

**Ana Skledar, univ.spec.oec.**

University of Applied Sciences Baltazar

Vladimira Novaka 23, 10290 Zaprešić

Phone: 00385 1 4001 782 Fax: 00385 1 4001 500

E-mail address: ana.skledar@bak.hr

**Helena Štimac, Ph.D.**

Faculty of Economics Osijek

Trg Ljudevita Gaja 7, Osijek, Croatia

Phone: 00385 31 224443 Fax: 00385 31 211604

E-mail address: shelena@efos.hr

**Jerko Žunić, univ.spec.oec.**

U.O. TRAGOS

Budislavićeva 3, 21220 Trogir

Phone: 00385 98 4339 85 Fax: 00385 21 884 729

E-mail address: jerko.zunic@tragos.hr

## **DEVELOPMENT OF HUMAN RESOURCES THROUGH MANAGING TEAMS AND DECISION GROUPS**

### **RAZVIJANJE LJUDSKIH POTENCIJALA KROZ RUKOVOĐENJE TIMOVIMA I GRUPAMA ZA ODLUČIVANJE**

#### **ABSTRACT**

*Team work dates back to ancient times and even nature itself has organized the life on Earth in a way that quality life requires team work. Throughout the years team work has evolved as well as the meaning of an individual in an enterprise. In the early 80s a new method was developed for considering the role of human potential in everyday's work. People became the basic capital of an enterprise and not just a mean for performing certain productive process. People also became an investment which needs to be developed and invested in for the purposes of achieving better results and making the investment more profitable. Teams are mostly formed for developing and creating something new and better. Furthermore, there is always a possibility of negative connotation, i.e. rivalry and different ambitions, which may lead to complete collapse in work, so that is why teams should be carefully built and not just arbitrarily assembled. The aim of this paper is to show the importance of teams in modern bustling life, the influence of team work on an individual, advantages and disadvantages of team work and how to make teams more successful. In addition, this paper will point out some techniques for quality management of teams and decision groups.*

**Key words:** Human resources, Team, Groups, Management, Team success

#### **SAŽETAK**

*Timski rad potječe još izdavnina, a sama priroda postavila je stvari tako da je za kvalitetan suživot na Zemlji potreban zajednički rad. Tokom godina timski rad je evaluirao isto kao i samo značenje čovjeka u poduzeću. Ranih 1980-ih razvila se nova metoda sagledavanja na ulogu ljudskih potencijala u svakodnevnom radu. Ljudi su postali temeljni kapital poduzeća, a ne više samo sredstvo obavljanja određenih poslova. Postali su investicija koju valja razvijati te u koju je*

*potrebno ulagati da bi dala što bolje rezultate i postala rentabilna. Timovi se prvenstveno formiraju radi stvaranja i razvoja nečega novog te nečega boljeg. Isto tako uvijek postoji mogućnost negativnih konotacija, odnosno suparništvo i različite ambicije koje mogu dovesti do potpunog kolapsa u radu, stoga je tim potrebno pažljivo, a ne proizvoljno graditi. Cilj ovog rada je ukazati na važnost timskog rada u današnjoj užurbanoj svakodnevici, njegov utjecaj na pojedinca, njegove prednosti i nedostatke te kako ga učiniti što uspješnijim. Također, ukazati će se na kvalitetne načine rukovođenja timovima i grupama za odlučivanje.*

**Ključne riječi:** *Ljudski potencijali, Tim, Grupe, Menadžment, Timska uspješnost*

## **1. Introductory considerations**

Recently, in modern organizations we observe an increase in the introduction of teamwork with an aim of increasing the efficiency of the entire organization (Kuničić-Posinković, 2003). Teamwork is the most widespread form of performing complex professional tasks whose achievement requires either knowledge from different professional areas, or specialized knowledge in the same or similar professional areas (Kobolt, Žižak, 2006). Successful or super-summative teams are teams that have clear general and specific goals, open communication, and strive towards constructive problem solving (Miljković and Rijavec, 2007). Their results in combination with their creativity surpass the mean expectations and thus create a contribution to the organization. Such teams are profitable and generate benefits for the company.

Objectives of the company must be clear and understandable, and the emphasis should be on "what needs to be achieved", not "what should be done". It is also important that the goals are measurable and that they are not too demanding or too easy in order to create a motivation to achieve them. In a good team there is no place for disregarding opinions and exchange of information and open communication are implied. Differences in opinions and viewpoints are welcomed. The team leader is expected to provide *feedback* in order for teams to know where they stand, in which stage are they and what the next move towards goal achievement is. Successful teams are made of competent people with the necessary professional and interpersonal skills (Bahtijarević-Šiber, Sikavica and Pološki Vokić, 2009). Without the necessary knowledge it is not possible to reach concrete and required answers. Emotional intelligence is lately increasingly mentioned as an important factor affecting the performance of the team as well as for the realization of the interconnectedness and trust among team members.

### **1.1. Team success factors**

Nowadays, organizations are constantly looking for successful ways of conducting business operations in order to cope with competition and complexity of new ways of working and new technologies. Economic and sociological developments have influenced the development of new strategies to improve the quality of work. Never before in the history of the working process model was teamwork so important for the functioning of successful organizations as today. The research results show that the introduction of teams in organizational structure leads to increased efficiency and quality of work (West, 2005). Hence the great interest to determine the factors that affect the efficiency of team work (Kuničić-Posinković, 2003)

The first item that is needed for a team to be successful is **team cohesion**. Cohesion indicates the degree of commitment of members of the team and demonstrates the strength of relationships among team members. Cohesion is easier to achieve in small teams because of better and easier interaction. Highly cohesive groups have a high degree of togetherness and unity. The result of team cohesion can be seen through team morale and team effectiveness. Morale is certainly higher in cohesive teams because of friendly climate, team member loyalty, and increased interaction (Kuničić-Posinković, 2003). The degree of efficiency depends on several factors. Older studies

suggest that the efficacy of some cohesive teams was considerably lower than the efficiency of non-cohesive ones. The reason stems from the fact that efficiency in cohesive teams depends on the norms that team members have mutually adopted. Team members can adopt high or low norms of efficiency and that influences the level of efficiency (Kuničić-Posinković, 2003). Recent results indicate a significant association between team efficiency and cohesion, and that the direction of influence is stronger when the results demonstrate the cohesiveness, rather than when the degree of cohesion provides us with conclusions regarding the efficiency (Kuničić-Posinković, 2003). The final conclusion is that cohesion does not necessarily lead to greater efficiency of the team. It is known that small teams are more cohesive than large teams because of the greater degree of interaction, close contact and easier communication. Furthermore, homogeneity of members is very important for achieving cohesion, because members who share the same hobbies, interests and values can achieve common results more easily. Team diversity promotes better ideas and different analysis of the problem. Achieving balance in diversity management favors the development of cohesion within the team.

The next item that is essential in building a successful team is **team size** itself. Ideal team size is considered to be between three and six members, to a maximum of seven (Tudor and Srića, 1996). The more people are involved in teamwork, the greater are the differences, there are communication problems, it is harder to reach a consensus, which results in a lack of ideal solutions. Also, a sense of belonging to the group decreases with an increase in the number of members. People are more satisfied in small groups, so a team of five people can achieve a much higher rate of agreement than a team that has twenty members. In larger groups members who are quiet and shy do not have a chance to prove themselves, and do not present their ideas sufficiently. Small teams are much more coherent, much more precise in expressing; they generate better ideas and ask more questions. Smaller teams strive more towards creating an intimate and informal relationships. In small teams there is no room for misunderstanding. Small teams usually have between two and four members, while a large team consists of more than twelve members. It is not possible to specifically identify which team size is more suitable. It all depends on the type of problem that is being solved. If we want to design a new promotional campaign for a particular product then larger team would be a better solution (over 10 members) to generate a large number of ideas. For performing specific business tasks, more convenient solution is a small group, because of easier communication. Therefore it is possible to conclude that large groups are used for research and creative tasks, while smaller groups are used for implementing tasks (Tudor and Srića, 1996).

**Team norms** must exist and team members need to respect them in order for a team to be harmonious. Team norms are rules of conduct adopted by all members of the team and they must be respected. The team manager is obligated to monitor compliance with the rules and put pressure on each of the members if they are not respecting the set norms. Team manager usually sets the norms in accordance with his / her personal attitudes and values. Failure to comply with the norms by the team members can lead to punishment and often can cause expulsion from the team in the case of major disagreements. It is possible that some team members refuse to comply with set rules because of their personal attitudes and opinions regarding a certain problem. The consequences for violating the rules and norms must be clearly defined and have to be strictly implemented without exception, thus providing an example to all team members.

Norms have a functional nature and are much related to the functioning of the team itself and the realization of the goals that are set before the team, but they even more dictate the relationships within the team, and even the power structures (Ekonomista, 2012). The norms regulate the internal life of the team and prescribe the most important issues for the proper functioning of the team. Adoption of the norms by team members is diverse, some of them follow and accept them fully, while others resist and try to work around them. Thanks to the norms the behavior of team members can sometimes be predictable, making it easy to work in a team and leaves no room for

misunderstandings and misperceptions. The primary task of norms is to prevent potential conflicts using a set of default rules. Norms are usually developed over a long period of time, and after they are defined and accepted by all team members the team can begin to perform tasks and seek to achieve the very goals for which the team has been created. Norms apply only to the behavior of team members, not their opinions and feelings (Bahtijarević-Šiber, Sikavica and Pološki Vokić, 2009). The most important are working norms and interpersonal behavior norms (Sikavica, Bahtijarević-Šiber and Pološki Vokić, 2008).

Today **emotional intelligence** is becoming a very important factor of success. Although emotional intelligence is considered to be an individual intelligence, recently group emotional intelligence is mentioned more and more and it is essential for team success. Positive emotional relationships contribute to better cohesion and team collaboration, while negative relationships lead to social distance and contribute to the development of antagonisms. A positive emotional climate is an indicator of a good team and a favorable condition for the improvement of team work. The level of expressing emotions depends on team size and type.

The last important factor in building a successful team is **overcoming conflicts** within the team. The conflict within the team does not have to be something bad in itself. If a conflict is held under control it can actually produce beneficial results. According to the definition, a conflict is a form of confrontation between two or more parties due to disagreements regarding the objectives, desires, interests, feelings, or practical actions (Tudor and Srića, 1996). Conflicts are fully natural and can promote creativity and innovation in specific tasks if they are kept under control and if they are not allowed to escalate into physical confrontations. If there is a fierce verbal, perhaps even physical attack, the effectiveness of the team is certainly reduced and very important good communication is violated. Conflicts can be allowed up to a certain limit. If you let the relationships within the team to "boil" (West, 2005), negative connotations will arise and "kill" team's harmony and chemistry. Negative impacts of conflict are clearly obvious.

The existence of discontent, apathy and tension prevents the successful team's performance and hampers or even regresses the achievement of goals. Team leaders are responsible for combating the impact of conflicts on team work. Positive effects of the conflict on the team can be of great benefit. They can lead to a detailed analysis of each problem and to articulating all existing versions of solutions to problems. Once the conflict is resolved, the team can develop even a stronger cohesion and mutual understanding and relationships within a team can even improve.

#### 1.1.2. Motivation in the team

Motivation plays a crucial role in the use and development of human resources towards their guidance on achieving team goals and the goals of the organization itself, retaining quality people, increasing satisfaction and quality of working life and the elimination of all forms of counterproductive behavior which reduces team performance. Motivation encourages team members to do their job the best way possible, therefore it is necessary to properly build a motivational system in a team which will benefit the team members and the employer. Characteristics of unmotivated team member employees are: lower productivity and job performance, lack of interest in quality of products and services, lack of sense of belonging to the team and to the organization, lack of interest for the problems of the team and the organization and lack of interest for the development and success. Basic requirements for the motivation of the team are: good working conditions, clearly explained mission of the organization, giving goals to the team, knowing each team member by name, promoting the identity of the team, sharing success, ensuring positive thinking within the team, assigning motivational leaders and praising the effects, rather than performers (Jurina, 2009).

Motivating using criticism or competition without de-motivation is possible within a team by: firstly you determine the correct time to motivate, then discuss the subject in private, letting the person / team know that he / she is valued, looking the person / team members in the eyes, only saying the truth, criticizing the behavior of the person and not the person itself / team, good confirming good qualities of the person / team and setting the date of follow-up interview (Jurina, 2008). Team leaders and the top of the organization must be up to date with modern methods of motivating and apply them regularly on their employees, thus creating a challenge and encouraging greater involvement in performing certain tasks. Not every motivational factor is appropriate for each employee.

People differ in their characteristics so it is necessary to recognize which are the needs and desires of the individual team members. Psychologist Abraham H. Maslow described five groups of needs that characterize human behavior. Physiological or existential needs are basic needs for satisfying the biological urges. Creating a pleasant working atmosphere, exercising half-hour lunch break and short coffee break during the day for each employee means a lot in gathering energy to overcome daily tasks. The need for protection and security are the needs of every man, every organization, institution, including the state (Nierenberg and Ross, 2005). We all like to feel secure in what we have, for some that is their job, for some are their assets, and to some that are their friends, in any case, that is something you do not want to lose. The need for love and belonging is very important in the business world, not just the private one. The greater the sense of belonging to a particular company is, the greater is the desire of employees to stay there and to contribute with their work. Such employee is much more motivated and more productive than he / she would be if he / she felt alienated and rejected by its peers. The need for respect and status is largely associated with the need for love and belonging. The need for respect applies to what we think of ourselves and our experience of what others think of us (Nierenberg and Ross, 2005). This includes the need for recognition of competence to perform certain tasks and skills for the same, including the respect of others i.e. peers and also responsibilities and achievements. When there is no respect and in the case of disrespecting someone's dignity, team's atmosphere can be significantly damaged. The need for self-realization or self-actualization refers to realization of our ambitions and fulfillment of all our potentials. If the team achieves worse results than expected, the cause can be unattractive goals and erroneously assigned roles to individual team members who are not motivated enough because of highly monotonous and boring tasks.

## **2. Research**

For the purposes of this study questionnaire titled "Team effectiveness – development of an audit questionnaire" drafted by Bateman, Wilson and Bingham was used for the analysis of team effectiveness. The questionnaire consists of 44 questions and is divided into six different topics:

- Synergy in a team (the sense of belonging shared by team members)
- Common goal (the existence of clearly defined goals and targets set for teams and whose execution is constantly monitors)
- Skills (expertise of the team members, competence in performing the work, and flexibility)
- Work material utilization (all working materials, including buildings and equipment are used to increase the maximum effect)
- Innovation (search for ways to improve productivity and operating modes)
- Quality (degree of familiarity with the clients' needs and with standards for monitoring their satisfaction)

The study was conducted between the employees of one enterprise in Croatia. The questionnaire involved 32 respondents who work exclusively in the team. Since the study was carried out in only one company there was no interference of different environment, and only one organizational culture is included. The purpose of the research was to investigate the perception of the success of

the team by employees of different characteristics. Results were obtained using SPSS statistical software for data processing.

**Table 1** Sample description

CATEGORY		N	%
<b>Gender</b>	male	15	46,9
	female	17	53,1
<b>Age</b>	>25 years	3	9,4
	25-30 years	8	25,0
	31-40 years	8	25,0
	41-50 years	7	21,9
	<50 years	6	18,8
<b>Educational level</b>	basic qualification	0	0,0
	secondary	12	37,5
	bachelor	8	25,0
	graduate	12	37,5
	postgraduate	0	0,0
<b>Field of work</b>	transportation	6	18,8
	sales	9	28,1
	marketing	6	18,8
	quality control	8	25,0
	management	3	9,4
<b>Type of employment contract</b>	fixed-term	4	12,5
	indefinitely	28	87,5
<b>Working experience at current organization</b>	1-6 years	12	37,5
	7-13 years	7	21,9
	14-19 years	5	15,6
	>19	8	25,0
<b>Satisfaction with salary</b>	unsatisfied	5	25,0
	neither satisfied nor dissatisfied	18	56,3
	very satisfied	6	18,7

*Source: Authors work*

Table 1 shows the profile of respondents in a selected company. According to gender women dominate, but very slightly. According to age they are most between 25-40 years. According to education, most of them are with secondary and graduate education. Most of the respondents work in sales and have indefinite contract. There is a domination of people who are not long employed in a selected company and have only 1-6 years working experience. As for the salary satisfaction most of them are neither satisfied nor dissatisfied.

## 2.1. Analysis of the case study

Case study presents the connection and significance between "fields of work" and variables that are relevant for assessment teamwork. The study aims to measure how much the success of teams depends on the nature of the work, and how much successful are teams in different areas of work.

**Table 2** Statistically significant differences between category "team synergy" and "field of work"

Team synergy	Arithmetic mean	Standard deviation	F-ratio	Significance
Management	4,16	0,665	1,931	0,134
Marketing	3,45	0,418		
Sales	3,50	0,618		
Quality control	3,35	0,450		
Transportation	3,18	0,444		

*Source: Authors work*

Table 2 shows that team synergy in the team is best graded by employees who make management teams (AM = 4.16) and they have highest standard deviation. Employees in transport team (AM = 3.18) evaluate synergy in their team with lowest grades. The minimum standard deviation is among respondents from marketing team. There are no statistically significant differences in terms of team synergy by employees from different fields of work.

**Table 3** Statistically significant differences between category “common goal” and “field of work”

Common goal	Arithmetic mean	Standard deviation	F-ratio	Significance
Management	4,22	0,535	3,851	0,013
Marketing	3,08	0,621		
Sales	3,79	0,397		
Quality control	3,50	0,295		
Transportation	3,27	0,638		

Source: Authors work

Table 3 shows that common goal in the team are best graded by employees who make management teams (AM = 4.22). Employees in marketing team (AM = 3.08) evaluate common goal of their team with lowest grades. The minimum standard deviation is among respondents from quality control team and highest deviation is among transportation teams. There are statistically significant differences between management teams and marketing teams in terms of common goal of the team.

**Table 4** Statistically significant differences between category “skills” and “field of work”

Skills	Arithmetic mean	Standard deviation	F-ratio	Significance
Management	4,08	0,732	3,287	0,026
Marketing	3,35	0,470		
Sales	3,57	0,504		
Quality control	3,15	0,382		
Transportation	2,91	0,615		

Source: Authors work

Table 4 shows that skills in the team are best graded by employees who make management teams (AM = 4.08) and they have highest standard deviation. Employees in transport team (AM = 2.91) evaluate skills of their team with lowest grades. The minimum standard deviation is among respondents from quality control team. There are statistically significant differences between management teams and transportation teams in terms of skills of the team.

**Table 5** Statistically significant differences between category “work material utilization” and “field of work”

Work material utilization	Arithmetic mean	Standard deviation	F-ratio	Significance
Management	3,72	0,254	0,490	0,743
Marketing	3,50	0,447		
Sales	3,31	0,994		
Quality control	3,52	0,449		
Transportation	3,17	0,646		

Source: Authors work

Table 5 shows that work material utilization in the team are best graded by employees who make management teams (AM = 3.72) and they have lowest standard deviation. Employees in transport team (AM = 3.17) evaluate work material utilization in their team with lowest grades. The

maximum standard deviation is among respondents from sales team. There are no statistically significant differences in terms of work material utilization of the team by employees from different fields of work.

**Table 6** Statistically significant differences between category “innovations” and “field of work”

Innovations	Arithmetic mean	Standard deviation	F-ratio	Significance
Management	3,88	0,751	1,092	0,381
Marketing	3,44	0,564		
Sales	3,31	0,933		
Quality control	3,39	0,616		
Transportation	2,88	0,523		

Source: Authors work

Table 6 shows that innovations in the team are best graded by employees who make management teams (AM = 3.88). Employees in transport team (AM = 2.88) evaluate innovations in their team with lowest grades, and they have a maximum deviation from the average. The minimum standard deviation is among respondents from marketing team and the highest deviation is among respondents from sales team. There are no statistically significant differences in terms of innovations of the team by employees from different fields of work.

**Table 7** Statistically significant differences between category “quality” and “field of work”

Quality	Arithmetic mean	Standard deviation	F-ratio	Significance
Management	4,16	0,732	1,336	0,282
Marketing	3,41	0,444		
Sales	3,84	0,746		
Quality control	3,56	0,377		
Transportation	3,35	0,755		

Source: Authors work

Table 7 shows that quality of the team is best graded by employees who make management teams (AM = 4.16). Employees in transport team (AM = 3.35) evaluate the quality of their team with lowest grades, and they have a maximum deviation from the average. The minimum standard deviation is among respondents from quality control team. There are no statistically significant differences in terms of quality of the team by employees from different fields of work.

**Table 8** Statistically significant differences between overall team effectiveness and category “field of work”

Overall team performance	Arithmetic mean	Standard deviation	F-ratio	Significance
Management	4,06	0,581	2,128	0,105
Marketing	3,38	0,382		
Sales	3,56	0,601		
Quality control	3,40	0,304		
Transportation	3,13	0,444		

Source: Authors work

Table 8 shows that the overall performance of the team is best graded by employees who make management teams (AM = 4.06). Employees in the transport team (AM = 3.13) evaluate the success of your team with lowest grades. The minimum standard deviation is among the respondents from the team quality control, and the largest is in sales team. There are no statistically significant



differences in terms of the overall performance of the team by employees from different fields of work.

### 3. Conclusion

Team work has emerged in the distant past when our ancestors established together the foundations of life on Earth. Each of us is in some way involved in team work, and for some it is a part of everyday life because there work is to be constantly committed to team work. In order to achieve harmony and effectiveness of teamwork it is necessary to follow certain guidelines. Unfortunately, there are no specific rules how to make team efficiently and effectively, but there are guidelines that can contribute to that.

The most important factors of team success are: cohesion, team size, norms, emotional intelligence and overcoming conflict. Special category that certainly contributes to success is motivation. Motivation is the foundation of any successful business, task or challenge. Without motivation none of team would survive because it is what pushes each team member to go further. Looking at the feature "field of work" it comes to the conclusion that members of the management team perceived their team as the most successful by all categories of the questionnaire. There are statistically significant differences in the category "common goal". In this category, marketing team and management team have statistically significant differences in their opinions. In the category "skills" management team and transport team have statistically significant differences in responses.

By this we can conclude that teams working at the highest hierarchical positions are considered to be the most successful, while teams at the lowest hierarchical positions are perceived as the least successful. The reason for that may be the motivation. Top management is best stimulated for their work, and the fact that they are on the top of the pyramid subconsciously influence on them, leaving the impression that they are very important and that their work is very important also. In contrast to all this are the teams at the lowest hierarchical levels.

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