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# Ethics in Organizations and Measuring the Effectiveness of Ethics Programs

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**Regis University**  
School for Professional Studies Graduate Programs  
**Final Project/Thesis**

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Comprehensive Paper Presented in Partial Fulfillment  
Of the Requirements for the Degree  
Master of Science in Management

by

Deidre K. Rodriguez  
Regis University

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Action Research Proposal  
Ethics in Organizations and Measuring the Effectiveness  
of Ethics Programs

Abstract

ABC Corporation (ABC) like many corporations, implemented ethics as a major core value and initiative after the highly publicized corporate scandals of the 1990s. ABC currently does not have a consistent way of measuring the effectiveness of the ethics portion of their Ethics and Compliance program. This paper examines the need for a measurement plan and the benefits related to consistently using the plan to measure the effectiveness of the ethics program. Action research is the proposed research method for this project. The Method section of this proposal discusses several data collection techniques including interviews, secondary data source analysis and survey questionnaire.

## Ethics in Organizations and Measuring the Effectiveness of Ethics Programs

The wide-spread corporate scandals of the 1990s have prompted the need for organizations to utilize ethics as a major component of their operations. “A growing number of corporations are embracing ethics. Some are business motivated by a sense of social responsibility, while others see business ethics as a way to enhance profits” (Hoffman & Petry, 1992, p. 10). Hatcher (2003) suggested that organizations “have seized the opportunity to reinforce their corporate values, culture and climate and focused a laser beam on ethics” (p.42). According to Merriam-Webster Online Dictionary (2004), ethics is “a set of moral principles or values” that govern the behavior or conduct of an individual or group. Ethics is a business concept that has always been discussed; however, due to the expansion of related legislation and growing risk financial impacts, organizations are now applying ethics as a mainstay within their corporate culture. This proposal will discuss the necessity for an effective ethics and compliance program, examine ABC Corporation’s existing ethics and compliance program, and analyze and plan ways of measuring the effectiveness of the ethics portion of the program.

### *Background of the Organization*

ABC Corporation (ABC) is a leader in the healthcare industry. ABC’ products include health insurance, life insurance, dental, vision and behavioral health insurance and services. This organization currently operates in nine states and employs approximately 20,000 associates (employees) and provides health care services to approximately 1.4 million members.

### *History of the Competitive Environment*

“ABC is the fifth largest publicly traded health benefits company in the United States” (ABC, 2004, ¶9). ABC’s Ethics and Compliance program has won several awards from

professional ethics organizations for their ethics training and code of conduct. ABC is continually striving to become a leader in the ethics and compliance realm and a role model in the healthcare industry.

### *Problem*

ABC has developed a multi-faceted Ethics and Compliance program. There are several ways in which ABC measures the effectiveness of their compliance program by utilizing several internal reporting systems and tracking compliance violations. ABC currently does not have a consistent way to measure the effectiveness of the ethics portion of their program. The Ethics and Compliance department is focused on measuring result so that they can quantify their importance to the organization.

### *History of the problem.*

In 1998, ABC integrated ethics into the compliance program. The name of the department changed to the Ethics and Compliance department. An Ethics Officer was appointed who reports directly to the Chief Executive Officer (CEO), and an Ethics and Compliance Committee was established.

Since that time, ethics has been a key focus of the organization. All new associates are required to complete New Hire Ethics and Compliance Training within 30 days of their date of hire. Each associate is required to complete mandatory an on-line Ethics and Compliance training on an annual basis. This training includes a review of the organizational mission and vision, core values, standards of business conduct and related policies and procedures, all of the afore mentioned have been revised to include a strong focus on ethics.

A communication plan has been established for the department that includes quarterly newsletters, toolkits, and memos that enable managers and associates to spread ethics throughout

the corporate culture. Tremendous resources have been allotted to ensure the strength and success of the ethics culture. However, currently there is not a consistent plan for measuring the effectiveness of the ethics portion of the program. Three years ago, the Ethics and Compliance program conducted a survey that went out to all associates that included several ethics questions. Since that time the program has grown and changed a great deal, including a departmental reorganization which shifted the department model from a regional or geographically based model to a functional model. The Ethics and Compliance department is now broken into three teams that are defined by functions within the department: (1) Communications, Training and Special Projects, (2) Regulatory Compliance, Investigations, and Regional Advisory Services, (3) and Privacy and Security.

The Ethics and Compliance department has allotted valuable resources to the ethics portion of their program but has not consistently measured the effectiveness of what has been implemented. This action research project will examine the need for a measurement plan to evaluate the effectiveness and awareness of ethics within ABC.

### *Literature Review*

Trevino and Nelson (1999) state that “organizations may be interested in being ethical in order to avoid criminal liability or a bad reputation, or they may be interested in being ethical because it is the right thing to do” (p. 23). The Sarbanes-Oxley Act of 2002 and the recently revised Federal Sentencing Guidelines force corporate board members, executives and managers to take a more active role and become accountable for ensuring that the organization has applicable processes, ethics, compliance and reporting techniques in place. “The Sarbanes-Oxley Act, passed last year to deter and punish corporate accounting fraud, requires the CEOs and CFOs of public companies to sign off on financial information that is released to the SEC



and the public in order to eliminate corporate fraud such as those that occurred with Enron and WorldCom” (SmartPros, 2004, ¶ 3). The effectiveness of an organization’s ethics and compliance program is considered when there is a violation because an effective program may help reduce the amount of fines and penalties the organization incurs. In addition, an effective ethics program can improve employee attraction, retention and moral, reduce the potential for punitive penalties and fines, reduce risk of court related expenses, and increase customer confidence.

Several authors contend that there are specific elements that must be engrained in an ethics and compliance program for it to be effective. Hatcher (2003) suggested that ethical behavior must be modeled, hiring and training are essential to building an ethical culture, having professional ethics trainers train-the-company trainers, and revamping and creating ethics codes and related policies routinely. Rampersad (2003) suggested that business ethics can be improved and more effective by having a written code of ethics, having a corporate commitment to ethical business practices, creating an ethics committee, employing an ombudsman, providing in-house ethics training and seminars, implementing an ethics communication plan, conducting internal ethical audits to ensure compliance by staff, developing formal discipline and enforcement procedures, and recognizing and rewarding employees for ethical actions or behaviors.

Wiscombe (2002) stated there is a nine step model to an effective program which includes: (a) commitment from top executives, (b) a written code of conduct, (c) a communications plan, (d) training on corporate ethics and values, (e) a mechanism to report concerns or ask questions, (f) implementation evaluation (do the policies and procedures work with the structure of the organization?), (g) internal audits and measurement processes, (h) and a process for revising or updating policies. All of these authors touch on the value of training, the ethical behavior being

modeled by top executives, and continuous improvement through creating and updating policies procedures and practices.

Training is one major focus of an effective ethics and compliance program. According to a study by Valentine and Barnett (2003), employees who are aware of their organization's code of conduct perceive their organization to be more ethical than those employees who are not aware of their organization's code. This publication discussed a study regarding role and importance of ethical codes in the awareness of ethics programs and the perceived values of the organization. Contact information for three thousand randomly selected U.S. sales professionals was purchased and a survey packet was mailed to each individual. There were 373 responses returned from this initial mailing, a second follow up mailing was done and an additional 181 responses were obtained. Results indicated that respondents aware of their ethics code perceived the corporation as having more ethical values. Respondents exhibited a higher level of commitment to the organization if they were familiar with their organizational code of ethics, and the relationship between ethics awareness and commitment was determined by perceptions of the organizational values.

So how do organizations measure the effectiveness of their ethics programs? Trevino and Nelson (1999) stated "Many organizations have committed significant resources to their ethics efforts—hiring high-level executives, developing values statements and codes, designing and implementing training programs, and so on. Few organizations however, have systematically evaluated these efforts" (p.272). Trevino and Nelson go on to state that employee questionnaire surveys are a great way for organizations to measure the effectiveness of their ethics programs. Martens and Day (1999) believed that "Many corporations become so caught up in fulfilling a "checklist" of program elements (e.g. code of conduct, office of ethics, training,

etc.) that they either fail to establish program objectives at the outset, or they lose sight of the real objectives which should drive the development of the specific program elements”. Martens and Day list three reasons for having an ethics program: (a) to deter and identify potential violations, (b) to gain competitive advantage for increased customer and vendor confidence, and, (c) to create a unified ethical culture corporate wide. Martens and Day believe that “sensing”, in other words surveying employees and managers is one way to determine the effectiveness of the program. They also suggested that “Finally, the program objectives should contain some elements which are measurable. It is a fact of corporate life that “what gets measured is what gets done” (Martens & Day, p. 163).

## Method

### *Action Research Methodology*

The method chosen for the development of the measurement strategy is called action research. Action research (AR) consists of a collaborative team which conducts research, gathers data, and implements a plan to reach a common goal. In AR, each team member has a vested interest in the outcome. AR can address a current problem or can research and facilitate start-up plans for new directions in business. The teams are generally established by identifying individuals who will be impacted by the outcome of the research. According to Greenwood and Levin (1998), “Action research refers to the conjunction of three elements: research, action and participation. All three elements must be present, or the process cannot be called action research” (p. 6). If someone else has tried it and has failed, the collaborative team may explore different approaches to the problem. Active participation by team members is essential for action research to be successful. The final element of AR is the development and implementation of a plan by the collaborative team members. “Action researchers accept no prior limits on the kinds of social

research techniques they use. Surveys, statistical analysis, interviews of focus groups, ethnographies and life histories are all acceptable, if the reason for deploying them has been agreed on by the AR collaborators and if they are used in a way that does not oppress the participants” (Greenwood & Levin, p. 7).

Many professional researchers consider Kurt Lewin to be the founding father of AR. He set the stage for knowledge production based on solving real life problems. Lewin created a new role for researchers and redefined criteria for judging the quality of an inquiry process. Lewin shifted the researcher’s role from being a distant observer to direct involvement in concrete problem solving (Greenwood & Levin, 1998).

There are two different types of data that researchers collect, both qualitative and quantitative. Quantitative data is usually used in scientific research, whereas qualitative data is used in AR. “Validity in quantitative research depends on careful instrument construction to be sure the instrument measures what it is supposed to measure” (Patton, 1990, p. 14). Scientific research relies strongly on the ability to measure what is being studied. Qualitative research relies on the perceptions, ideas, and interpretations of the researcher. This proposal will combine both qualitative and quantitative data collection techniques to increase the validity of accuracy of research data.

“In qualitative inquiry the researcher is the instrument. Validity in qualitative methods, therefore, hinges to a great extent on the skill, competence and rigor of the person doing the fieldwork” (Patton, 1990, p. 14). This project will utilize methodological triangulation to ensure the validity and reliability of the research data (Patton, 1990). Methodological triangulation involves evaluating data using more than one data gathering technique in order to reduce possible bias that affect the validity of data.

### *Action Research Model*

Pearce and Robinson (1989) developed a six-phase action research model which is the model used for this project. The steps include (1) recognition of a problem, (2) diagnosis of the situation, (3) involving members in data gathering and gaining ownership of the problem, (4) involved members select solution, (5) plan intervention and implementation, and (6) follow up. This model is compact, simple, and can easily be applied to various industries.

### *Entering and Contracting*

Currently, the author of this paper and the conductor of this action research proposal works in the Ethics and Compliance department at ABC. The collaborative team will consist of several Ethics and Compliance staff members including the Director of the Training, Communications and Special Projects Team, the Ethics and Compliance Advisor from the same team, several Sr. Ethics and Compliance Analyst, Directors from the Privacy and Security department, the Director of the Regulatory Compliance, Investigations and Regional Advisory Services, and the Executive Director and Ethics and Compliance Officer over all of ABC . All of these members have knowledge of the Ethics and Compliance program within ABC and many have been with ABC and in the department for several years. They have the knowledge and experience about what has been done in the past to measure ethics within the organization and many of these people were there during the inception of the program. These collaborative team members have an understanding of what is currently being measured and have insight into what isn't being collected and measured and why. The members of the collaborative team are all key stakeholders in the success of the ethics program and have the authority and access needed to have the project move forward.

### *Data-Gathering Methods*

According to Nadler (1977), “data-based methods are essentially tools which change agents or managers can use to learn about and improve organizations” (p.118). There are a number of techniques and methods that are used for data gathering including interviews, questionnaires, observation and secondary data. The type of data collection method used should be based on the type of information or data that is being collected. Each data collection method has its advantages and its drawbacks but it is important to use a variety of data-gathering methods to balance and ensure the reliability of the data being collected. Three data collection methods will be used for this project proposal.

*First method.* Ethics and Compliance team members will be interviewed about what methods have previously, and currently are being used to measure the effectiveness of the ethics program. This will be a purposeful sampling or non-probability and emergent sampling based on the team members knowledge and experience. They will also be asked about how they believe this can be improved in the future and what tools might be used. The team will also be asked about data that is currently being gathered and if there are ways that this information can be measured to add to the value of the ethics program. The interviews will be the first stage of the process so that the answers regarding tools and data that is currently being captured can be utilized in the secondary data examination.

*Second method.* Secondary data will be collected and examined. Information gathered during the Ethics and Compliance team interviews will help to establish what information needs to be utilized in this piece of the project. The investigation database data will be examined to determine the number of ethics related reports and violations the organization is dealing with on

an annual basis, also the database hold information regarding what types of violations are most prevalent and in what regions or states these are occurring.

Currently, ethics is one criteria of measurement on the associate's annual job review. Managers determine and assign an ethical rating to each associate based on their ethics within the workplace. The rating the associate receives on this element of their job performance can affect their overall job performance rating as well as their potential annual salary increase. This data is currently not being collected or measured.

In June and July, the Ethics and Compliance program scheduled sixteen Meet and Greets across the country. These Meet and Greets sessions were held in high traffic areas where tables were set up with free give aways, information about Ethics and Compliance, and cookies were handed out if associates stopped and filled out a survey. The survey included several questions related to ethics including: (a) Do you feel that your local management team supports the goals and objectives of ABC's Standards of Business Conduct and the Compliance Program?, and (b) Does senior management encourage associates to raise ethical issues?. The results from the surveys can be reviewed, and analyzed as an ethical measurement tool. The secondary data collection plan will be tested on several Master's of Science of Management students prior to conducting this in the action research project. See Attachment A, Secondary Data Source Data Collection Tool.

*Third method.* Questionnaire survey to all associates within ABC asking about the ethics and compliance component of the ABC culture. In 2001, an all associate survey was performed by the Ethics and Compliance team but there has not been another all associate survey since. ABC has the technological capability of conducting this type of survey electronically. The questions from the previous survey will be utilized for comparison purposes and new questions

may also be added to gather additional information that was not captured in the first survey. ABC has operations in nine states and has over 20,000 employees. The questionnaire is a popular data collection tool when dealing with large organizations. Questionnaires can be effective when used with other data-gathering techniques; the questionnaire can assist in verifying the reliability of the results of the data collection (Nadler, 1977, p.141). The questionnaire will use a Likert-type scale. Nadler describes the Likert scale by stating that "The respondent is asked to reply to a question or statement by checking a point on a scale of varying degrees of agreement/disagreement, satisfaction, etc."(1977, p.126). This survey is taken anonymously so that associates can respond candidly without fear of retaliation.

### *Summary and Conclusion*

This paper is a proposal for an action research project that will examine the need for an effective measurement plan for the ethics program. This project will utilize three data gathering techniques including interviews with Ethics and Compliance team members, collection and evaluation of secondary data, and anonymous survey questionnaire for all ABC associates. The data that will be analyzed will be quantitative as well as qualitative and will be compared using the three data gathering methods listed above. This process is called triangulation and is one method of increasing validity during action research projects.



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Appendix A

**SECONDARY DATA SOURCE  
DATA COLLECTION TOOL**

**Data Source:** Investigation Database

1. How many ethics related violations have occurred in the last year?
2. What types of violations are most prevalent?

**Data Source:** Associate (Employee) Annual Reviews – Ethics Competency Score

1. Average score on the ethics competency of the annual review.
2. Number of associates that received a lower than satisfactory score in this area.

**Data Source:** Meet and Greet Surveys –

1. Analyze results of the Meet and Greet questionnaire on the two questions regarding management's attitude and compliance with ABC's Ethics and Compliance program.

**Data Source:** Associate Ethics and Compliance Survey

1. Conduct and analyze the results of all associate Ethics and Compliance survey.
2. Compare results to 2001 survey results.

## QUESTION 2

*Discuss the skills needed to be an effective virtual team leader and an effective traditional team leader; compare and contrast the skills needed for each. What can a leader do to develop an effective virtual team?*

### Abstract

Virtual teams are being utilized more in modern organizations. This paper discusses the skills needed to be an effective virtual team leader and an effective traditional or face-to-face team leader. An analysis is performed regarding the skills needed for each. Finally, a description is given of what a virtual leader can do to make a virtual team effective.

## An Examination of Leadership in Virtual Teams and a Comparison to Traditional Leadership

Some theorists argue that leaders are born and others believe that leaders are made. For many years theorists have argued this line of thought. For purposes of this paper, the line of thought is that leaders can be taught and that leadership has certain attributes that make some leaders more effective than others. This paper examines the attributes of traditional leaders and virtual leaders, compares and contrasts the two, and describes the ways virtual team leaders can make their teams effective.

### Virtual Teams

The virtual team communicates via internet, phone, fax, with limited infrequent face-to-face meetings. A virtual team may be defined as a team that communicates via the internet and other technologies rather than face-to-face like traditional teams. Virtual teams came into play in the mid 90's. According to George and Wilson (1997), a virtual team can be defined as "a group of people, possibly from different locations or organizations, charged with reducing day to day bottlenecks and errors or reducing cycle time for getting a product from service to market" (p. 5). The communication technology revolution (the introduction of the web, and e-mail) created a global marketplace for organizations to tap into. Today, many modern corporations use virtual teams to close the geographical gap and become a part of the global marketplace. Business people from different countries and companies communicate via the internet making the marketplace much smaller and more accessible than ever before. The practice of using virtual teams is relatively new, so research models and theories are continually evolving. The ramifications of working and dealing with virtual teams remains to be fully understood.

There are several reasons why an organization would want to utilize virtual teams. According to Bal and Foster (2000), “the use of virtual teams allows organizations to manage a greater number of projects without the cost and wasted time of face-to-face meetings” (p. 4019). Bal and Foster suggested that virtual teams allow organizations to preserve best practices while allowing team members to collaborate and rapidly respond to demands on the team, regardless of the geographical location of team participants. Many organizations are turning to virtual teams to address organizational issues including developing operational procedures, technological applications, and enterprise wide solutions. Virtual teams allow individuals who are not geographically close to work together on a daily basis, across time zones and without travel and time away from the office.

There are several concepts that continuously arise in articles regarding virtual teams: two of which are empowerment and trust. These concepts have been discussed, researched and analyzed by numerous authors as being essential to the success of virtual teams.

### *Empowerment*

Over the last ten years, researchers have been analyzing the effect of empowerment on regionally dispersed teams (Kirkman & Rosen as cited in Kirkman, Rosen, Tesluk & Gibson, 2004). Empowerment is the authority and ability of team members to make decisions instead of having to get permission to act by senior leadership. “In the absence of theoretical or empirical work examining empowerment in virtual teams, we argue that team empowerment may be more important to the performance of virtual teams than it is to the performance of co-located teams because of the unique nature of virtual team tasks” (Kirkman et al., 2004, p. 178). These authors concluded that empowerment is crucial for process improvement and customer service to excel in virtual teams. Kirkman and Rosen et al. (2004) surveyed 35 virtual teams regarding issues

related to empowerment. The results of their research showed that “highly empowered virtual teams were associated with significantly higher levels of process improvement and customer service than were less empowered teams” (p.185). Many virtual teams are cross functional teams that are created to address problems or develop new products or processes to improve business. Empowerment enables team members to quickly respond to and control variables that arise.

Chinowsky and Rojas stated:

The empowerment of teams to make independent decisions related to the project and perhaps the business is an essential component of reinforcing the team concept. As stated previously, this focus on the big picture is an underlying requirement for successful virtual team implementation. Teams receiving the greatest independence and opportunity to make overall project decisions will function as better teams and reduce the likelihood that geographic separation will affect the project outcome. (p. 105)

Virtual team members must be empowered in order for the team to function at its full capacity. In addition to the virtual team’s need to be empowered, the team must also develop trust among all team members as well as the manager.

### *Trust*

Building trust is essential when working with virtual teams. Trust can be defined as the willingness of one team member to be vulnerable while relying on other team members to do their piece of a project effectively. An example of trust would be having a cross functional team where team members must work together to reach the team goal. You may have business unit experts, communications and legal professionals all working to change a process within a particular business unit. Each team member must contribute their skills and expertise in order

for the result to be effective. The business unit and process experts need to know how the current unit operates, what will and will not work within the department and organizational structure. Legal must be aware of existing regulations and laws that must be taken into consideration and that may impact the change in the business unit, industry or state.

Communications is responsible for understanding all of these components involved in the project and developing a communication plan to roll out the change across the organization or within the unit. Each person on this cross-functional team is relying on the others to do their part and complete the assignment on time and effectively. The team members are reliant on each other in order to effectively meet the team goal. Brown, Scott Poole, and Rodgers stated “trust is the glue that binds collaborators by fostering faith that both parties will contribute and not behave opportunistically” (2004, p. 117). Burtha and Connaughton (2004) believed “in order to succeed with virtual teams, it’s critical to employ practices that will engender connection to the organization and leader, as well as build communication and trust among the team” (p. 25). Trust builds camaraderie among team members and enables them to work more efficiently knowing that all team members know their role and will take responsibility for their contribution to the team goal.

### *Virtual Team Leadership*

Leading virtual teams takes a different approach than traditional face-to-face leadership. According to Duarte and Snyder (1999), leader competencies must include the: (a) ability to coach and manage team member’s performance without meeting face-to-face; (b) ability to select and use electronic resources for effective collaboration and communication; (c) ability to lead a cross-functional and possibly a cross-cultural team; (d) knowledge and resources to help develop and train virtual team members; (e) ability to build and maintain trust across the team,



networking across the organization, and developing processes to meet team needs (p. 22).

Duarte and Snyder suggested that there are four leadership behaviors that enable effective virtual team performance: (a) communicate effectively and efficiently, (b) set goals and expectations, (c) availability of necessary resources, and (d) becoming a role model for the team. One of the roles of a virtual team leader is to help customers and all stakeholders to become comfortable with the virtual team approach and process. This can be done by inviting skeptical individuals to meet face-to-face to discuss the process and benefits of working as a virtual team.

Burtha and Connaughton (2004) stated that there are eight principles to virtual leadership: (a) the use of face-to-face communication to build team collaboration; (b) communicate often and through numerous technological means; (c) establish and reinforce team member's roles, responsibilities, rewards and recognition; (d) develop a structure and process for the team to follow; (e) utilize the right tools to do the job; (f) communication matters (what is and is not said); (g) respect and understand the culture of the organization, team and team members; and (h) "expect and embrace change" (p. 25). These authors suggest that face-to-face interactions can increase the trust and collaboration of virtual team members.

Effective and frequent communication with virtual team members is essential. Regular team conference calls, follow up meetings with e-mails, and one-on-one meetings with team members may be time consuming for a leader but will make the team members feel like a part of the bigger picture and clarify communication among all individuals on the team.

Burtha and Connaughton (2004) suggested that developing and maintaining a web site where team leaders and members can post their "lessons learned" and developing two internal electronic bulletin boards, one for the team leaders, and one for team members to interact with others on their team enables team members to ask questions, get suggestions and team support.

Majchrzak, Mahotra, Stamps and Lipnack (2004) believed that virtual teams must establish how that team will communicate. In a recent study of a virtual teams, several team members found that e-mail was not an effective way for the team to communicate. The volume of e-mails turned out to be overwhelming for the team which led to group dysfunction. Initially the team members copied everyone on each communication in order to keep each person apprised of any updates, changes or decisions that would affect the team. Team members were not able to keep up with the volume of e-mails, many times they were not able to locate the e-mail being discussed and many e-mails were eventually deleted before even being read because the group was inundated with information. Instead, the team mainly communicated via telephone and finally developed a virtual work space to post team information.

Chinowsky and Rojas (2003) stated “in traditional teams, management skills focus heavily on meeting management, resource planning, and personal communications. In virtual team environments, these skills remain important, but the personal communications aspect gains increasing importance...” (p.102). Chinowsky and Rojas also discussed the undeniable fact that work loads increase for virtual team members as a result of the need for increased communications.

The lack of informal communication opportunities results in a commensurate reduction in opportunities to informally discuss solutions to the current project. To make up for these lost opportunities, team members will increase their electronic communications in an effort to obtain critical feedback and input into their problem-solving processes. (p. 102)

Chinowsky and Rojas suggested that teams develop guidelines around communicating including who should be copied on communications, when a phone call is more effective or appropriate than an e-mail message, the frequency of communications, and the acceptable time frames for

accurate and rapid responses. Nucifora (2001) stated that defining a specific purpose, setting specific objectives that define success, developing team commitment, establishing how the job will be managed and team rules will be communicated throughout the team. Many of the virtual team models are similar in several aspects. Trust, communication, empowerment and commitment, defining goals and determining how the team will communicate is vital for virtual teams.

### Traditional Leadership

Huczcz (1996) stated that Classic Schools of Management Thought suggested that management should be impersonal, controlling and directive. Theorists such as Taylor and Weber focused on the task and believed that there were four major functions for managers: planning, organizing, leading and controlling. In the 1920s and 1930s the Human Relations movement came into play. This model suggested that management needed to be more humanistic and changed the relationship between manager/employee to that of almost a parent/child relationship. This model gave a more human and friendly approach to managing and leading. The next theory on management was the Behavioral School of Management. This theory required managers to focus on the task as well as the employees. Managers defined roles and respected employee thoughts, ideas, and feelings (Huczcz, p. 102). The most recent paradigm is a participative leadership model. This model allows subordinates to share in the direction and power of the team. Employees are empowered and self-directed. Goals and visions are clarified and shared by all team members. Each employee understands their role and owns the responsibility for the team's success.

Bucholz and Roth (1987) discussed the traditional leadership role in terms of authoritative versus participative leadership (p. 25). They stated that most managers learn to be

authoritative managers meaning that they tell employees what to do creating dependent employees versus independent employees. In the authoritative model, employees rely on managers to tell them what to do rather than knowing and reacting to each situation on their own initiative. “First, in an authority-based system, most communication is downward in the form of a mandate” (Bucholz & Roth, 1987, p. 25). This often results in employees being unmotivated, acting because they are told to not because they are driven or engaged in the project.

Participatory management allows communication to flow in all directions. Communication can flow upward (comments from the employee to the manager), it can flow downward (communication from manager to employee) and it can flow across (communication between team members). Power is granted to the employee by the manager to have control and input into their position and role. “Position power comes from having created opportunity for upward and lateral communication as well as using influence (rather than position power) to affect change” (Bucholz & Roth, 1987, p. 27). This multi-directional flow of communication increases the likelihood that employees will feel empowered and become more committed to the project and the team.

Bucholz and Roth (1987) believed that it is essential that leaders lead by example and empower employees. “Empowering suggests that you give responsibility, communicate the importance of each team member, provide the opportunity for value, and allow each participant to become an equal member of the team” (p. 31). By empowering employees you create a team that has a greater investment in the goal and shares responsibility for the team’s success or failure. Shared responsibility means that each team member understands the importance of their role in the team and willingly collaborates to help the team meet its goal. Each team member buys into the mission and vision of the team and understands the importance of the collaborative

approach in succeeding. “In high performance teams, members pull together, help each other recognize and complement each other’s strengths and weaknesses, and share a belief that they have a responsibility to each other” (Bucholz and Roth (1987), p. 40). The team must share the goal, purpose and vision so that all team members are on the same track and working together instead of against each other. Without a clear map or direction for the team, time and resources can be wasted and frustration can escalate ultimately moving the team away from the intended goal instead of towards it. “Purpose is consciously chosen and clearly articulated direction which uses the talents and abilities of your team, contributes to the organization, and leads to a sense of fulfillment for team members” (Bucholz and Roth, p. 54).

Huczcz (1996) stated:

In some organizations, the role of leaders has been incorporated into the team itself rather than as a function of management. This has been accomplished in at least two different ways: Sometimes a team leader is elected by the members of the team; other times, though less commonly, the leadership position is eliminated and the functions and roles originally filled by a manager are now distributed among the remaining team members. p. 103

The self-directed role of employees is reducing the need for direct managers within some organizations. Often, managers are stretched to lead several different teams or areas. Employees are now taking charge of their own positions and take responsibility for their own success as well as team success.

Katzenbach (1998) has developed an “executive leadership discipline” (p. 25) that includes seven elements: (a) create and maintain urgency, (b) resolve the critical strategic issues, (c) enforce individual accountability, (d) leverage executive time, (e) make the tough decisions

individually, (f) pick the best individuals for the key jobs, and (g) periodically raise the bar (p. 25). Katzenbach suggested that many successful organizations still function under the “executive leadership discipline” rather than the team approach. Katzenbach explored the tendency for executives to shift from team leadership approach to executive leadership or single leadership due to their increase in power and a role that does not require team practices at the higher levels of some organizations. Katzenbach examined the leadership role from a single-leadership and a team discipline. Rather than focusing on creating and maintaining urgency in a single-leadership discipline, a team discipline would focus on creating and maintaining a meaningful purpose (p. 95). Resolving critical issues for the executive or single leader would mean committing to team performance goals in the team setting. Enforcing individual accountability for single leaders translates to making team members mutually accountable for team success (p.95). The single-leadership or executive leadership discipline focuses on individuals whereas the team discipline focuses on the team as a whole. Katzenbach discusses the benefits and challenges of changing leadership styles within a wide variety of organizations including Ben and Jerry’s, Enron, Mobil and Citicorp. The bottom line is that the organizations that make the shift to the team approach become more effective and expand the opportunities available for the organization through teamwork.

#### Traditional Leaders vs. Virtual Team Leaders

Management and leadership theories have evolved over the years. The modern participative model includes empowerment, trust, communication, accountability and self-direction. This paper will discuss the differences and similarities of modern teams that are self-motivated and self-directed and compare them to virtual teams. Whether working in a team that has the opportunity to physically work in the same location, or if you are working in a virtual

team, the elements listed in the model above are essential to the success of the team. Roles and responsibilities must be established and communicated. The purpose, vision, and goal must be clear. Teams and individual employees must be empowered to control their own positions and be a vital piece that enables the team to be effective. This empowerment allows teams and team members to be more creative and responsive while working toward goals. Trust must be established and maintained in order for teams to function at their peak performance. When trust breaks down, conflict, disrespect and disputes can take time, energy and focus away from the team. Overall, the same factors must be included in a team that works face-to-face that must also be present in a virtual team.

Some theorists argue that the difference between these two types of teams is the process, energy, and time it takes for a virtual team to achieve the same result. Team members that work in the same physical location have the advantage of meeting face to face and asking for input or getting questions answered immediately by their team members. In virtual teams, it takes a more effort than stopping by someone's office for a response or input to your question. Face-to-face the communication automatically leads to back and forth quick responses where additional questions can be answered and directions can be explained in detail. In virtual teams, the communication often calls for more time, attention, and organization of thought to get an accurate and detailed response. Many times getting an accurate answer will take several communications back and forth to ensure that both parties have an accurate understanding of what is being asked and what the appropriate response should be.

Empowering virtual team members is essential to the success of any virtual team. Each team member must know their role and job and have an understanding of the goal, purpose and vision. They must know what they have the ability to do and what they should turn over to

others. Empowering virtual team members allows the team to work more efficiently. Team members can respond more quickly to questions, problems and variables that may affect the outcome of the project. “Teams receiving the greatest independence and opportunity to make overall project decisions will function as better teams and reduce the likelihood that geographic separation will affect project outcomes” (Chinowsky & Rojas ,2003. p.105).

Pauleen (2003) disagrees that virtual and traditional team are similar. He stated “to some extent the role of virtual team leaders necessitates a different level of skills than those of traditional collocated team leaders” (p. 228). He also believed that team project coordination and controls are much different for virtual team leaders. “Virtual team leaders, therefore, must not only manage the project tasks and occasional personality conflicts normally associated with a collocated team, but must also be able to guide a team of geographically distributed, and often organizationally and culturally different individuals in creating a common purpose (Pauleen, 2003, p. 229). Pauleen also suggested that relationship building and maintenance is more complex and involved in virtual teams.

Driskell, Radtke, and Salas (2003) suggested “some see a future in which virtual team members interact seamlessly over advanced communications systems. Others are more cautious and argue that virtual teams differ in significant ways from teams that work face-to face” (p. 1110). They believe that research has lead them to believe that “distance seems to matter – that being mediated by technology can have a significant impact on how teams perform” (p.1110).

Trust may be more difficult for virtual teams than traditional teams. It is human nature to be more comfortable with someone after meeting them face-to-face. However, this is not realistic for many cross-functional virtual teams who may be working day to day with individuals that they have never physically met. Trust in virtual teams is established by team



members collaborating consistently rising to challenges. If you know that a particular team member always does quality work and consistently meets deadlines then trust will build over time without the advantage of physical contact. According to Joinson (2002), “Team managers must be comfortable with relinquishing control over their employees, while remaining committed to mentoring and evaluating them. Additionally, virtual team managers must pay particular attention to the challenges posed by the physical separation between members” (p. 70).

Effective communication is essential to the success of virtual teams. Work loads actually increase for virtual team members because of the volume of communication that must take place in order to ensure that all team members have an adequate understanding (Chinowsky & Rojas, 2003, p. 102). Virtual team leaders must have excellent communication skills and be able to communicate through a number of communication avenues (i.e. e-mail, web-cast, telephone, fax, etc.).

Each team member must buy into and understand accountability that they have for the success of the team. When individuals work in geographically dispersed areas, team members must be willing and able to help each other when needed. Each virtual team member is accountable for the success of the team, not just their individual contribution to the goal.

Lipnack and Stamps (1997) and several other virtual team experts state that leadership in virtual teams is situational. Different team members can rise to the leadership position depending on their expertise and the different aspects of the project. “Leadership will shift, depending on the task at hand. Each person brings a particular set of skills and expertise that will be called upon in the process” (Lipnack & Stamps, 1999, p. 18).

### Developing an Effective Virtual Team

Virtual team leaders must effectively communicate with team members. Burtha and Connaughton (2004) believe that having mandatory, regular scheduled meetings build consistent virtual team communication. Agendas and key content for the meeting should be sent one day prior to the meeting so that team members have time to review this information and be prepared for the meeting. One-on-one meetings between team members and leaders help to build understanding and trust among the group. In the article *Can absence make a team grow stronger?*, “one team leader reported being on the phone with his team for ten to fifteen hours a week” (Majchrzak, Malhotra, Stamps, & Lipnack, 2004, p.136). Rarely did team members have a day go by where they were not in touch with one another. Field (2003) stated that messages should be brief, clear and concise. “Vary how you communicate and repeat the message” (p. 4). Invite team members to ask questions and notice if someone seems to be withdrawing from the group. “When your virtual team is under stress, be more assertive in your communication: ask probing questions, call more often” (p.4).

Leaders must help build trust among the team. Some researchers believe that face-to-face meetings help to build a personal relationship thus creating a platform for trust to build. Burtha and Connaughton (2004) stated” Providing opportunities for leaders and team members to interact in a face-to-face setting is not merely a social matter, but a bottom line one as well. Personal visits by team leaders have symbolic and tactical value” (p. 26). They suggest that the face-to-face interactions enable leaders to understand challenges facing team members, help build interpersonal bonds, and helps to bridge social capital and trust issues.

Leaders must empower their team members by communicating the goal, purpose, and vision for the group. They must also be specific about expectations and roles. Empowerment

allows team members to resolve issues and be accountable for team success or failure.

Empowerment encourages team members to think out of the box and find solutions quickly and efficiently. This also ensures that different team members will rise to the leadership role when skills and expertise meet the challenge.

Compared to traditional teams, virtual teams face numerous barriers. Virtual teams must communicate effectively and often. All team members must make sure that they are on the same page and that everyone is informed of challenges and solutions that may affect the outcome of the project. Team members must work to build trust in order for them to work together as a team. Each person on the team must accept accountability for their personal role on the team as well as the overall success or failure of the team. Communication and building trust will take more time, energy and coordination than the same level of communication and trust would take in a traditional team. There are several factors that are present in traditional teams that must also exist in virtual teams. The process, coordination, planning and ongoing maintenance practices are different though.

Leadership in virtual teams is often situational and based on expertise and knowledge on a particular aspect of the project. However, many times virtual teams have a consistent leader who becomes more of a facilitator to keep the communication, expectations, workflow and trust moving forward in the team. Virtual teams are the teams of the future. They can bring diversity and cross-functional capabilities to all organizations. The virtual team can be more efficient, effective and cost controlled than traditional teams.

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### QUESTION 3

*Define cross-functional leader. Define traditional leader. What are the skills that an effective cross-functional team leader must possess? Compare and contrast to a traditional leader. How does a cross-functional team leader empower the group members?*

#### Abstract

This paper includes an in depth look at cross-functional teams and their use in the modern organization. An analysis of traditional leadership skills and the skills of a cross-functional team leader describes leadership traits needed for these types of project teams. Through this research the benefits and challenges of cross-functional teams are examined.

## Cross-Functional Team Leadership:

### The Benefits and Barriers

Many organizations are utilizing cross-functional teams to solve complex issues and improve internal processes. Parker (1994) defines cross functional teams as:

...teams of experts ready to move quickly and flexibly to adapt to changing organizational needs. Such teams are made up of people from different departments in an organization. They typically perform different job functions and bring a variety of skills and experience to their teams. (p. 49)

Cross-functional teams allow organizations to combine the talents, knowledge and experience of different business units together to address a particular project or issue. Parker suggested that the speed and ability to address tasks quickly, the capacity to address complex issues, the advantage of focusing on the customer, and organizational learning are definite benefits to working in cross-functional teams (p. 50). Working in cross-functional teams allows organizations to react quickly to the competitive environment. There are several considerations that make cross-functional teams work. Cross-functional teams face a number of obstacles in achieving mutual goals. D'O'Brian (1994) stated "it's like herding cats. That is what someone once likened putting together people from different functions into a team" (p.1). According to Parker, leadership, empowerment, and shared goals are essential to the success of a cross-functional team (p. 51). This paper discusses the leadership dynamics that contribute to cross-functional team success and compares those characteristics to traditional leadership. Empowerment is a key element of cross-functional leadership that will be focused on in this comparative analysis.

### Cross-functional Team Leadership

One question that cross-functional teams face is “who is the leader of the team”? Obviously, some organizations assign a leader to particular projects or teams, but many experts believed that leaders are often established within cross-functional teams because of their knowledge, expertise, and skills that can be applied to the project at hand. D’O’Brien (1994) stated that “many CFTs run best without an established boss. A CFT can be an opportunity for each team member to show leadership skills” (p. 1). In this school of thought, each team member brings their specialized skills to the table: one member might be an organizational expert, one might have access to essential resources or information, another expert may be a visionary. Each member brings their specialized skills forward to benefit the team as a whole. Parker (2003) believed “leaders of cross-functional teams must manage a diverse group of people with a wide variety of backgrounds, cultural values, languages, team player styles, training, and interests” (p. 21). Being the sole leader of a cross-functional team can be a challenging and demanding position.

Parker (1994) also stated that “leaders of cross-functional teams play crucial roles...the leaders must have the technical background to understand the subject of their teams’ work and to recognize the potential contributions of people from a wide variety of backgrounds” (p. 51). According to Parker, the most significant skills for a CFT leader include: (a) technical knowledge, (b) facilitation experience and skills, (c) ability to lead with little or no power or authority over team members, (d) an understanding of how to set goals and mission, (e) ability to obtain necessary resources, and (f) an ability to adapt to change and evolve with the team and the project (p. 51).



Experts often mention the fact that many leaders of cross-functional teams have little authority over team members, meaning that the team members do not usually directly report to that leader, the leader does not perform their evaluations and does not control their pay, bonus, and workload. Therefore, cross-functional team leaders must motivate, lead, and manage the team and project without direct influence or authority over the participants. This is a huge challenge when leading CFTs. Parker (2003) stated:

Your job as leader of a cross-functional team is to manage a group of people from different departments, functions, countries, and cultures who have little or no experience working together, and given the choice, would probably choose not to work with these strangers. You'll be given little or no authority over their performance, but you'll be held accountable for the team's success. (p. 22)

Pinto, Pinto, and Prescott (1993) performed a study analyzing cross-functional teams in the health care industry. These researchers sampled marketing departments in hospitals from Pennsylvania, Ohio, and New York to examine the dynamics of cross-functional team cooperation. The researchers, contacted via mail and telephone, 131 Marketing Directors at selected hospitals. Seventy-three of these Marketing Directors agreed to participate in the study and provide the researchers with contact information for cross-functional team members working in their departments. In total, 299 questionnaires were mailed to project team members and 273 responses were received. Pinto, Pinto, and Prescott (1993) stated:

The results demonstrated that super ordinate goals, physical proximity and project team rules and procedures are important predictors of cross-functional cooperation. The construct of super ordinate goals, in particular, was found to have a powerful effect on both the attainment of cooperation and perceived task outcomes. (p. 1295)

According to Feurer and Chaharbaghi (1996) “over the last decade organizations have increasingly adopted team-centered structures in order to improve the way in which knowledge is developed, disseminated and applied in organizations” (p.14). Numerous organizations have reaped the benefits of combining the knowledge, experience, creativity, and problem solving abilities of multiple people using the team approach, rather than relying on a single individual. Cross-functional teams are one way in which organizations are improving projects within their organizations. Feurer and Chaharbaghi believed that the benefits and potential of cross-functional teams has yet to be developed and realized. Feurer and Chaharbaghi discuss Hewlett-Packard’s creative team process which includes: (a) team formation, (b) defining project vision, (c) envisaging the future competitive environment and its implications for the organizations, (d) defining customer breakthroughs and critical success factors, (e) identifying core processes; and, (f) ensuring continuous improvement (p. 18). Feurer and Chaharbaghi (1996) stated:

... creative and innovative solutions require organizations to change the way in which ideas are generated and implemented. Rather than assigning these tasks to design people and specialists teams they need to be dealt with by a number of teams throughout the organization. These teams are cross-functional encompassing operations, marketing, design and supporting functions. (p. 20)

#### Traditional Leadership

Leadership, like most things in business, is ever evolving. Historically, leaders have been dictators who use the power that they hold to make others do what they wish. Huszco (1996) stated that the earliest leadership model was called the Classical School of Management and was meant to be impersonal. In this line of classic thought individuals were purely motivated by power. Power in the workplace can include where you fall on the organizational chart, who has

input into your pay, raises and bonuses, who has say into when and how you move up in the organization. The classic rule of management was focused on tasks instead of relationships and people. This school of thought “suggested that there were four basic functions managers must fulfill: planning, organizing, leading and controlling” (Huzsco, p. 101). Over the years modern organizations have come to align with a more participatory style of management. The benefits of teamwork and individual leadership has been shown to add great value to organizations.

In modern society, leaders must learn to be influential based on the personal and professional skills they hold rather than the perception of power. Young potential leaders must be shown the positive aspects of leadership. Leadership in modern organizations tend to be more participatory and motivate followers to be engaged in their teams and organizations.

Bucholz and Roth (1987) describe leadership in terms of authoritative vs. participative. Authoritative leadership utilizes the telling approach of management where a leader tells people what to do, think, etc. The authoritative approach “usually results in compliance, people doing things because they have to, not because they want to. “Employees soon learn to get back at the system by putting in their time but not their energy (Bucholz and Roth, p. 26). Bucholz and Roth also believed that the participative leader, on the other hand, influences and inspires people to participate and asks for their opinions and ideas (p. 25). Bucholz and Roth discussed how employees are willing to put in their time and energy with participative leaders, “their power is personal power rather than position of power” (p. 27).

Katzenbach (1998) stated “those that favor strong executive leadership assume that strong top leaders cannot-and probably need not- function as a real team; that sort of behavior makes more sense down the line or in the workplace” (p. 6). Katzenbach believed that this type of old school thinking results in several myths including that the CEO ultimately determines if a

company is successful, the CEO is always in charge, a team is a team because that is what the leaders say it is, and the corporate mission is always the top of the team's mission. Obviously, the CEO cannot be in charge of each and every aspect of the organization. The CEOs cannot do all the work by themselves, CEOs must rely on leaders and teams below them to roll out important initiatives in the organization. These myths are unrealistic and are the driving force behind outdated leadership lines of thought.

Loeb and Kindel (1999) defined leadership as “the set of qualities that causes people to follow” (p. 9). Obviously, this means that leadership requires the involvement of two parties: (a) a leader, and (b) a follower. According to Loeb and Kindel, there are three essential elements to leadership that causes a follower to choose to follow one person versus another, these elements are: (a) the ability to inspire trust, (b) consistent actions, and (c) motivating people verbally and by example (p. 10). It should be no surprise that people want to respect the people they follow and want to follow individuals that inspire them.

Loeb and Kindel (1999) suggested that leaders must be able to: (a) “elicit the cooperation of others, (b) listen well, and (c) place the needs of other above their own” (p. 11). These authors discuss the misconception that command equals leadership. “The biggest single mistake that people make about leadership is that they think leadership means command. Command is the authority to lead. It is not leadership” (Loeb & Kindel, p. 14). Often people put in command positions do not have the leadership skills needed to motivate followers. One myth that leaders often face is that leaders are born. This is another myth of the older school of thought. Leaders today must understand leadership skills, in addition to technical and personal knowledge, but foremost they must be able to understand how to motivate and communicate with others.

George (2003) described the most important leadership skill as authenticity (p.11). George believed that we are in the midst of a leadership crisis and that we need “authentic leaders” to bring us out of the crisis. Simply, George stated that authenticity “is being yourself; being the person you were created to be” (p. 11). The media has glorified the persona of a leader, glorifying the egos of top leaders. This has nothing to do with their character. George believed:

Authentic leaders genuinely desire to serve others through their leadership. They are more interested in empowering the people they lead to make a difference than they are in power, money, or prestige for themselves. They are guided by qualities of the heart, passion and compassion, as they are by qualities of the mind. (p. 12)

Under this model, each person must develop their own leadership style that is in line with their personal beliefs and character. George lists numerous great world leaders including Churchill, Martin Luther King, Mother Theresa and John F. Kennedy, all who had different leadership styles but all were authentic and led with character.

There are numerous models and beliefs about leadership. The most modern model includes a participatory element of leadership that allows the leader to define a leadership style, and in doing so inspiring individuals to follow their vision. The old model of authoritative, power driven leadership does not work well in modern organizations. Individuals have been educated and pushed to think for themselves, and to follow what they feel passionate about and believe in. Old school power does not earn anyone the respect and loyalty that leaders must have to be successful.

### Compare and Contrast Traditional Leadership to Cross-Functional Leadership

Many of the traditional leadership skills apply to cross-functional leadership as well. The ability to empower team members, build trust, and the ability motivate team members are all essential in cross-functional teams as well as traditional teams. A CFT leader must skillfully: (a) promote team communication and cohesion, (b) persuade or influence team members without having direct power over them, and (c) clearly define the set of objectives. Traditional leadership may also require some of the attributes above, but the success of a cross functional team project is dependent on the skill of a leader to carry out these tasks.

Weinstein (2002) stated that “the coordination of multi-departmental efforts rests more heavily on communication and leadership skills than on technical management know how” (p.87). A leader’s ability to facilitate communication and build team cohesiveness is essential for team success. A leader must bring team members together who may have not worked together before and get them to communicate and act as a functional team in a short period of time. Ford and Randolph (1992) discussed cross functional teams from a matrix organization/project management perspective. Ford and Randolph (1992) stated that working in cross-functional teams “creates lateral communications channels not available in the classical bureaucratic form of organization. At the same time, the cross-functional structure reduces the need for vertical communication by creating self-contained task teams focused on a specific, finite project” (p. 273). The leader of a cross-functional team must encourage and coordinate lateral communication to ensure understanding of the project scope and goals. Ford and Randolph suggested that working in CFTs can improve inter-department relations and forces managers to maintain open lines of communication with all team members and related departments (p. 273). This model of communication improves the cohesiveness across the organization and political

interactions. In order to achieve success, the cross-functional team must have a leader that promotes and encourages constant communication.

A CFT leader must have the ability to persuade and influence team members without having direct power over them. This means not having the authority to influence their daily workload, pay, bonus structure, or status within the organization. Parker stated (2003) that cross-functional team leaders when dealing with team members are “given little or no authority over their performance, but you’ll be held accountable for the team’s success” (¶ 4).

Without the use of traditional authority a leader of a CFT must be able to persuade and influence team members, executive level project sponsors, and key stakeholders. This can be accomplished by combining several leadership skills including communication, building trust, promoting empowerment, and gaining commitment to the project. In a list of the most significant requirements for a cross-functional team leader, Parker (1994) lists the “ability to work with little, no, or unclear authority” and “a willingness and the relevant skills to develop and manage ongoing relationships with key stakeholders outside the team” (¶13) in the top seven skills a CFT manager must master. Kent-Drury (2000), when speaking about the use of CFTs in proposal writing, stated that CFT leaders need to be willing to negotiate “because proposal managers lack line authority over writers, they must be able to negotiate responsibility and accountability with team members, as well as to garner the resources the team requires to do its work” (¶ 3) . CFT members are on loan to the project leader for the term of the project but still technically report through the traditional organizational hierarchal structure. The difference between leading a CFT and a traditional team is that a traditional leader usually has direct authority over the team members. In traditional leadership, leaders direct the day to day work

flow for each team member in addition to being the person who does their reviews and evaluations.

CFT experts agree that clearly defining the team's goals is essential to the success of the team. If the goals and expectations are not defined, then they are impossible to meet. It is the CFT leader's responsibility to define and ensure that all parties involved in the project understand the goals. Parker (1994) stated that a CFT leader must possess "the know-how to help the team establish a mission and set goals" (¶ 13). Weinstein (2002) stated "the project manager and initiating sponsors must start out by identifying objectives that will result in the achievement of the desired goals" (p. 88). Defining the goals of the team can help avoid miscommunications and potential conflict.

It is important for a traditional team leader to also define goals for their team but the defining of these goals can be more complicated when dealing with cross-functional teams. First, in CFTs you are dealing with individual team members that you may not have had any interaction with before. Therefore the goals must be clearly communicated in multiple mediums to ensure that all team members understand. A traditional team leader works with the team members on a daily basis, usually in the same location. A CFT leader will not have unlimited access to the team members so they must make sure that there is a common understanding of what needs to happen to make the project successful.

#### Empowering Cross-Functional Team Members

Feurer and Chaharbaghi (1996) stated that leaders can empower and aid cross-functional teams by (a) defining the project mission, (b) envisioning the future, (c) defining critical success factors, (d) enabling team members to go through a creative phase, (e) identifying core processes, and (f) gaining commitment from the organization and team members. Feuerer and



Chaharbaghi believed that the role that leaders play fosters creativity and novelty. According to Denison, Hart, and Kahn (1996) cross-functional team effectiveness is dependent on identification of purpose and measures for the group. All team members must know what the problem is and what the expectations of the organization are before they can be successful. Defining roles and expectations sets the team up for success.

As in all teams, leaders must create an environment that encourages communication. This may be even more essential for cross-functional teams. Some researchers suggest that leaders should have guidelines for communicating with team members, (i.e. an e-mail of individual progress will be sent to all team members on Mondays, all team members will communicate via conference calls on Wednesdays, etc.). This may help to reduce team confusion on how and when they are supposed to communicate with team members and breakdown organizational boundaries. Establishing the guidelines for communication empowers individual team members to communicate effectively and efficiently with the rest of the team. According to McKague (1998):

Cross functional teams were invented to break down barriers between vertically isolated departments, eliminate the potential for miscommunication and avoid the unfair rise to power of any particular individual. They are also supposed to allow people to think through the work that needs to be done to achieve a particular goal, rather than being told like robots what to do every minute of the day. (p. 13)

Allowing cross-functional team's time for brainstorming and creativity allows team members to think out of the box and often come up with unconventional ideas that benefit the organization. It gives team members a sense of autonomy and trust.

Addressing the issue of power and authority within cross-functional teams is a difficult one. Some organizations assign a leader to a cross-functional team and some leaders of these types of teams rise to the surface depending on the skills they bring. A true leader in a cross-functional team may have been given the authority to lead the team but will understand the skills and contributions of each member of the team and allow each person to apply their specialized skills when needed. Allowing each team member to shine with their individual specialized skill set is a great way to empower. Cross-functional teams are usually brought together because of the wide array of knowledge or skills that the organization believed can bring a more timely and effective result than an individual person.

In conclusion, cross-functional teams are an effective way that organizations can solve organizational issues or address problems. The skills and talents that each team member brings to the team increases the efficiency, and effectiveness in reaching the ultimate goal at hand. Leaders of traditional teams are different from cross-functional teams in that cross-functional team leaders often do not have authority or real power over individual members. It can be extremely difficult to bring a diverse group together that has never worked together before and to get them to communicate and work together cohesively. Leaders of cross-functional teams must understand who is on their team, why they are there, and set goals and guidelines for all team members to abide by and understand.

As with all teams there are several advantages and disadvantages in working in cross-functional teams. It is often difficult to get people who have never worked together before to quickly assess a problem and agree to work collaboratively toward a resolution. Diversity, personality, and politics can interfere with cross-functional team effectiveness. The ability to pull a group of strangers together to act as a solid, collaborative force is a special skill that a

cross-functional team leader must possess. In many cross-functional teams, each team member may become a leader at a specific time depending on the skill sets they bring to the group.

Cross-functional teams are increasingly popular and utilized in business to address complex, multi-factor issues.

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