An who quietly resent the fact that she is really doing her boss’s job” (RS).

All the above contribute towards the influence of the “negatives” of people’s work. In his book “ The Human Side of Enterprise ”, (Mc Gregor, 1960) presented a list of the characteristics, which are being influenced by Theory X, and Theory Y. The following statement seems to show that the Bank is leaning towards Theory X. (i)

Negative Feeling About The Organization – including loss of trust or pride, increase in self-protective behavior and non-collaborative behavior. (ii) Negative Impact On Quality and Productivity – lack of extra effort by employees to meet deadlines, conflicts and wrong priorities, poor work methods and loss of creativity and motivation. (iii) Negative Feelings about oneself – loss of self-esteem resulting in greater dependency on the organization and failing in performance. (iv) Negative Emotions – anger frustration, depression, disillusionment and stress. A result of this, people sometimes report physical effects such as sleeplessness, fatigue and other illness.

Objective of the Study

Specifically, this study attempted to understand: 1) The concept of teamwork in organization; (2) The status of teamwork in Bank Teguh's environment; (3) Issues and problems pertaining to teamwork in Bank Teguh; (4) Efforts that can be taken to enhance teamwork.

Significance of the Study

Malaysia for the last five years has been undergoing a buoyant economic growth. Foreign investors are investing in the country, therefore enlarging the job market for potential employees. They provide attractive remuneration packages and better working environment. Thus to be a competitive employer, one should have an edge over others in terms of remuneration package, better working environment, flexible policies and procedures. Furthermore, this research project will also contribute to the universal knowledge for the planners and policy makers who want to

put together training programs in order to emphasize teamwork and encourage team play in organizations.

This paper too, would enhance the knowledge and share the many experiences of the various authors who have contributed reference towards the development of teamwork in an organization.

CHAPTER 2

REVIEW OF LITERATURE

Introduction

Each study is concerned with teamwork or teambuilding. The purpose is to understand the concept, status and problems of teamwork in the literature review aims to discuss the past researches on the topic or its relevant.

In the past decade, hundreds of companies have reorganized around teams of workers to tap their employees' knowledge. Cummins Engine, Ford Motor among others, found that letting workers make key decisions-not just following their boss's orders-spurred productivity and quality. At Motorola, a basic principle is participative management, which has grown into a focus on teams made up of individuals from all levels of management. What follows are some examples of where effective use of teams spelled the difference between success and failure for their organizations.

When the Wisconsin Electric Power Company's (WEPCO) local and wide area communications networks were no longer capable of meeting company needs, management relied on problem-solving teams to come up with a solution. With the input of WEPCO's experienced communications' technicians and hundreds of other employees from all areas of the organization, WEPCO was able to develop a system