

## Impact of Team Building on Organizational Performance: A Theoretical Review

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### **ABSTRACT**

*The effective functioning of organization resulting to improved productivity and better performance of an organization is central to every organizational objectives and purpose. This paper examined the impact of team building on organizational performance. The paper observed that team building contributes immensely to the overall organizational performance and successes. The paper note that team building enhances collaborations, trust and knowledge sharing among employees of an organization which helps to build competitive advantage over their rivals as well as promote overall performance. The paper identified as lack of trust, resistance to change and inability to share common goal and purposes as well as lack of management support as key challenges to organizations team building process. Some advantages of team in an organization as enhance organizational learning because employees are able to experiment and create strategies that are best suited to their work. The paper concluded that team building is vital for corporate survival and enhanced performance as it help to provide the collaboration needed to meet organizations task and improve firm development which is vital in today's highly competitive business arena. It is recommended that organizations should*

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**Keywords:** Team Building Organizational Performance, Competitive Advantage, Productivity.

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### **INTRODUCTION**

Across every sector of economic development, employees have remained the critical tools in the achievement of designed organizational objectives, and central in the achievement of much designed competitive edge over rivals in the business arena. The core purpose of every organization is to enhance its overall performance which can be achieved through efficient performance of employees (Obiekwe, Omah and Ibibhunun, 2020; Akanji, 2015)). This is

because performance has been considered as an ultimate outcome of an organization as well as an employee. Hence, improved performance has become a highly sought after organizational outcome. Performance means the achievement of something or working efficiently and effectively (Obiekwe, 2018). Studies have shown that performance can be seen on two explicit fronts named as employee performance and organizational performance. In brief, organizational performance refers to the extent to which an organization achieved its goals and objectives, while employee performance is a more subjective term which is associated with the physical, behavioural and cultural output of an individual which should be aligned with organizational goals in order to get appraisal and acceptance.

Mwita (2000) posit that the improvement of organizational performance and the achievement of an organizations' would not be possible without the efficient and effective performance of employees. Thus the efficient use of human resources results to overall improved organizational performance and productivity (Nwaeke and Obiekwe, 2017: has long been the desire of every business organization. An organization that is not living up to the objectives for which it is set up is a failed one. As such, management seeks to bring in the best employees that can afford to help them drive their organization from where they are to where they want to be (Nwaeke and Obiekvve, 2017), by assembling employees with relevant skills and competencies to drive overall firm's performance However, Obiekwe, Mobolade and Akinade (2021) notes that irrespective of individual skills of employees, it is the ability of management to effectively assemble these employees in work teams and how the teams are managed that account for enhanced performance of any organizations, and not just possession of skills and competencies by workers in an organization.

This is because, well structured teams members understood where the work of their team fits in the overall contest of their organization's strategic plan and success goals, and thus, seeks to help their organizations to achieve these goals. Obiekwe and Zeb-Opibi (2018) has succinctly pointed out that team members understand why team culture will help their firms achieve its goals, and how their individual members can attain their personal goals by effective team co-operation and participation in team activities as this will help to stir their organization in a better position to achieve improve performance.

The importance of team work is clearly illustrated by the saying that, "two good heads are better than one". What determines the formation of a team in an organization is the importance of the immediate attachment of organizational objectives (Wayne 2006). Team work has been analyzed and explained by different authors. According to Scofield (2002). team is defined as two or more people who interact and influence each other towards a common purpose. Adetoye (1998) defined team as a group whose individual efforts result in a performance that is greater than the sum of the individual inputs. With organization facing ever more competitions many companies are relying on effective team building and team-work as key strategy to bring about competitive advantages over their rivals. While many managers continue to highlight the benefits associated with team work, many others

tend to see it as a waste of organizations' effort, resources and time. This paper thus seek to utilized a theoretical approach to examine the impact of team building on organizational performance, and to draw up relevant recommendations for forward looking managers to really upon for effective utilization of teams in their organizations.

## **LITERATURE REVIEW**

### **Concept of Teams and Team-building**

A team is a living and dynamic entity that could progress from an early to a mature phase, independent of the nature of the team or the task it must perform. Salas, Dickinson, Converse and Tannenbaum (1992) defined a team as a distinguishable set of two or more people who dynamically, interdependently and adaptively interact towards valued objective, mission or goal, which have been assigned each to perform a particular function or role with a limited life-span of membership. Gibson, Ivancevich, Donnelly & Konopaske (2009) defined a tem as a specific type of work group consisting of at least two individuals who are responsible for achieving goals and objectives.

Therefore, a team can be seen as a group of two or more persons who carry out some work related tasks, interact dynamically with one another, have a shared past and a foreseeable future and share a common fate together. It can also be defined as a group of employees, which is coordinated by a team leader or a manager, who has duty to do coaching to all members to show maximum productivity by giving guidance, direction, motivation and inspiration, so that any delegated tasks can be performed well (Sinambela, 2016).

### **Team Building**

Team building refers to an effort in which a team studies its own process of working together and acts to create a climate that encourages and values the contributions of team members. Employees energies are directed toward problem solving, task effectiveness and maximizing the use of all members resources to achieve the team's purpose.

Team Building is a management technique used for improving the efficiency and performance of the work groups through various activities. It involves a lot of skills analysis and observation for forming a strong and capable team.

Team building seeks to maximize individual and group productivity through the attainment of organizational goals, and to integrate the lower level staff and the top management in organizations so that they can work more effectively and produce more profit (Omuya, Kungu, Mulongo and Ong'anya, 2011). According to Chukwura (2014), team building is a philosophy of job design which sees every employee as a member of interdependent teams rather than as individual worker. Organizations that sees team building from this view creates room for employees collaboration, openness, and knowledge sharing.

### **Building Effective Team**

Katzenbach and Smith (2013) lists the following requirements for building effective teams; (i) it should be small enough in the number of members, (ii)

adequate levels of complementary skills (iii) truly meaningful purpose (iv) specific goal or goals (iv) defined appropriate leadership structure. Effective team functioning requires finding time, selecting team members, empowering team members, providing training in relevant skills and knowledge, developing shared goals and facilitating team functioning - particularly in the early stages of the team's work. Effective teams are carefully designed. When assembling a team it is very important to consider the overall dynamics of the team.

According to La Fasto (2001), five dynamics are fundamental to team success. Among these dynamics are (i) team membership. Successful teams are made up of a collection of effective individuals who are experienced, have problem solving ability, are open to addressing the problem and are action oriented. Secondly, team relationship which has to do with the ability of team members to give and receive feedback. Thirdly, dynamic is team problem solving which implies that team effectiveness depends on the level of focus and clarity of the goals of the team. Fourth, Team leadership. Effective team leadership depends on leadership competencies. A competent leader is focused on the goal, ensures a collaborative climate, builds confidence of team members, sets priorities, demonstrates sufficient "know-how" and manages performance through feedback. Organizational environment is the fifth dynamics of team successful, it has to do with the climate and culture of the organization being conducive to team behavior.

Working together to achieve common objectives is the aim of team work. The common objectives imply that each member of team shares its objectives and identified whole heartedly with them. In other words by joining a team, the individual member "signs on" to the team's objectives; he enters into a contract as a condition of becoming a member of the team. The emphasis on team building efforts almost terminated the concept of individualism which leads to low employee morale and ultimately leads towards high turnover rate. (Chen, Chen & Tsao, 2009) has noted that team work has emerged as a problem for the high achievers who are highly motivated towards recognition and self-esteem. If this problem is not handled intelligently it will lead the organizations towards low productivity levels. Managers must therefore recognize that they play a central role in effective team building. Multi level analysis indicated that the extent of team work at the company level of analysis moderated the relationship between individual perception of supervisor and job satisfaction (Griffin, Patterson & West, 2001). Managers thus require a framework to guide their team building activities.

### **Advantages of teams to Organizations**

Teams offer several advantages to their individual members and to the general organizations. The increase emphasis placed on teams and team building by organizations are based on the vital roles and functions of teams in the organizations work activities. According to Dwivedi (2006), team building helps to improve organizations productivity and performance, as well as enhances harmonious relations among employees by bringing them together, and bringing out the creative talents of the members as they work in teams. It also help employees to understand their colleagues and their beliefs and inclinations better, especially employees brought together from diverse

cultures, who have different background, aspirations, preferences, and difference attitudes toward works. Thus, help to make them understand one another easily, thereby helping to drive trust, openness, cooperation's and improve coordinated creativity and productivity.

In addition, teams optimize the use of human resources by allowing organizations to gain access to individual knowledge and skills. An implication of increased complexity is that managers can no longer know everything about all aspects of organization operations and it is essential that the knowledge and skills of the workforce be utilized. Moreover, teams enhance organizational learning because employees are able to experiment and create strategies that are best suited to their work. Katzenbach and Smith (1993) notes that teams can create a synergy which bring about gains in individual productivity and efficiency.

Additionally, teams bring about increased levels of job satisfaction, motivation and employee commitment since they are associated with a greater variety of tasks and added responsibility for team members, (Kirkman and Shapiro). The resultant effects of this include reduced staff turnover and absenteeism and consequently reduction in organizational costs and improved organization memory or knowledge base. Teambuilding attempts to improve group performance by improving communication, reducing conflict, and generating greater cohesion and commitment among work group members.

### **Impediments and Challenges to Team Building**

The implementation of teams is, fundamentally an organizational change and development process. Teams are, therefore, susceptible to all the challenges that can occur during any organizational change process. Many a times, teams often face issues that can decrease the effectiveness of the team and specifically its ability to make decisions. Some of the Challenges to teamwork include the following:

**Inability to share specific common goals and purposes:** The team may not share clear goals or purposes, and therefore, defining specific goals is very important. The time trade-offs in decision making (team decision making can take time from working. There may be problems of "groupthink" and pressure to conform as well as the potential for increased conflict over decision making. Without adequate team training and preparation, it is unlikely that teams will work effectively to develop and realize a shared vision. There are also the challenges arising from lack of communication, personal conflict, overemphasis on give and take relationship.

**Resistance to Change:** Employee resistance may result where employee are required to work with other employees with whom they are unfamiliar. In this case, the new teams are breaking up established social relationships. One way in which this can be overcome is through teambuilding. Employee resistance may also result for other reasons. Where teamwork requires job enlargement it may be necessary to either reduce some of their duties or to change the system of compensation and rewards.

Alienation of some employees: Teamwork is also often associated with empowerment, ownership and added responsibility and managers usually assume that individuals prefer to be involved in decision making instead of being told what to do. While this may be true in most cases, it may not be true in all cases, as it may bring about alienation for some employees and ultimately lead to job dissatisfaction, labour turnover and/or decreased performance. There is no simple remedy for this problem but training or a change of position within the organization is often useful if possible. A major risk of team building is that a team member may become cynical of the organization.

Lack of Trust: Team building events must be complemented with meaningful workplace practice. Where team members do not see an improvement within an organization associated with team building events, they may view such events as a waste of time and this may consequent) result in loss of trust in the organization, harm motivation, decrease employee morale and production. Another problem is that which occurs when the teams are not trusted enough to make major decisions and consequently the teams and the organization to which they belong, are not reaching their full potentials. Seeking permission before implementing ideas reduces timeliness and ownership. Nahavandi and Aranda (1994) assert that innovation is also reduced as teams are forced to suggest solutions that are likely to be accepted.

Lack of Management Support: Team members may believe that management is merely paying lip service to the fundamental ideas of teamwork a situation that almost certainly reduces employee morale, inability to trust teams to make decisions results in teams taking up more than the system they replaced. The experience is similar where coordination is required and a number of teams are interdependent. This type of challenge requires continued training and development of team members.

### **The Prospects of Teamwork/Team Building**

The prospects of teamwork may vary across organizations because they are dependent on several factors, such as the culture and climate, effectiveness of team leadership, and the organization. Great teams make things happen more than anything else in organizations. Empowered teams get the best results. Empowering people has more to do with attitude and behavior towards the best results. Empowering people has more to do with attitude and behavior towards staff than processes and tools. Added to global competition, there is also a growing need to cater for niche markets and to compete on cost, and innovation. The resultant effect is that companies can no longer rely on mass production and economies of scale to compete in the market place. Teams give employees increased autonomy, increased participation and ownership regarding decisions, they can therefore maximize organizational innovation. Rather than being told what to do, employees are given goals or they develop goals with their team leaders, and are then free to decide on the best method of achieving the goals. Teams also provide other attractions for the organizational where they operate.



### **Concept of Performance**

Improved performance is a much desired outcome of every organization. According to Lebas Michael (1995) performance is future-oriented, designed to reflect particulars of each organization or individual. He defines a successful business as one that will achieve the goals set by the management coalition, not necessarily one that achieved them. Thus, performance is dependent as much of capability and future. According to Williams, Swee-Lin, & Cesar (2005), performance is defined as the record of outcomes produced on a specified job function or activity during a specified time period. Performance has been defined by Hellriegel Jackson & Slocum (1999) as the level of an individual's work achievement after having exerted effort. Whetten & Cameron (1998) believed that performance is ultimately an individual phenomenon with environmental variables influencing performance primarily through their effect on the individual determinants of performance - ability and motivation.

In an important study of teams in today's organizations. Thayer (2010) developed a common sense understanding of what makes team work. Thayer (2010) suggest that: Performance challenges are the best way to create teams, and team basis should include size, purposes, goal, skills, approach and accountability are often looked. Thayer (2010) claim that a few simple rules can greatly enhance team at the top of an organization. These rules are that team work assignment need to address specific, concrete issues. Secondly, work has to be broken down and assigned to the sub groups and individuals (Thayer, 2010). Teams are not the same "meeting", thirdly, team membership must be based on what each member can achieve and the skill that each has for each team has to do with the same amount of work, fourthly, team will work only if the traditional hierarchical pattern of communication and interaction is broken down. Finally, the top management teams have to work together like all other items, focusing on their task and foresting an environment of openness, commitment and trust.

### **Factors Influencing Individual Performance:**

Employee Performance can be defines as the quality and quantity of effectiveness of work as well as the behaviours of employees in the work place. According to Business Dictionary Employee Performance are job related activities expected of a worker and how well those activities were executed. Many business personnel directors assess the employee performance of each staff member on an annual or quarterly basis in order to help them identify suggested areas for improvement.

Generally, effective employee performance is made possible by the collective efforts of everyone involves in the organization and that organization, strive toward building teams always have optimal level of employee performance. Employee performance users to the ability of the employee to achieve his goals and objectives through better service delivery.

### **Employee Job Performance**

Today's business organizations seek to optimize the job performance of their human resources in order to achieve high levels of productivity, efficiency and effectiveness, and job satisfaction. Chiefly important human resources activities, including job selection, orientation, skill-training, performance appraisal, compensation, human resources planning and career development, are all related to improving and sustaining organizational performance. Employee performance is defined as the record of outcomes produced on a specified job function or activity during a specified time by an employee. Employee Performance basically depends on many factors like performance appraisals, employee motivation, employee satisfaction, compensation, training and development, job security, organizational structure and others. Furthermore, study defined performance as a function of ability and motivation (i.e job performance =  $f\{a(m)\}$ ). According to Baridam (2008) work performance is highly dependent upon employee abilities, managerial support, and relationship with supervisors. Thus, an employee that lack requisite skill or jobs task will "bring nothing to the "table" in terms of performance.

Therefore, with support from top management, employees work confidently in terms to increase organizational productivity. In today's workplaces managers are assigning more team projects to employees with opportunities to strengthen their knowledge and develop their skills (Hartenian, 2013). Thus, teamwork has the potential of improving the performance of individual employees and the organization. (Ingram, 2000).

## CONCLUSION

Teambuilding is vital for corporate survival and enhanced performance, as teamwork provides the means by which companies are able to meet their responsibilities in a highly competitive market situation. It is a co-operative small group in regular contact which is engaged in coordinating action and whose members contribute responsibly and enthusiastically to the task. For a team to achieve its objective and maintain its effectiveness, all member of the team must be reasonably qualified for their jobs. Team work is a relatively easy and cost effective way of making technologies; new working practices and faster response time organization have to re-engineer process in line with those changes vis-a-vis office automation with this, team groups use their creativity, innovation and management dexterity in achieving effect performance. Team member in regard to their effectiveness and motivation helps to achieve higher levels of productivity by creating positive synergy, in recent introduction of team in most organization has been associated with cuts in staff manager use positive synergy to get the same or greater output from few people. It is however concluded that there is a strong positive relationship between the independent variables and employees performance. And that leadership commitment, trust and communication, goal setting, respect, motivation and innovation and team spirit can jointly and independently predicts employee performance.

Lastly, for teams to perform effectively, there is need for some team members to possess levels of skills such as technical expertise, problem



solving and decision making as well as interpersonal skills.

## RECOMMENDATIONS

It is imperative for any organization which is first for success to plan and organize both its material resources and the human resources in order to achieve the organizational set objectives. The human resource which is the main resource that will utilize and put the material resources into proper use and effectiveness should be given a greater consideration especially when goals, aims and objectives of the organization are to be attained.

In order to achieve better employees' performance and organization goals, the study recommends that effective team must be built on the following:

Team member of an organization must work as a team, and effective team-building ideas must be put in place in order to improve workers performance in achieving organization goals.

In addition, organizations should put up strong policies that support team efforts should be developed, adopted and monitored within and possibly outside the organization, especially in private sector organizations where the resources are limited and competition is high.

Management should ensure that teams and individual members of teams are trained and retrained in line with the job tasks in the organization, as mere setting up teams of individual without the necessary skills will not bring any or much gain to the organization in terms of enhance performance.

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