

EFFECTIVE TEAM AS A CONDITION FOR SURVIVAL OF A COMPANY ON A MARKET

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Abstract: Being an issue of ever-growing attention, leadership has become important factor in all successful organizations. New generation of leaders is facing the challenge of how to create and operate such organizations where all individuals can realize their full potential with the feeling of being valuable and important for the organization. This, above all, asks for a vision that should be launched by the leader, approved and accepted by his staff willing to carry it out wholeheartedly. Many managers find it challenging to learn and master the skills important for becoming a team leader. Most modern organizations have realized that in order to improve profitability they have to create an effective team, where leaders play a very important role.

In the backdrop of global economic crisis, business operations have declined and most companies are fighting to survive on the market; therefore, leaders have to work out the solution which will be the best escape from the ongoing situation. It is known that during crises people become closer and they more rely on one another so the leader and employees must act as an effective team. All are aware that everyone should do their part of job, that there is a good communication in the relation leader – employee, that leader talks to the employees and then makes the best decisions based on the right information, because the leader is also responsible. It is very important for the leader to observe the ongoing events and adapt to the current changes which develop fast because those who can face and adapt to changes are able to survive.

Key words: team leader, organization, vision, effective team, market

Sažetak: Vođstvo, kao važan faktor u svakoj uspešnoj organizaciji, postaje predmet sve veće pažnje. Nova generacija vođa stoji pred izazovima kako kreirati i voditi moderne organizacije u kojima svaki pojedinac može realizovati svoj puni potencijal uz osećanja vrednosti i važnosti za organizaciju. Ovo poslednje zahteva viziju koju vođe moraju lansirati, a osoblje odobriti i prihvatiti i biti spremno da izvrši sa poletom. Mnogim vođama je teško da nauče i savladaju veštine potrebne da bi postali uspešne vođe. Većina modernih organizacija je shvatila da je jedini način za povećanje profitabilnosti formiranje uspešnog tima u kome vođe igraju važnu ulogu.

Pod uticajem globalne ekonomske krize, kada se kompanije bore da prežive na tržištu, vođe moraju pronaći najbolja rešenja i izlaz iz nepovoljne situacije. Poznata je činjenica da se u vremenu krize ljudi zbližavaju i oslanjaju jedni na druge, tako da vođe i ostali zaposleni moraju delovati kao efektivan tim. Svi su svesni da moraju uraditi svoj deo posla, da mora postojati dobra komunikacija između vođe i zaposlenih, da vođa razgovara sa zaposlenima i na osnovu toga donosi odluke bazirane na pravim informacijama, jer i vođe imaju odgovornosti. Važno je da vođe prate tekuće događaje i adaptiraju se na trenutne promene koje se brzo dešavaju, jer oni koji se mogu brzo prilagoditi promenama su oni koji prežive.

Ključne reči: vođa tima, organizacija, vizija, uspešan tim, tržište

The significance of leader in team

The question that arises here is what kind of relationship there should be between the leader and employees. What is the ideal situation when the leader and employees act in an efficient and creative way, that is to say, when they have positive results? On the one hand, we have a situation when the leader issues peremptory commands and expects his or her decisions to be made without constructive discussion with the employees because the leader knows best what is to be done; on the other hand, there are situations when the employees take part in discussion and express their ideas because the leader wants to hear their opinion and then make a

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decision. In our opinion, the employees make the strongest contribution when the atmosphere is creative and when their leader trusts them and believes in their ideas. When the leader says to the employees that they are good at their work, every employee will put in a great deal of effort to justify the leader's trust, which leads to the common goal, that is, to successful business operations on the market. It should be pointed out that achieving good results means that the leader understands psycho-social characteristics of people and respects the employees as individuals. Also, the leader should initiate and motivate the employees to perform all the required tasks using his or her knowledge, skills, authority and insisting on good interpersonal relationships.¹ The employees want to regard their leader as someone who has the visionary ideas, who can always respond to the challenges, who is determined in making decisions and who can be trusted during the crises. What qualities should a successful leader have? The qualities related to the success of the leader are as follows:²

1. Energy – the leaders have a lot of energy and ambition, they want to be successful, they are determined in their activities and they are initiators.
2. Leadership – the leaders want to be at the top of hierarchy and have influence on others. They are ready to take responsibility.
3. Fairness and integrity – the leaders are able to put their words into action so the employees trust them.
4. Self-confidence – the employees want to recognize their leader's self-confidence so it will enable them to believe in their aims and decisions.
5. Intelligence – the leader is a visionary, ready to select useful information out of the multitude of various facts and use them in solving problems and making decisions.
6. Relevant business knowledge – the leader knows a lot about the company, activities and techniques. Developing leader's knowledge can have a beneficial effect on decision-making and understanding the consequences of those decisions.
7. Additional qualities – the leaders are lively and energetic, full of self-confidence, sociable and rarely modest and quiet.

According to the information stated herein, it can be concluded that a leader should, along with the necessary knowledge, possess other above-mentioned qualities if he or she wants to be supported and seen as a real leader by the employees.

It is a great challenge for leaders to be effective within teams. It includes four important roles of the leaders which are shown on the figure 1.³

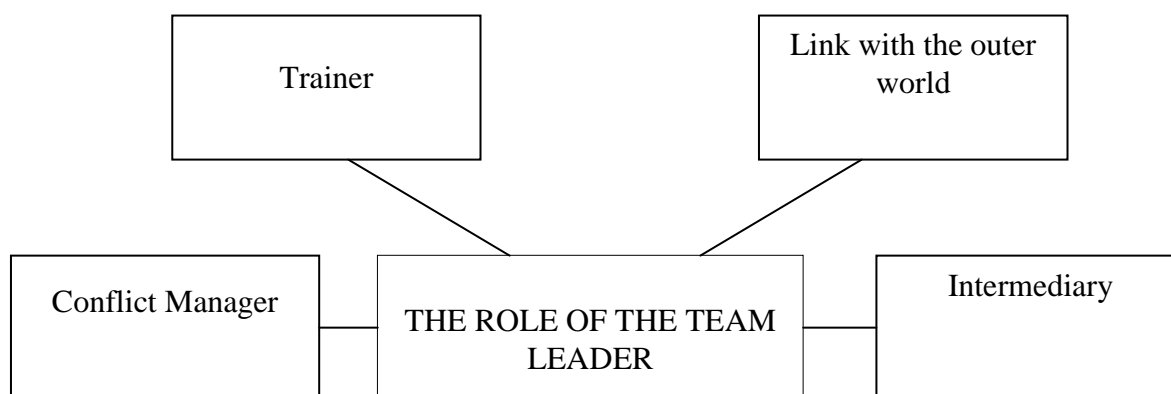


Figure 1: Roles referring to leaders within teams

First, team leaders present *link with the external environment*. The point is that the information is gathered from the environment and then exchanged within the team.

¹ Manojlo Babić and Božidar Stavrić, *Menadžment: Koncept i process* [Management: Concept and Process], MB "CENTAR", Belgrade, 1997.

² P. Stephen, Robbins and Mary Coulter, *Management*, Data status, Belgrade, 2005

³ P. Stephen Robbins and Mary Coulter, *Management*, Data status, Belgrade, 2005.

Second, team leaders are *mediators*. It means that if a problem occurs the team ask their leader for help. If this be the case the leader helps the team by asking overt and core questions, on the grounds of which the team discuss the problems and give necessary resources in order to solve them.

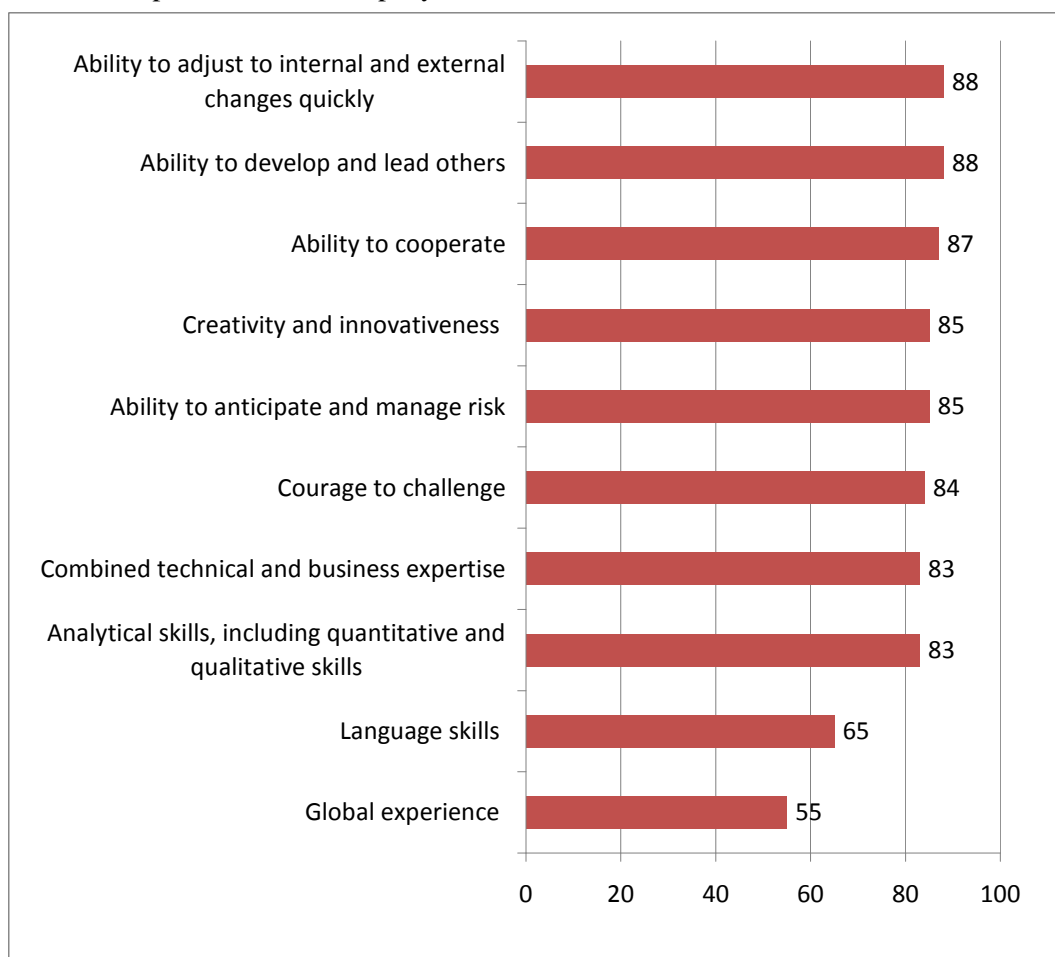
Third, leaders are *conflict managers*. When a conflict occurs, leaders are those who help identifying the both the reason and possible solutions to the conflict and try to reduce conflict within the team to the smallest possible degree.

Four, team leaders are *teachers*. In order to keep high-quality performance, team members need leaders to teach them and do all that is necessary to help the team.

The leaders play an important role in more and more intensive market competition because they run their companies in the turbulent environment, and if the company tries to survive on the market (especially in the light of global economic crisis), it is necessary for the leaders to utilize their abilities; however, the employees should possess necessary knowledge and skills in order to get competitiveness on the market. It has already been stated how important the leaders are for the company's success, and now we will present the results of the survey (the sample of 1,150 respondents-leaders) shown at the 11th Annual Global CEO Survey 2008.⁴

The interviewees were asked the following question: What do you think what skills and characteristics are critical for your company? The answers are presented in the Chart 1:

Chart 1: The skills important for the company

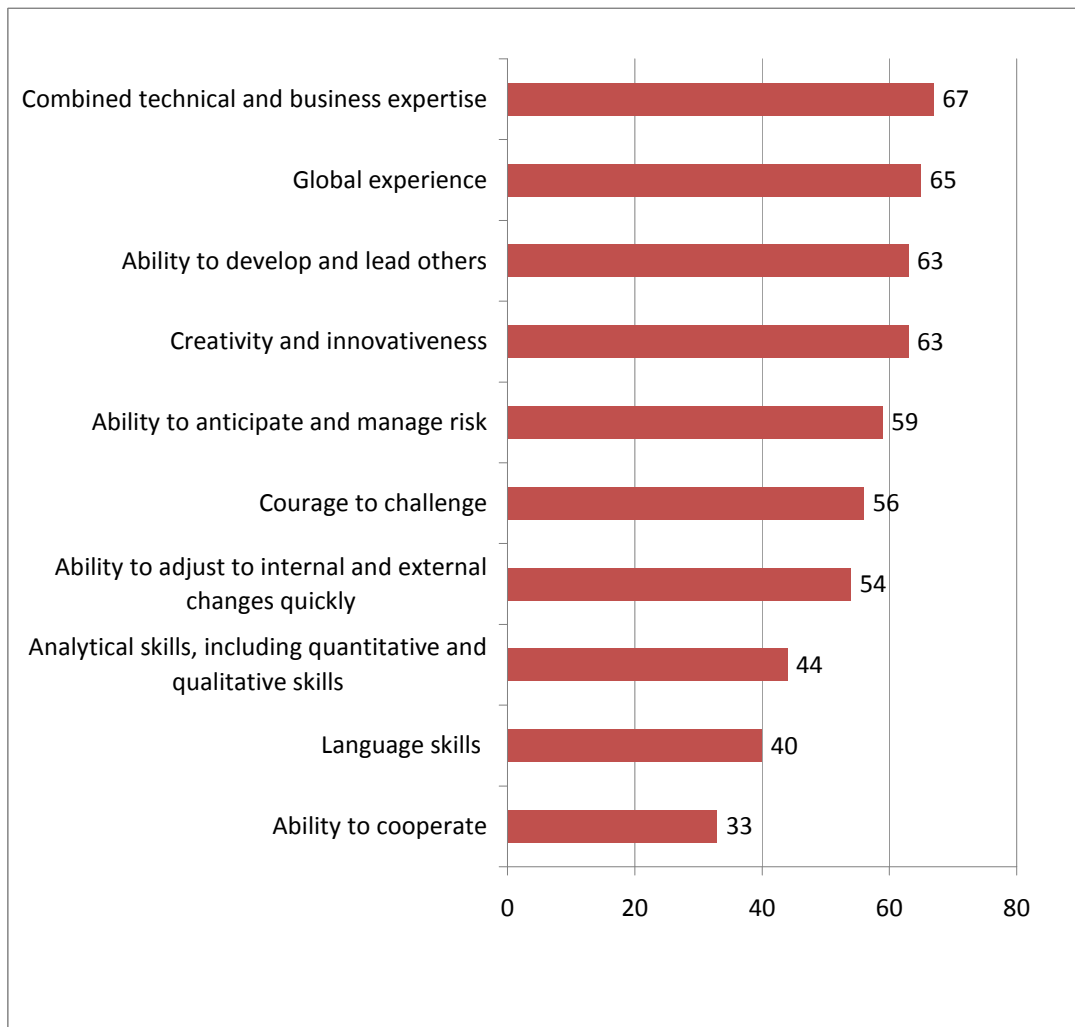


⁴ PricewaterhouseCoopers, 11th Annual Global CEO Survey 2008, Compete & Collaborate – What is success in a connected world? More information available at: www.pwc.com/ceosurvey

According to the chart, we can see that more than 80% of all CEOs rate eight skills (of the 10 on which they were asked to comment) as critical to their organisation.

The next question in the survey was: Do you find difficult to recruit people with the following skills and qualities? The answers are given in the Chart 2:

Chart 2: The hardest skills to find when recruiting new people



Over 60% of the respondents say that the skills which are hardest to find are: combined technical and business expertise, global experience, ability to develop and lead others and creativity and innovativeness (Chart 2).

Model for creating an effective team

Many modern organizations tend to base their business on teamwork. The problems resulting from such attempts force them to ask themselves why some teams are successful, and some are not. That is the reason why some organizations try to get to the very core of team efficiency.

Team efficiency depends on the degree of achieving four kinds of performance:⁵

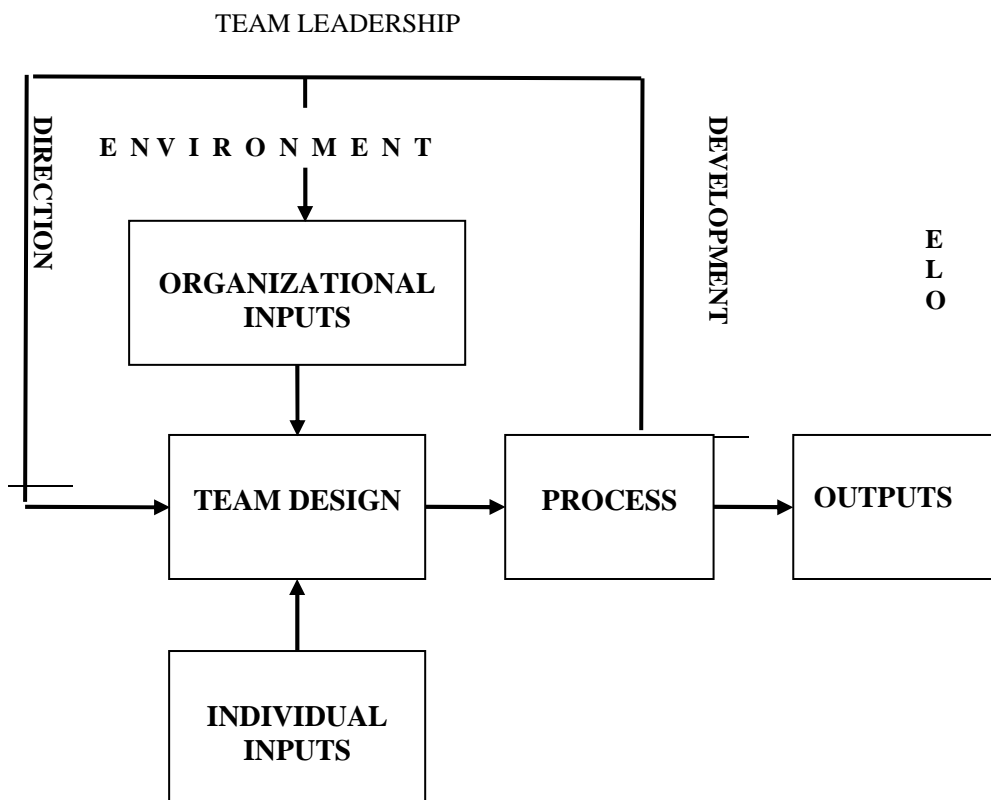
1. Innovation / adaptation – it is essential for a team to adequately react to all the changes in its environment.

⁵ Dexter Dunphy & Ben Bryent, *Teams: Panaceas or Prescriptions for Improved Performance*, Human Relations, 1996.

2. Team efficiency – represents successful achievement of all the goals that have been set by using the available resources in the best possible way.
3. Quality – shows the team ability to achieve certain results using available resources in a successful way and meeting the consumers' needs at the same time.
4. Satisfied employees – ability of a team to motivate employees to voluntarily assume their obligations and to stimulate their enthusiasm by satisfying the needs of team members.

Team creation poses a very complex task in front of a leader, so we shall try to point out some skills necessary for creating efficient teams. In the early 1990's, experts from the Creative Leadership Centre, San Francisco created TELM - Team Effectiveness Leadership Model. TELM model should first help leaders identify the team's needs, and then direct them to the best ways to follow in order to build and manage highly effective teams. A simplified version of this model is presented in Figure 2.⁶

Figure 2 – Simplified TELM model



The figure presents variables of the model: inputs, process and outputs. At the same time it also shows three basic functions critical for efficient team leadership:

- Direction
- Design and
- Team development

Inputs present all resources available to a team in order to achieve their goals.

⁶ R.C.Ginnett, *Team Effectiveness Leadership Model: Identifying Leverage Points for Change* quoted in R.L.Hughes, R.C. Ginnett and G.J. Curphy: "Leadership-Enhancing the Lessons of Experience", 3rd edition, Irwin-McGraw-Hill, Boston, 1999.

Another area that should be considered by a leader is the quality of the team process. It is the leader who should monitor the performance of specific problems preventing any possible problems that may occur till the end of the process. Since assessment represents such an important process in becoming an efficient leader, it is crucial to know at least four efficiency criteria. According to these criteria we envisage the best possible ways for teamwork. In order to be efficient, a team has to⁷:

1. Work hard enough
2. Have knowledge and skills necessary for do the task up to the end.
3. Use adequate strategy
4. Have a constructive and positive group dynamics

Outputs, or the results of a team are the reasons why it was created, but activities of team leaders also play important role. It is already mentioned that one of the most important roles of team leaders is defining the direction. Leaders must have a vision of how to find the best direction for the team. Not only do they have to find adequate type of team and skills necessary for carrying out a task, but also to select individuals that are to comprise that team. Second important function a team leader has to perform is designing a team. This part of the task is extremely complex and demanding for a leader. It is necessary not only to determine type, size, and specific roles within a team, but also the skills and knowledge the potential members of a team should possess.

Team development is the third function of a team leader. It is upon the leader to find a new way to upgrade the already well designed team.

In conclusion we can only say that TELM model represents a solid underpinning for the leaders to build up effective teams.

Conclusion

Being a leader is both a great responsibility and a great honour that your team members may entrust to you. The leader must have a clear vision of the best way to lead the team.

One of the greatest challenges for a manager is how to become an effective team leader. It is extremely important for all the team members to be able to turn their leader's vision into a feasible mission. Creating team spirit and team unity leads to improving work productivity, and ultimately achieving better results. And that is what all the people in companies, or teams strive for.

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⁷ R. J. Hackman, *Groups that Work (and Those that Don't)*, Jossey – Bass, San Francisco, 1990.