

Underperforming Teams in Organizational Transformations: Specific Hand-Holding Required

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Received: May 13, 2022

Accepted: June 14, 2022

Online Published: July 28, 2022

doi:10.5539/ijbm.v17n8p43

URL: <https://doi.org/10.5539/ijbm.v17n8p43>

Abstract

Organizational transformation refers to the actions where a company or business changes a major component of its organization, which in turn influences organizational performance. In the literature, there is an abundance of study on underperforming teams in organizational transformation. However, little is known on the parameters of an organizational transformation processes in those teams. In an earlier study, we divided teams performance-wise into Green (best), Amber (caution), and Red (worst) teams to signify different scale ratings. Herein, we compare what transformational parameters the red teams differed from the amber and green teams. We analyzed 3,133 teams in 454 different transformations. Our research findings show that the red team members seemed much less aware and informed about the transformation having unrealistic ambitions about improving their situation. After a management target had been set, the Red teams had (expectedly) more items to work on than Green and Amber. However, this extra work was focused on a much smaller group of team members. Finally, this study may help to focus management attention in an organizational transformation further.

Keywords: employee polling, organizational transformation, performance, Guttman-Poll

1. Introduction

The role of knowledge is considered to be a vital for an organization to develop a sustainable competitive advantage in today's fast changing world. Hence, it is fundamental for an organization to manage its knowledge efficiently. In recent years, knowledge sharing has become very popular area to researchers, especially when the human factor of knowledge management is highlighted (Dougherty, 1999). How knowledge can best be shared as a corporate asset is a challenging task in knowledge management (Oh, 2000). In organizational transformation, teams might perform differently. There is a plethora of literature on various ways to classify teams in terms of knowledge sharing. Devine (2002) integrates these classifications and then divides them into clusters of intellectual and physical work teams to analyze team effectiveness. Wildman et al. (2012) take team taxonomy in a different direction by ridding the idea that each team classification must be mutually exclusive and stressing that the holistic level is essential for developing effective teams. In a broad and detailed overview of team performance and effectiveness, Salas et al. (2017) conclude that there needs to be targeted and effective team-based performance measurements that move beyond research and focus on implementation. Marriage and Kinnear (2016) stress the need to assess teams and focus on what measurements to evaluate team performance. They indicate that assessment tools should focus on measuring processes instead of outcomes and on analyzing a team's performance instead of merely descriptions. Kozlowski and Bell (2013) highlight areas of team research that have become more prominent over the decade prior (2003-2013). Of note is the increased amount of research into leadership, team-level motivation, and goal-based working and the continued need for research on the relationship between team learning and team performance as distinct from individual learning and performance. In a case study, Cordery et al. (2010) found that high levels of task uncertainty are related to reduced performance levels. Additionally, when the teams' autonomy was strengthened, their team performance improved but less in teams with higher task uncertainty. The personality characteristics of individuals can have an impact on their performance but also their team performance. For optimal team performance, the personality traits – such as extro-/introversion and conscientiousness, among others – of each team member should be considered (Kichuk & Wiesner, 1998). Organizations with a high level of complexity also have higher levels of underperformance. Beyer and Ullrich

(2022) found that performance was directly improved when measures were implemented to lessen organizational complexity. Zhou and Rosini (2015) analyzed the effects of diversity within teams and found that demographic, personality, and informational diversity positively impact team performance. In a study of 105 teams in the public sector, van der Hoek et al. (2018) noted a positive relationship between goal clarity and the performance of work teams. Higher role clarity within teams, in the form of both initiated and received task interdependence, also contributes to higher performance (Wong, S. I. & van Gils, 2021). Delarue et al. (2008) looked at four aspects of organizational performance (attitudinal, behavioral, operational, and financial) and concluded that teamwork has a significant and positive impact on all aspects. Rirantanaphong and van der Voordt (2015) conducted small case studies to evaluate how performance analysis is carried out in practice during the transformation process. They found that more needs to be done when assessing and comparing performance before and after an organizational change and operationalizing performance measurements. Bartunek and Jones (2017) looked at how earlier literature on organizational transformation has evolved from an idea of one-off transformation into a continuous process of change. This is primarily due to how organizational change is carried out in practice. Malhotra and Hinings (2015) recognize that transformation is a continuous process. They found that when competing values are expressed strongly, the development of energy leads to debate and consideration of the change initiatives. Continuous awareness-building through mutual exploration then leads to a more synthesized and ongoing organizational transformation process. Summarizing, scholars have studied factors that improve team performance and have studied the transformation process itself. Yet, there is some 'whitespace' when it comes to research team performance factors within the transformation process itself. So, in addition to (and contrary to) previous studies, this study deals with the parameters affecting underperforming teams in the organizational transformation process (regardless of the transformation's content). Parameters affecting the transformation process include respondents' behavior, employee ambition, organizational alignment and the teams' workload based on setting targets during the transformation. Clearly, the corporate data warehouse does not provide any data on such parameters; one has to ask people. Surveys were conducted in 454 different transformations covering 3,133 teams. To separate underperforming and performing teams, a comparison was made between red (worst) teams and the remaining two, green (best) and amber (caution).

2. Method

2.1 Procedure and Participants

The data on a team's performance within an organizational transformation is quite limited in the corporate data warehouse; the only way is to ask people to collect data and objectively tally how far managers and employees are to understand their ambition to improve on the same scale. For this study, we considered a survey based on Likert scales, not the proper approach to measure *verifiable* facts, let alone *verifiable* ambition. Later, an improved version of the widely used Guttman scale (Guttman, 1950) is designed and used to objectively quantify the level of alignment, effort, and capacity to change. This scale is named as Guttman-Poll (Van de Poll, 2018 and 2021). In this study, 454 different organizational transformation surveys were conducted covering 3,133 teams, where 129,197 respondents provided over 13 million answers. The topics of these transformations ranged from cultural transformations and becoming more innovative organizations to the adoption of new technologies or processes. We calculated the respondents' actual score, ambition, and management target's impact on their organizational alignment and transformation workload. We used the world's first online SaaS platform for automated consultancy to gather respondents' input and calculate their ambition, alignment and workload (<https://www.praioritize.com>).

2.2 Measures

Our questionnaire scale required capturing three different answers to the same question: a respondent's actual situation (Now) and their ambition on that question (In 6 months). This relatively short window of 6 months was chosen to 'force' the respondents to make a deliberate choice about their priorities. Additionally, we added per respondent per question a management target (The way the management target had been calculated is out of scope for this paper). We upgraded a widely employed multiple-choice Guttman scale (Diamond, McDonald, and Shah, 1986) with a time dimension (van de Poll, 2018 and 2021). The scale has so-called 'breaking points' (Uhlauer, 2002): what is a respondent's ambition to improve on a particular question? Therefore, every following answer describes a better situation than before. Here is an example of the Guttman-Poll format:

Q. How do you celebrate successes?	Now	In 6 months
1. <i>We don't</i>	<input type="text"/>	<input type="text"/>
2. <i>When there is a reason to do so</i>	<input type="text"/>	<input type="text"/>
3. <i>Regularly, we celebrate successes with the entire team</i>	<input type="text"/>	<input type="text"/>

To mitigate interpretation bias, we did not adopt any adjectives or adverbs that demonstrated an opinion and could not be verified (e.g., "good"). Next, we employed "proof-words" like, e.g., 'periodically,' 'documented,' 'measurable,' 'formally,' and 'archived.' This cuts down the self-reporting bias by employees (Donaldson and Grans-Vallone, 2002). Also, employing these "proof-words" energize employees to avoid adding a cognitive or emotional meaning to the answers (Frese & Zapf, 1988). We determined this question format sufficiently verifiable (Ahrens & Chapman, 2006; Plewis & Mason, 2007) to assess a respondent's actual situation, ambition, and management target. E.g., a respondent might plan to advance from Answer 1 to Answer 3 where the management target mandates that enhancing to Answer 2 is good enough.

3. Data Analysis

The concept of data analysis is a process of discovering useful information for business decision-making. In this study, each question in the 454 transformation questionnaires had three answers. We determined that the 'worst' answer of three was rated with 0 points, the 'middle' answer with 5 points, and the 'best' answer with 10 points. The scores per question per respondent were averaged in a team score from 0 to 10: one team score for the actual situation and one team score for the ambition. The scores per team were considered green (a score higher than 6,0 to 10), amber (a score between 3 and 6), and red (a score lower than 3,0). Following the study by Van de Poll and Kroese (2022), the division between green, amber, and red was classified as 40% - 40% - 20%.

To measure the respondents' attitude to the survey and their involvement in the transformation, we measured the percentage of anonymous respondents in a team and the percentage of respondents willing to share knowledge about the topics in the questionnaire (Van de Poll, Yang & Miller, 2022). We also measured the percentage of questions skipped and whether the respondent formally submitted their results.

Next, we calculated the ambition per team and expressed this in the percentage of questions a team earmarked for improvement and the percentage improvement in the resulting team score.

We compared the team members' choice of priorities for the next six months to gauge organizational alignment. And we compared how the employees' choice of priorities differed from the management target for those next six months.

Finally, we calculated the effect of the management target on the team's workload as well as the percentage of questions in the team's questionnaire to reach 50% of the management target. In addition, we estimated what percentage of the team members were 'responsible' for 50% of that target. These last two parameters indicate whether a management target affects the whole team (and questionnaire) or only a part of it. The collected data was analyzed using the online SaaS platform.

4. Results

Table 1 shows the outcomes of our analysis. Essentially, this table is the foundation on which the entire research is based upon. This table clearly explains what transformational parameters the red teams differ from the amber and green teams.

The first block in Table 1 (Database) takes the 3,133 teams and divides these in the second block (Composition) in the green, amber, and red teams. The Share% column (44-39-17) only slightly differs from the 40-40-20 rule-of-thumb that we previously proposed (Van de Poll & Kroese, 2022). The red teams had slightly longer questionnaires and barely smaller teams answering these.

The third block in the averages section shows Respondents' behavior where it is observed that red teams had (almost) equal percentages of anonymous respondents and respondents willing to share knowledge, similar to the teams in green and amber. Yet, the red teams were skipping more questions: 58% of the questions were deemed complex or sensitive (surpassing a threshold – postulated by us – of 15% or more respondents skipping that question). And a more significant portion of the respondents did not finish the questionnaire, which is 26%, while those values are 15% and 21% for green and amber teams, respectively. These scores combined show us that the red teams were equally involved in terms of attitude (anonymity, willingness). But the quality of their response seems to indicate they were much less involved or knowledgeable in the transformation topic at hand.

That could also explain why the red teams' average ambition risks becoming preposterous. red teams plan a 67%

improvement (from an average of 3.3 to a 5.4) compared to a 27% for the entire group (from an average of 5.1 to a 6.5) for the next six months.

With a management target set, we completed the alignment calculation. Teams were compared on their internal alignment (as a team) with regard to their ambition for the next six months. Additionally, teams were compared to the extent that their outlook for the next six months overlapped with the target management had in mind. Here, red teams did not materially differ from green and amber teams.

Research on the implications of the management target on the teams' transformational workload revealed some parameters too. The Red teams' targets were spread out over more questions than in Green and Amber teams. It is demonstrated in Fig. 1a that the same percentage of questions (compared to Amber) resulted in a smaller percentage of the target covered. Similarly, As for respondents (Fig. 1b), we saw that a smaller percentage of respondents (13% of Reds compared to 20% of Greens and Ambers) still accounts for a proportionally larger share of the target (31% compared to 40%). This means a small batch of 'dark red' team members in red teams need specific management intervention.

Table 1
Where do RED teams differ?

	AVERAGES			Difference (or not)	ALL TEAMS					
	Green	Amber	Red		N	Share%	Min.	Max.	Avg.	St.Dev.
<i>Database</i>										
Number of questionnaires					454					
Number of teams					3.133					
Number of respondents					129.197					
Answers given					13.297.812					
<i>Colour composition</i>										
% green	59%	16%	9%		1.380	44%	0%	100%	34%	27%
% amber	37%	69%	38%		1.236	39%	0%	100%	50%	24%
% red	4%	11%	53%		517	17%	0%	100%	15%	21%
# of questions per questionnaire	47	55	57	Slightly longer questionnaires						
# of respondents per team	44	42	32	Slightly smaller teams						
<i>Respondents' behavior</i>										
% anonymous	22%	21%	24%	Equally anonymous			0%	100%	22%	28%
% willing to share knowledge	82%	84%	80%	Equally willing to share			0%	100%	83%	34%
% difficult or sensitive questions	36%	39%	58%	Skipping more questions			0%	100%	41%	34%
% not finishing the questionnaire	15%	21%	26%	Finishing less			0%	100%	19%	18%
<i>Ambition</i>										
Actual score	6,2	4,6	3,3				0,0	9,6	5,1	1,5
Ambition score	7,3	6,1	5,4				0,0	10,0	6,5	1,7
% improvement	17%	31%	72%	Dramatically more ambition ...			-50%	1075%	32%	43%
Questions to be improved	64	70	75	... divided over approx. same #. questions			0	100	68	34
<i>Alignment about near future</i>										
Alignment within team	61%	59%	62%	Alignment comparable among the colours			0%	100%	60%	17%
Alignment w. management target	73%	73%	73%				17%	100%	73%	15%
<i>Workload of target - questions</i>										
% of questions	12%	10%	10%				0%	42%	12%	9%
% of target	41%	38%	32%	More questions need to be addressed			0%	100%	38%	18%
<i>Workload of target - respondents</i>										
% of respondents	20%	20%	13%				0%	44%	20%	11%
% of target	40%	37%	31%	Fewer respondents need focused attention			0%	100%	37%	18%

Min.: lowest number. Max: highest number. Avg: average number. StDev: standard deviation.

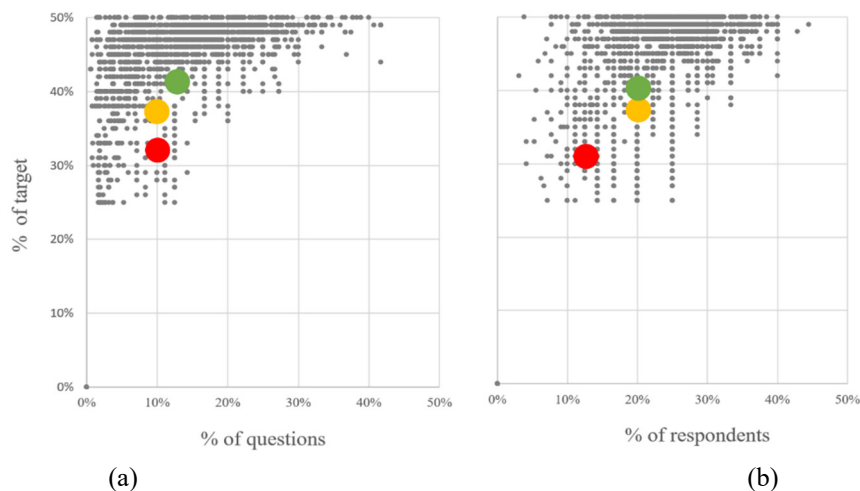


Figure 1. Workload of the management target (every grey dot represents a team)

Note. Colors indicate the group averages a) % of questions b) % of respondents.

5. Discussion

In our 454 organizational transformations, teams could be underperforming on a wide variety of topics: financially, on leadership, on technology adoption, and so on. However, we looked for parameters that focused on the transformation process itself, not its content. The red teams proved to be equally engaged in the transformation (anonymity, willingness to share) yet way less in control of the topic (skipping questions, outrageous ambition). Regarding target setting, the red teams were equally aligned with other teams (internally and concerning the management target). Yet, the target resulted in relatively more questions and fewer respondents requiring attention than the Green and Amber teams (the 'dark red' respondents).

Several cautionary remarks are to be made about our approach. We already touched upon the procedural situation in that we monitored employees' initial thoughts without any feedback loop. Analyzing such feedback loops will help understand how to obtain better employee input. Further research is needed to effectively evaluate the employees' minds and their rationale for deciding whether or not to answer anonymously, share knowledge with colleagues, or opt for a specific ambition pattern. In this study, we have linked skipping questions to Red team members being less aware and informed. It could have been that they have been skipping questions out of fear of being confronted with a bad score or they have been scared of the loss of valuable knowledge. Although many organizations apply technology to support knowledge sharing behavior, the problem still exists and is far from being successful (Grumbley, 1998). Mason and Pauleen (2003) implied that this issue poses a formidable challenge for most managers. Future research therefore needs not only to clarify the reasons for skipping questions and not finishing the whole questionnaire but also to investigate the 'dark red' team members and ways to activate them.

This study's sample size suggests that there might be 'universally' applicable patterns in transformations, regardless of the transformation topic. In this study: the approximately 20% underperforming, red teams. This opens the way to investigating whether there are such universal patterns in other aspects of a transformation like employee ambition and organizational alignment.

6. Conclusions

In any organizational transformation, teams will perform differently. However, very little is known about parameters the red teams differ from the amber and green teams. This study aims to identify the gaps in the extant literature in this regard. A questionnaire based survey based on modified Guttman-Poll scale is employed where a few new parameters have been added to in order to separate better and lesser-performing teams. These parameters include the respondents' likely attitude towards the transformation, their presumed level of understanding of the transformation topic, their ambition to improve their Red teams' scores, and the consequences for the team of setting a management target. The results in this study demonstrate that Red (worst) team members seem to be less aware and informed about the transformation about improving their situation. We believe this study will help both managers and practitioners to further enhance the transformation manager's toolkit.

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