INTERNATIONAL HANDBOOK OF
ORGANIZATIONAL TEAMWORK AND COOPERATIVE WORKING

Edited by

Michael A. West
*Professor of Organizational Psychology and
Director of Research, Aston Business School, UK*

Dean Tjosvold
Chair Professor of Management, Lingnan University, Hong Kong

and

Ken G. Smith
*Dean's Chaired Professor of Business Strategy,
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WILEY

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PREFACE

To live, work, and play is to cooperate with others. We express both our collective identity and our individuality in groups and organizations. Our common experiences of living and working together bind us with each other and with our predecessors.

We are also students of cooperation. As we navigate our relationships and reflect on them, we develop our own theories and perspectives. We have values about how people should relate to each other, assumptions about how they do, and we devise complex strategies to guide our communication and conflict management.

Today we face new demands that make cooperative work more vital and more challenging. To meet the pressures of the global marketplace, organizations are moving away from rigid, hierarchical structures to more organic, flexible forms. Groups are developing and marketing products, solving production problems, and creating corporate strategy. Managers are experimenting with participation, high-commitment organizations, self-managing work teams, labour–management cooperation, and gainsharing programmes. These innovations, though they have different backgrounds, all involve the explicit use of teams to accomplish central organizational tasks. The team rather than the individual is increasingly considered the basic building block of organizations.

Teamwork is spilling out across organizational and national boundaries. Many manufacturers form teams with suppliers to boost quality, reduce costs, and assure continuous improvement. International alliances are becoming the accepted way to participate in the global marketplace. American and Japanese automakers and other traditional competitors have developed a wide variety of cooperative strategies. Increasingly, people with different organizational and national loyalties from diverse cultural backgrounds and unequal status are asked to work together.

This handbook provides a comprehensive and critical synthesis of knowledge of cooperative working, with a clear focus on the psychological and social processes and emerging relationships that can facilitate and obstruct successful teamwork. The editors have brought together established and emerging perspectives from the world's leading authorities on collaboration within and between organizations. Professionals and researchers can turn to the following chapters for guidance on best practices, methods, successful and problematic experiences, and concepts and agendas for future research. This handbook assists students, professionals, and researchers to appreciate that interdependence pervades organizational life, understand the critical effects of collaboration on productivity and people, learn frameworks for analysing and strengthening teamwork, and stimulate behavioural research that will extend our knowledge base of cooperation in organizations.

THE BOOK'S ORGANIZATION

The book has five sections with ascending micro to macro scale and complexity. However, we do not, for example, take the boundary between work groups and integrated organizations literally because collaboration cuts across levels. Concepts used to investigate interdependence within a team can help analyse interdependence between groups and organizations. Dynamics within teams affect and are affected by organizational-wide characteristics.

I. Introduction. This section connects the reader and the book, provides an overview, and identifies common concepts and contingencies. Collaboration and interaction are generic terms and refer to the exchange, communication, and mutual influence between individuals, groups, and organizations and are used interchangeably in the book.

II. The Psychology of Individuals in Groups. Although individuals and groups are often considered opposing choices, teams depend upon the drive and competence of individuals and individuals find meaning and support in teams. These chapters examine individuals' psychological orientations and predispositions, needs and aspirations, and cognitive capacities that affect and are affected by teamwork. Chapters also identify conditions under which independent and competitive work may be more useful than cooperation.

III. Work Groups. Organizations are experimenting with self-managing teams, temporary task forces, national sales forces, and work improvement teams. These chapters also investigate central issues in teams, such as team leadership, training for and within teams, and using conflict constructively.

IV. Integrated Organizations. Developing strong intergroup relations is perhaps the most difficult challenge in building a viable team organization. Participative management, alignment of principals and agents, and positive power can help unite organizations. An important part of this section is to focus on the types of organizational structures, processes, and incentives that promote "organizational collaboration". Of special interest is the role of information systems and social networks. Significantly, this section also examines the role of virtual teams and Internet systems for managing teamwork in today's dispersed "netcentric" organizations.

V. Alliances between Organizations. Organizations are seeking competitive advantage by teaming and collaborating with suppliers, customers, stockholders, and even competitors. Such teamwork is made more complex and difficult in the global economy where teams and organizations are connected across cultures and national boundaries. This section explores how firms can use teamwork as a source of competitive advantage. Of special interest is the network organization and how firms use social and intellectual capital developed from teamwork to effectively compete in complex, changing environments. This section also identifies the critical contingencies for effectively using teamwork in supply chain management, relational marketing, and research consortiums.

The issues explored here are fundamental to our understanding of the journey of our species. It is through teamwork and cooperation that we have progressed so far in our understanding of our existence and of this universe and our shaping, for good or ill, of our world. Reading the handbook therefore is an opportunity to deepen our understanding of cooperative work. However, our extensive experience with cooperative work and our own elaborate, largely implicit theories can make it difficult to confront our own biases and consider new theory, ideas, and research open-mindedly. For the editors, it has been a stimulating and challenging intellectual exchange with each other, with the authors who come

from many countries and disciplines, and with much inevitably new theoretical and philosophical content. We hope that the readers of this handbook will have a similar challenging and enriching experience.

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August, 2002

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INTRODUCTION AND CONTEXT OF COOPERATION

1

TEAMWORK AND COOPERATION
FUNDAMENTALS OF ORGANIZATIONAL EFFECTIVENESS

Dean Tjosvold, Michael A. West, and Ken G. Smith

UNDERSTANDING COOPERATION

A straightforward way to consider cooperation is in terms of its outcomes: cooperation occurs when people have strong relationships where they work together well so that they succeed at their tasks. They are not simply a group but have become an effective team. Their cooperation is clear from the results of their collaboration. The issue then is to identify the antecedents and conditions that give rise to this productive teamwork. Researchers often focus on the interaction that collaborators develop. The essence of cooperation is thought to be constructive, pro-social interactions. Cooperation involves helpful, supportive, and integrative actions that in turn help the team succeed at its task and strengthen interpersonal relationships.

In the 1940s, Morton Deutsch (1949, 1973, Chapter 2 this volume) defined cooperation in terms of how individuals and groups believed they were interdependent with each other. Considerable research has developed this perspective and shown how goal interdependence, interaction, and outcomes are related. Deutsch proposed that individuals self-interestedly pursue their goals, but how they believe their goals are related determines how they interact, and their interaction determines outcomes. Individuals may conclude that their goals are structured so that as they move toward achieving their own goals they promote the success, obstruct, or have no impact on the success of others. Deutsch identified these alternatives as cooperation, competition, and independence.

In cooperation, people believe their goals are positively related. They understand their own goal attainment helps others reach their goals; as one succeeds, others succeed. They then share information, exchange resources, and in other ways support each other to act effectively. Mutual expectations of trust and gain through cooperation promote ongoing efforts to support and assist each other (Deutsch, 1962). This promotive interaction results in relationships characterized by positive regard, openness, and productivity.

In contrast, people may believe that their goals are competitive, that is, one's goal attainment precludes, or at least makes less likely, the goal attainment of others. People with competitive goals conclude that they are better off when others act ineffectively. This atmosphere of mistrust restricts information and resource exchange. They withhold information and ideas to increase their chances of winning the competition and may even actively obstruct the other's effective actions. These interaction patterns result in mutual hostility, restricted communication, and mutual goal independence occurs when people believe their goals are unrelated. The goal attainment of one neither helps nor hinders the goal attainment of others. Success by one means neither failure nor success for others. People conclude that it means little to them if others act effectively or ineffectively. Independent work creates disinterest and indifference.

In most situations, all three goal interdependencies exist but it is the one that people emphasize that is expected to affect their interaction and outcomes most significantly. People have a choice of whether to emphasize cooperative, competitive, or independent goals (Evans, Chapter 3 this volume).

This theorizing suggests the potential of cooperation but also the demands in developing cooperative work. Competition and independence are viable alternatives that can be highly attractive to individual team members. Moreover, team members must also interact in ways that promote cooperation in order that the team can progress toward the success that reinforces mutual commitment to cooperative work. The next sections discuss the potential for, and challenges to, developing sustained cooperation.

COOPERATION FOR PRODUCTIVITY AND INDIVIDUALITY

Cooperation has been theorized to have a wide range of beneficial effects. Indeed, it provides the basic rationale for an organization and can bridge its two major interfaces: the organization with the environment and the individual with the organization (Fieschi, Chapter 4 this volume). By combining resources and ideas, cooperative work can help an organization innovate and produce value so that it can continue to gain necessary support from customers, governments, and other stakeholders (Dunne & Barnes, Chapter 25 this volume). By providing a rich and rewarding social environment, cooperative work can also integrate organizational members and gain their commitment. For example, specific benefits of cooperation are thought to include mutual assistance and support, division of labor, specialization of effort, accurate communication, open discussion of diverse views, identification of problems and shortcomings, creation of new alternatives, confidence in new ideas, effective risk-taking, and commitment to implementation (West & Hirst, Chapter 15 this volume).

Cooperative teams are practical mediums within which we can foster communication between diverse people and build coalitions that result in innovation. Teams help employees and managers share hunches, doubts, and misgivings and discuss emerging ideas and practices to solve and even find problems. Their mutual support encourages them to consider these problems as opportunities to exploit. They exchange ideas and suggestions that give them a fresh perspective, together withstand frustration, and integrate ideas in unique, effective ways. They share the work of collecting data on their solution, and together debate the virtues and pitfalls. Because they have challenged the idea from several perspectives they have the confidence they can be successful and believe they have the

resources and strength to see the idea through. Teams can involve and gain the commitment of representatives from the groups and departments who must implement the innovation.

Organizational members are also thought to gain a great deal through cooperation. They are fulfilled by superior achievement, feel supported, receive feedback, strengthen their self-esteem, and see themselves as part of a larger effort. They develop their individuality as they take on different roles and perform specialized duties. They express and defend their own perspectives and negotiate agreements that promote their self-interests. Rewarding interaction, individual fulfillment, and team success strengthen people's commitment to cooperative goals and form a mutually beneficial cycle.

However, cooperation has been thought to involve costly and potentially inefficient co-ordination. These costs may distract and nullify any benefits. Group members may only reinforce each other's biases and inadequate reasoning (Coff, Chapter 23 this volume). Cooperative work can also result in significant obstacles and frustrations such as "group-think" pressures to conform, lowered motivation, social loafing, a willingness to "free-ride," and shirking one's own duties (Rutte, Chapter 17 this volume).

Deutsch (1962) argued that cooperation's effects, even those that are generally useful, may prove counterproductive in the long term. Strong relationships can result in favoritism that discriminates against outsiders and resists necessary change. Cooperators can become overspecialized and unable to adapt to new roles and demands. They may be too open to influence and become vulnerable to exploitation. Cooperation creates dynamics that undermine as well as reinforce it. Moreover, competition has been theorized to promote motivation as people seek to be the best and to pose challenges that strengthen people's resolve and confidence. Studies have shown that competition as well as independence can be constructive and promote productivity under certain conditions.

Recent meta-analyses of hundreds of empirical studies have clarified that over the situations and tasks investigated, cooperation is much more facilitative of productivity and achievement than competition and independence (Johnson & Johnson, Chapter 9 this volume; Johnson & Johnson, 1989; Johnson et al., 1981; Stanne, Johnson, & Johnson, 1999). This general finding holds between groups as well as within them, though cooperation's superiority appears to be less for simple compared to complex tasks. These meta-analyses also indicate that cooperation promotes social support, strong relationships, and self-confidence much more than competition and independence. These results reinforce the practice of relying on teams to accomplish vital organizational tasks.

Although the meta-analyses of the research do not support the claim that competition and independence are widely useful in organizations, they do not imply that cooperative work is always superior. We need much more research to identify the conditions under which competition and independence have important, constructive roles within and between organizations. For example, it may be that competition between groups and organizations is useful when it occurs within a more general cooperative framework (Stanne, Johnson, & Johnson, 1999).

Nor do the strong meta-analyses results imply that cooperation is a quick-fix solution that easily integrates individuals into the organization and the organization with its environment. In addition to identifying the conditions when cooperation is appropriate, teamwork must be well structured before its potential is realized. Cooperation's beneficial cycle should be strengthened and its undermining effects dealt with. Managing cooperation so that it continues to promote individuals and the organization may be the most demanding challenge facing organizations.

THE MANAGEMENT IMPERATIVE

Cooperation between two individuals each with his or her agenda and unique style is often emotionally and intellectually challenging. They must coordinate so that they both choose to cooperate, together develop practical and fair ways to assist each other, and manage their inevitable conflicts. Promoting cooperation within a group of diverse people under pressure to perform is usually significantly more challenging. Leading various departments, teams, and business units each with its own identity to work as a cooperative organization team to meet present demands and prepare for the future can be a most daunting goal (van Knippenberg, Chapter 18 this volume).

Managing cooperation is not getting easier. As chapters in this handbook attest, managers and employees are increasingly asked to work together across disciplinary, organizational, national, and cultural boundaries (Leung, Lu, & Liang, Chapter 27 this volume). They are often geographically dispersed where they must rely on technology to communicate and coordinate (Agarwal, Chapter 21 this volume). Multifunctional teams must coordinate with each other and deal with their discipline differences to develop new products quickly and efficiently (Drazin, Kazanjian, & Blyler, Chapter 22 this volume; Harris & Beyerlein, Chapter 10).

Ongoing trust in strategic alliances typically requires the commitment of both organizations and the individuals who must actually work together, as mistrust at one level can undermine trust at another (Currall & Inkpen, Chapter 26 this volume). Gray and Clyman (Chapter 9 this volume) identify and categorize the many significant obstacles and hurdles to developing integrative consensus with multiple parties. Power and status can be corrupting and invite exploitation (Coleman & Voronov, Chapter 12 this volume).

Research, though it does not specify plans for how managers and employees can manage cooperation, does suggest major ways to proceed. Positively related goals, mutually supportive and open interaction, and team and individual success are the reinforcing ingredients that managers and employees can develop. All participants, not just the leader, must choose to work cooperatively. They feel their destinies are mutually bonded together and that they "are in this together." They trust that other team members will reciprocate. Cooperation involves interaction and procedures, but it also involves the internal, psychological commitment of individuals who also believe their goals are positively related (Young, Chapter 5 this volume). The organization's structure, reward system, culture, and leadership style should reinforce this internal commitment.

Chapter authors have summarized research that can be used to develop the different components of cooperation. Organizational structures such as corporate governance and human resource management practices of recruitment, retention, and compensation are potentially powerful tools to strengthen cooperative interdependence and interaction (Stevens, Chapter 24 this volume). Organizations can develop compensation programs such as profit sharing that motivate teams to continue to make their contributions (Coff, Chapter 23 this volume). Task structures should also foster the interaction that promotes teams (Young, Chapter 5 this volume). Diversity within and between groups can make cooperative teamwork more productive but they must be aligned with the organization's context and in other ways managed effectively (Joshi & Jackson, Chapter 14 this volume).

Interventions can also focus on promotive interaction among team members. Group identity and attachment foster effective teamwork (Korsgaard, Brodt, & Sapienza, Chapter 6 this

volume). Aligning members' thinking can help develop the team cognition that facilitates decision making (Glynn & Barr, Chapter 12 this volume). Team mental models can help members operate on the same basis so that they can communicate successfully (Langan-Fox, Chapter 16 this volume). Team identity is important to the organization and individual but it should reinforce rather than oppose the identity of other groups (van Knippenberg, Chapter 18 this volume). Focusing on quality customer service and effective customer relationships can bind organizational groups together (Dunne & Barnes, Chapter 25 this volume).

Learning to become a successful team can be a vital cooperative goal that binds people together for the long term. However, learning is risky so that people need considerable psychological safety to experiment and receive feedback (Edmondson, Chapter 13 this volume). Training can also be useful by helping team members understand how such elements as individual accountability and group reflective processing strengthen cooperative teamwork (Johnson & Johnson, Chapter 9 this volume).

Misunderstandings, disputes, and other conflicts provide a critical test that, if handled well, can strengthen cooperative teamwork but, if handled poorly, undermine it (Deutsch, Chapter 2 this volume). Team members must understand the types of conflicts and their choices of how to approach them (De Dreu & Weingart, Chapter 8 this volume). Accurate, shared schemas about the value of open, cooperative approaches facilitate the productive use of task conflict and reduce interpersonal misunderstandings (Rentsch & Zelno, Chapter 7 this volume).

Power and cultural differences must also be faced. Making power positive and avoiding the oppressive effects of power differences are important team skills (Coleman & Voronov, Chapter 12 this volume). People with diverse cultures can develop a framework for collaboration through understanding of each other's ways and together learning how to develop common methods (Leung, Lu, & Liang, Chapter 27 this volume).

Managers and employees then have powerful methods that they can use to strengthen their cooperative work. However, structures and interaction patterns can undermine as well as strengthen cooperative teamwork (Clark, Chapter 20 this volume). Ineffective communication and conflict management threaten to reinforce competitive elements. Developing cooperative work requires persistence as well as skill.

INTEGRATION

Trade-off, "either-or" thinking, has dominated organizational theorizing. Societies and organizations value either the collective group or the individual: what is good for the organization costs individuals. Organizations prosper through discipline and conformity whereas individuals thrive on self-expression and relationships. But cooperation research summarized in the following chapters reveals the limits of this theorizing. Although there may be some trade-offs, the individual flourishes and the organization delivers value to stakeholders through open, spirited cooperative work.

The choice is usually posed as to be for the self or for the team, to act selfishly or altruistically. Although some situations require such a choice, many situations in organizations allow and promote working for mutual benefit. In cooperation, people have a vested interest in each other's success and encourage each other to act effectively. When they exchange their

abilities and discuss their differences cooperatively, they all benefit by working together to reach goals. Cooperative work melds the value of individuality with the power of group action. By combining their opposing ideas and perspectives, people in cooperation take effective action. Within a strong cooperative team, individuality and freedom of expression very much contribute to the quality of group life and the productivity of the organization.

Leaders often believe that they have to choose between "tough" productivity-oriented or "soft," people-oriented approaches. But cooperative work points to a contemporary style of leading and changing organizations. Cooperative teamwork is soft in that it requires people to be respectful and sensitive to each other and develop strong, trusting relationships, but it is also tough in its demands on completing common tasks and confronting problems and struggling to work through conflict. In this way, leaders empower individuals to get vital organizational tasks done.

Cooperative work can also integrate traditional rivals. Organizations that compete in the same market are learning how they can work together to strengthen their industry and together participate in other markets. Suppliers and manufacturers are forging long-term relationships that improve quality and reduce costs.

A most pressing need is to channel our organizations to help integrate diverse people so that they value their differences and learn from each other. Our global world has opened up great potential for new cooperative work. Indonesians are joining forces with European and Indian people to develop global products and solve global problems. Editors from England, the United States, and China, along with authors from around the world, together developed this book published in England and distributed worldwide. But our global world has also made direct warfare and terrorism to revenge ancient and emerging injustices more possible.

Will we have the long-term vision, the insight, and discipline to put cooperation into place to realize these integrations? Confidence may not be warranted but hope is essential. Although we need much more research on fundamental cooperative processes as well as professional practice and documented procedures, researchers and practitioners have worked hard to develop a knowledge base for cooperative work. We believe the ideas and research summarized in the following chapters provide a realistic basis for hope.

> Because we are traveling on the same ship, we will either sail or sink together.
> (Chinese proverb)

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