

# TOP TEAMS IN SMEs: A CROSS-BORDER COMPARISON

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## Introduction

The characteristics of the successful organisation have arguably been, the major research area in management in the last quarter of the twentieth century. The research has focused largely on the characteristics of individual team members (for example, Boyatzis 1982, Lindsay et al 1992). Hambrick & Mason (1984) suggest that organisational outcomes – both strategies and effectiveness – can be viewed as reflections of the values and cognitive basis of powerful actors in the organisation. Others have suggested that it is not simply the individual ‘actors’ who influence the organisation, but that there are links between the top team characteristics and the firm’s performance (Norburn 1986, Norburn & Birley 1988). Kakabadse (1991) puts it more strongly, arguing that the individual, dynamic leader is not the key to corporate success, but rather that ‘real power lies with the top team – it is the team which is the prime worker in sustaining corporate high performance’ (p 1). If this is true it is therefore necessary to develop, in much greater detail, the understanding of the dynamics of top team working.

Earlier studies have tended to emphasise the ‘what’ of team operations, looking at the team in relation to task oriented criteria and only focusing on the process i.e., the ‘how’ in relation to specific tasks. At one extreme Bell and Rosenzweig (1978) suggest that for improvement of team efforts the focus should be task oriented rather than focused on interpersonal relations. They have identified as a priority in achieving team success ‘getting the right people together for a large block of uninterrupted time to work on high priority problems’ (p 41). Their strong bias towards task focus is not characteristic of all of the studies of team functioning. Others do make reference to the process aspects of team functioning when considering the factors affecting success. Barnard (1938) was among the first theorists to argue that interpersonal and social cohesion can affect the performance of a management team, and spoke of the need for a tight knit informal executive organisation. McGregor (1960) identified effective groups as tending to be relaxed, comfortable and informal, with members able to express their feelings and ideas and able to listen to each other. Beckhard (1972) agrees with the need for addressing the process issues when considering team effectiveness, stating that, as well as meeting for the sharing of information, ‘teams should meet to examine

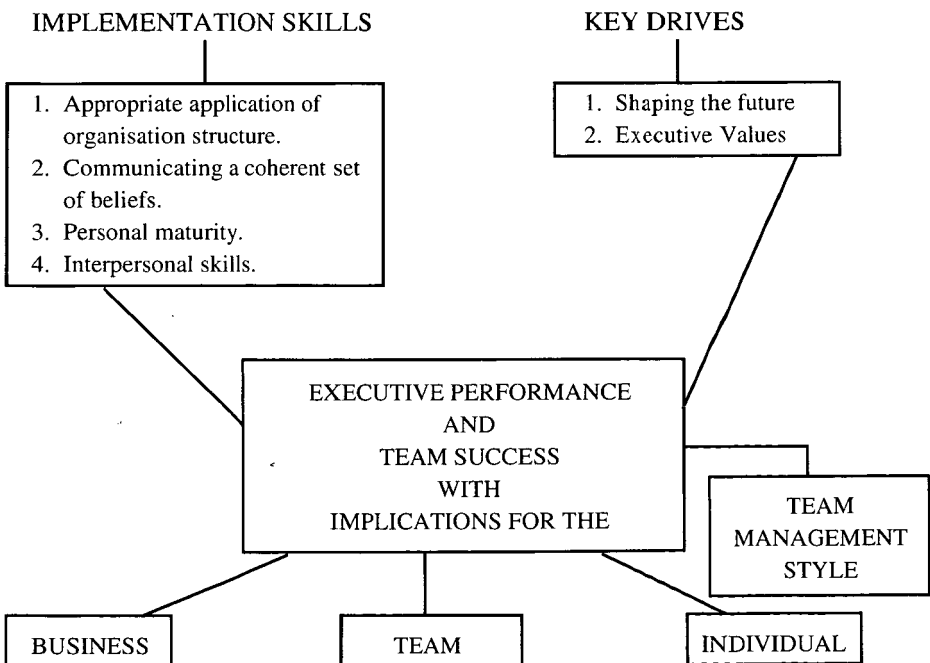
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the way the group is working, its processes (such as norms, decision making and communication) and to examine relationships among the people doing the work' (p 24). Coulson (1993) agrees that there 'needs to be a high level of trust and mutual respect, and a sharing of goals and values, if discussions are to be open and frank' (p 133).

Larsen and Lafasto (1989) in their seminal empirical study also point to the importance of the intangibles such as team spirit, attitudes and values, in determining team success. They argue that task orientation is important if a team is to achieve its goals, but that working well together is a fundamental ingredient of team success yet they acknowledge the difficulty of measurement of those 'intangible' ingredients. It is in relation to the intangible, process aspects of team functioning that Kakabadse (1991) has attempted to shed some light. Through extensive action research in large U.K. companies he has examined how teams relate, the manner in which they discuss key issues and the styles they use to communicate. The conclusion drawn from this research is that the difference between an effective and ineffective team is not that a fundamental compatibility exists between the members, but that serious consideration has been given to how the personalities in the senior team interact. His U.K. study of top team effectiveness found that there is an identifiable set of crucial elements shared by the vast majority of high achieving teams as shown in Figure 1.

**Figure 1**  
**MODEL OF TOP TEAM WORKING**



The original research found that executive performance and team success are affected by the possession among team members of key drives and implementation skills. The key drives are 'shaping the future' and 'executive values'. Shaping the future is the ability to visualise the future and express that vision clearly. Executive values involve the handling of and identification with other people. The four implementation skills are: appropriate application of organisation structure, communicating a coherent set of beliefs, personal maturity and interpersonal skills. The use of these key drives and implementation skills have implications for the business, the team itself, and for individual members of the team through their impact on the interrelationships between top team members as expressed in Kakabadse's term, the team's management style. Management style is itself an indication of top team success. Other measures of top team success are taken at the business, team and individual levels.

### **The Research Focus**

Kakabadse's model adds to the existing literature on the 'process' aspects of top team functioning. Of particular interest is the identification of the values, attitudes and beliefs of top team members represented within the model by 'personal maturity' and executive values. These provide a measure of what Larsen and Lafasto call the 'intangibles' and which they felt unable to probe. The examination of the 'intangibles' may provide insight into why, with a clear model for effective working some teams succeed and others fail, or are at least less successful. The primary focus of this research project was to validate the Cranfield model of team dynamics within small to medium size enterprise (SMEs) and to examine differences between top teams in Northern Ireland and the Republic of Ireland. However, use of the questionnaire does not provide sufficient detail to allow us to determine if the RoI companies are more or less successful. This is clearly an important area for further development.

### **Method**

#### *The Executive Survey Questionnaire*

The present study is the result of collaboration between the Ulster Business School and the Cranfield School of Management Executive Competence Research Team, and was undertaken to extend the data available on top team effectiveness, by inclusion of individuals from SMEs. Use was made of the Executive Survey questionnaire which was developed on the basis of the framework outlined above. The questionnaire consists of 175 items divided into four sections relating to: the 'Future', 'Organisation and Structure', 'Views of Executives' and 'Performing as a Top Executive'. Further information about the individual items included can be obtained by contacting the authors). Items on the questionnaire are grouped to produce indices measuring elements within the framework. The indices are shown in Table 1.

**Table 1: Indices in Top Team Competence Survey**

<b>Measure</b>	<b>Index</b>	<b>Number of Items</b>
<i>Executive Values</i>	Organisation Discipline	10
	Integration	11
	External	10
	Interpersonal	10
	Independence	11
	Expertise	11
<i>Personal Maturity</i>	Personal Maturity	11
	Receiving Feedback	10
<i>Individual Implications</i>	Job Satisfaction	11
	Strains of High Office	10
<i>Team Implications</i>	Opportunity Costs	09

Use is made of open-ended questions, 'yes/no' responses and Likert scales relating to elements within the framework. The pattern of responses provides an insight into the process values of the senior managers questioned, and gauges their perceptions of the executive teams and organisations of which they are members.

### *The Survey Sample*

The sample comprised 105 individuals currently holding senior management and executive team positions of these 64 are in companies in Northern Ireland (NI), the remainder, 41, are within companies in the Republic of Ireland (RoI). The majority of companies were manufacturing; manufacturing (consumer) 42.2% NI and 31.7% RoI, manufacturing (industrial) 54.7% NI and 36.6% RoI. The remainder included merchandising (21.9% NI; 17.1% RoI) transportation (17.2% NI; 24.4% RoI) and financial (19.5% RoI). The companies included provide a representative sample of (SMEs) in Ireland. The maximum company size for inclusion was 500; 67.2% of the NI companies and 34% of the RoI companies had less than 100 employees; 32.8% of the NI companies and 65.9% of the RoI companies had between 100 and 499 employees. The sample population were companies in manufacturing and tradeable services.

### **Survey Results**

The main objective of the present study was to compare the top team dynamics, as perceived by senior managers in NI and RoI companies. The reason for this comparison was to further validate Kakabadse's model of team working within SMEs. The results of the survey's use within NI small companies (as reported in detail by McVeigh et al 1994) showed the model to have validity within the SME. The present comparison seeks to extend this validation.

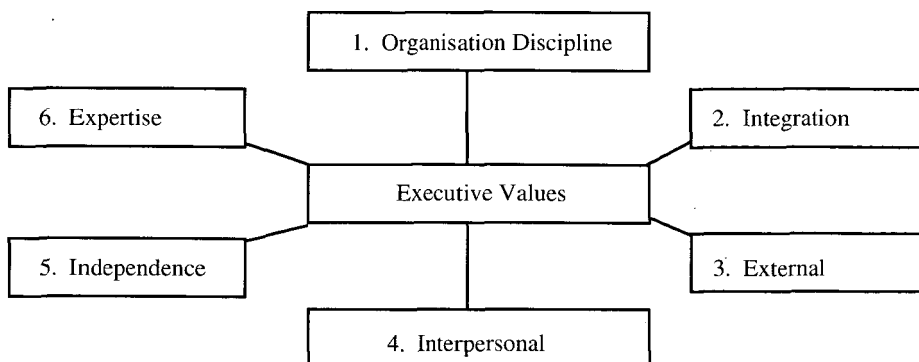
The measure of team working is taken at three levels: the individual, the team and the business. Our data, derived from the questionnaire, takes the perspective of individual team members, their perception of the team's interrelationships and its effect on the organisation. Therefore, the results are given in the following order:

- Measures of the individual's Executive Values.
- Measures of Personal Maturity.
- The effect of the team on individuals measured by personal and job satisfaction.
- The individuals' views of team working.
- The individuals' views of the team management style.

### **Executive Values of Top Team Members**

Among top management in any organisation there is a diverse range of personalities, philosophies, styles and attitudes. These profoundly affect the way an individual interacts with others, the attitudes adopted towards them and the preferences and drives which motivate general behaviour. Research has indicated that underlying these attitudes and styles are what have been termed 'Executive Values'. These refer to the way top managers see the world around them, and represent fundamental views concerning how the organisation should be managed, how people should be handled and with which other executives an individual will identify. Along with personality characteristics, values contribute towards the management style of the individual manager and act as a prime force underlying the pattern of team interactions. The quality of working relationships is dependent on the values held by each individual, and for effective group functioning the values of individual members should be compatible. When values are shared there is a greater cohesiveness and sense of team identity. Without cohesion open discussion of vital or sensitive issues can be hindered. Kakabadse identified six key values (as shown in Figure 2, over); organisational discipline, integration external, interpersonal, independence and expertise. Further details of these values are given in a discussion of the survey results.

**Figure 2**  
**EXECUTIVE VALUES**



Source: Kakabadse and Dainty (1992), Executive competencies Research Programme, Cranfield School of Management Resources Group Internal Working Paper

The six Executive values are measured by the questionnaire using an index of ten or eleven items. The extent of agreement with these items indicates the degree to which an individual holds the value. The average agreement on the scales is shown in Table 2.

**Table 2: Average Agreement with Value Scales for Sample of Northern Ireland and Republic of Ireland Top Team Members (nNI = 64, nRoI = 41)**

Executive Values Index	Mean % Agreement With Items in Scale	
	NI	RoI
Organisation Discipline	79.3	59.0
Integration	76.5	79.5
External	62.5	65.3
Interpersonal	56.4	58.0
Independence	47.9	50.2
Expertise	34.9	35.9

### The Pattern of Executive Value Orientations

The agreement differs for the two groups in relation to the Organisation Discipline index. For the NI managers this is the strongest value orientation and indicates that an emphasis is placed on the discipline and administration of the organisation (79.3% agreement). The RoI managers place less emphasis on Discipline (59% agreement) and more on Integration (79.5), which emphasises a keen awareness of the market-place and the achievement of goals through people. The NI managers hold equally strong

Integration values (76.3% agreement). It would appear that for both groups, the top teams recognise the need to focus both inwards and outwards.

Each value is described below with a more detailed discussion on the content of each index. This section finishes with a comment on the pattern of Executive Value orientations, as shown in Table 2.

### *Organisation Discipline*

Individuals with organisation discipline values are characterised by a respect for role boundaries and organisational structure. They tend to be discipline and administration oriented and favour people who pay attention to detail and are tidy and well disciplined. Such individuals are effective in implementing organisation systems and controls. Negatively, however, managers with very strong organisation discipline values can become status oriented and inflexible, placing an overemphasis on control to the detriment of people within the organisation. An over focus on internal matters can also result in a lack of awareness of the market-place.

The organisation values index was the one most positively subscribed to by the sample of NI managers, and this group scored higher on all of the items in the index than did the RoI group. Of the ten items in this index there are seven for which the differences were statistically significant: 95.3% of the NI group felt that a 'well disciplined organisation is essential for success', and 82.8% that 'it is important to follow established work procedures'; for the RoI group, although the figures were lower, over half of the managers also agreed with these statements. The percentages agreeing were 78% and 56.1% respectively. There was also strong agreement by both groups to the statement 'I resent being told what to do', (92.2% NI and 70.7% RoI).

Of the NI sample, 60.3% agreed to 'respecting individuals who stick to the rules'. Less than one third of the RoI sample agreed with this statement, (29.3%). Three quarters of the NI top team members also felt that 'there is a right and wrong way of doing things' while just under half (48.8%) of the RoI felt so. In relation to their companies' general view of discipline, the NI sample had a more positive opinion. Only 11% agreed with the statement 'some people in this company think that systems, discipline and controls are synonymous with bureaucracy', compared to 70.7% of the RoI group.

There is a clear preference given to the need to respect boundaries and organisation structure within NI teams – though the concerns must be, that with such strong values, there may be an overemphasis on control, which produces an inflexible organisation.

### *Integration*

Managers with integration values tend to be sensitive to both the demands of the marketplace and to the issues and problems facing the management team and their subordinates. For them, people and business issues are inextricably linked. They work closely with and through people to achieve short, medium and long term organisational goals, gaining commitment through open communication and the sharing of information plans.

Both groups showed a similar average agreement for the Integration index. Almost all of the respondents agreed that a strong top team is essential for business success (100% NI and 97.6% RoI) and that it is important to have an open management style where others can speak freely (98.4% NI; 100% RoI). The value placed on working with and through others was illustrated by agreement with statements such as 'it is important to gain the commitment of others before implementing new strategies or policies' (98.4% NI; 92.7% RoI), and 'by managing those around me well I can by-pass particular problems before they arise' (88.7% NI; 87.8% RoI). Only on one item was there a statistically significant difference between the two groups. The response to statement 31 ('maintaining group cohesion demands the constant encouragement of my colleagues to work as a team'), was positive for both groups, but over one quarter (26.6%) of the RoI group disagreed. Both groups acknowledged the need to work with and through people, though in one response there is an indication that the RoI groups are less likely to concede individual independence for the good of the top team.

### *External*

Managers with external values focus on markets and are sensitive to the needs of customers. They tend to be characterised by high drive and energy and identify with concepts of effectiveness and performance. They typically pay little attention to internal administration and organisation issues.

This value index was the third most positively rated by the sample of NI managers, (average agreement with items on the index was 62.5%) and second for the RoI managers (65.9% average agreement). In relation to customer orientation there was a high positive agreement from both groups: 87.5% of managers from both the NI and RoI groups agreed that 'the customer is king'; and 68.3% of the NI managers and 79.5% of the RoI managers that 'when the customer says jump the organisation should ask how high'. There were two statistically significant differences between the NI and RoI groups in response to the External values items. When choosing between the customer and administration the response from the NI managers was less positive. For statement 49 ('If as much time was spent on the customer as on administration we should all be better off') there was 29.7% agreement from the NI managers, while 55% of the RoI managers were in agreement. This efficiency emphasis is also apparent in response to item 66 where significantly more of the NI sample felt that 'meetings should be short and to the point' than did RoI respondents, (scores were 90.6% and 70.7% respectively).

Both groups value the need to be customer focused, but the NI group has a greater need to use administrative processes. The efficiency orientation is also demonstrated by a NI group who wish meetings to be short, but this percentage agreement may also reflect a greater value on the interpersonal activity within the RoI group.

### *Interpersonal*

The individual with interpersonal values tends to judge people by their manners and interpersonal skills. They communicate easily with those with whom they identify, and believe they know instinctively who will and who will not fit into the organisation. An overemphasis on interpersonal values can lead a manager to base judgements solely on the quality of interpersonal interactions. In this situation emotionality rather than rationality may be the basis for decisions. Such sensitivity may cause team meetings to be dictated by mood.

On those statements relating to interpersonal values the sample produced more positive than negative responses. There were no significant differences between the groups: 98.4% of NI managers and 95.1% of RoI managers agreed that 'it is people who make an organisation tick'. There was a similarly high percentage of respondents who agreed to preferring other people to 'be genuinely concerned and not just curious' (96.8% NI, 90.2% RoI). Over half of the respondents from both NI and RoI (54%; 51.2%) felt that they could tell before others if an individual was going to fit within an organisation, perhaps indicating some dependence on interpersonal factors rather than task/job oriented criteria for determining suitability.

In relation to oversensitivity, 54.8% of the NI managers and 56.1% of the RoI managers agreed to being sensitive to how others felt about them. Although less than this number (34.9% NI; 43.9% RoI) believed that others thought them to be emotional. The relatively low percentage agreement of both groups is an indication of positive, top team working. The focus of the responses is on the value of people, but the managers did not respond as overly sensitive. Over sensitivity may result in top team decision making influenced by mood and attribution of blame to others, and an unwillingness by members to take critical feedback.

### *Independence*

Managers holding independence values like to be their own boss and to do things their own way. Such individuals are easily irritated by having to interact with and accommodate others. They require considerable personal space and freedom to express their own views and needs. Where several executives share an independence orientation, team concepts are difficult to apply since independence oriented individuals tend to have difficulty delegating, being open and sharing information.

The average agreement by the NI sample with the items on the independence index was slightly lower than that by the RoI managers (47.9% NI; 50.2% RoI). These

figures are slightly distorted by high agreement with some items. For example, both groups showed a high percentage agreement with the statements 'I like being my own boss at work' (85.7% NI; 87.8% RoI) and 'I like being in a position where others don't have control over me' (68.8% NI; 80.5% RoI). The high percentage agreement with these statements may indicate the respondents' need to have the power to influence the organisation, rather than a need to be able to act unilaterally; or it may simply reflect the items' wording which tends to promote response bias.

The average percentage agreement when these items are not included is 41% NI and 42.7% RoI. This includes very low agreement with items such as 'checking out my plans with others slows me down rather than adds anything of value' (8.1% NI; 4.9% RoI) and 'I dislike others trying to alter my views' (12.9% NI; 12.2% RoI). On only one item was there a statistically significant difference between the responses of the NI and RoI managers: on 'I do things my way', 46.6% of the NI managers agreed that they often or always do, while 70.7% of the RoI managers always or often do. Both the groups of managers are in general willing to subsume their desire for independence to group goals. The RoI group appears to prefer to act unilaterally rather than consider the needs of the top team.

### *Expertise*

Individuals with expertise values are very much oriented towards their own specialist area of work, and identify with standards of a profession or technical expertise. Communication and understanding are felt to be easier with people from similar backgrounds. An over focus on expertise can inhibit the formation of an overall business picture, since such individuals prefer to work alone rather than having to refer to others. Strongly held expertise values can be particularly damaging if held by top team members, as they tend to reduce mutual understanding and will thus be detrimental to the cohesion of the team.

The expertise value was that least positively agreed with by both the sample of NI and RoI managers (averages 34.9% and 35.9% respectively). More of the RoI managers (80.5%) than NI managers (59.3%) value being a member of a profession. For both groups, however, the majority (61.3% NI; 75.6% RoI) agreed that others value them for their expertise. Communication with others not of a similar background does not appear to be adversely affected by the managers' expertise: 83.9% of NI managers and 72.5% of RoI managers did not agree that their expertise could discourage people from talking to them, while more positively, 64.5% of NI and 60% of RoI managers agreed to enjoying getting others to understand the more technical aspects of their job. On only one of the items was there a statistically significant difference in the responses of the two groups of managers. This was in response to the statement 'much of my work satisfaction comes from understanding the technical/specialist side of the job': 63.5% of the NI top team members agreed, compared with 36.6% of the RoI managers. There appears to be no indication that the preference for working from specialist expertise

adversely influences the top team, although NI top team members may be more at risk if they wish to increase their job satisfaction.

### **The Pattern of Item Responses in Executive Value Indices**

The pattern of the aggregated value orientations indicates that within both groups, top teams hold more strongly the orientations which have a positive impact on team success (integration, interpersonal) rather than those orientations (independence, expertise) with a greater probability of negative impact. NI top teams appear to value much more the need to work together through systems and control. The NI group place a higher value on discipline; are more unwilling to concede individual independence; have a greater need for maintaining internal controls; and are less likely to act unilaterally. If the model is valid, the expectation from these results is that the NI sample would have greater agreement on the indicators of team success, at a business, team, and individual level.

### **Personal Maturity**

The previous section considered the key drive of 'Executive Values' in relation to top team success. The other elements within the framework which contribute to team success are the implementation skills, of which personal maturity is of particular interest. Positive team interactions require a certain degree of personal maturity from the individual members. Personal maturity includes the ability to manage ambiguity and contradiction, and to maintain relationships under stressful conditions. There must also be an ability to distance oneself from one's own feelings and an ability to see matters and problems through the eyes and feelings of others.

Immature managers have difficulty coping with ambiguous situations and in positively receiving feedback. They often fail to depersonalise feedback, and blame others when problems arise. This tendency to blame others can lead to demoralisation among colleagues and subordinates, and damage the credibility of both the individual and the team. The average rating of the Maturity Index items by both groups was high (71.9% NI; 66.7% RoI): 77.8% of NI managers and 61% of RoI managers consider it 'important to be calm under pressure no matter what you feel', and that 'being able to handle conflict and confrontation is all part of the job', (95.3% NI, 97.6% RoI agreement).

As stated above the mature manager has the ability to give and receive feedback constructively. The results of the Feedback Index showed that the managers from both the NI and RoI groups have a positive view of feedback. Average agreement with items in the scale were 60.3% for the NI managers and 60% for the RoI managers. There were no significant differences between the groups in their response on this scale.

The majority (91.9% NI; 75.6% RoI) considered themselves 'easy to talk to' and would 'encourage subordinates to share their problems' with them (87.3% NI; 85.4%

RoI). However, most agreed (77.8% NI; 70.7% RoI) that in their present position few people told them how well they were doing, and less than half in both groups (46.8% NI; 46.3% RoI) felt that more people should give them feedback.

### **Effects of Top Team Performance on Individual Members**

Both harmony and conflict are to be expected within the top team. When a positive organisational culture exists the conflict should produce relatively few negative effects. However, where there is excessive conflict, precipitated by lack of shared values and negative team interactions, considerable negative emotions can be aroused among individual team members. Inability to deal with these negative effects can produce a lack of confidence and demotivation which will be harmful to family and social relationships. In extreme cases this can lead to stress, poor performance and personal breakdown.

Our survey gauges the impact of the organisation culture through indices measuring 'Job Satisfaction' and 'Strains of High Office'. Job satisfaction refers to feeling challenged by the job, and having the confidence to strive to achieve targets. The index measuring 'Strains of High Office' looks at personal satisfaction, which involves the ability to withstand pressure and strain and to view family and social relationships positively. The overall results indicate that there is a general job satisfaction within both groups. The average agreement with items on the job satisfaction index was 79.5% for the NI managers and 75.9% for the RoI managers.

Over 90% in each group expressed that they were 'generally satisfied with their job'. This is reflected in the NI sample by 81% stating 'they never/seldom feel like leaving their job'. The RoI group did not answer equally positively to this statement with 43.9% 'sometimes/often feeling like leaving their job'. The difference between the responses in relation to this statement is statistically significant. Also, significantly more of the RoI group expressed disagreement with the statement that 'most people at my level are satisfied with their job' (15% RoI managers disagreed compared with 1.6% of NI managers). These negative views may be partly explained by 'lack of challenge in the job' as evidenced in the responses to statement 123 ('I don't really feel stretched by this job'). While the majority in both groups disagreed, quite a high percentage agreed (27% NI; 36.6% RoI).

The importance of colleagues in making the job satisfying was indicated by the positive response to statement 108, ('if it were not for the support of colleagues I would find this job much more difficult'). The extent of agreement by the NI sample (92.1%) was greater, though not significantly so, than that of the RoI group (78%). The 'strains' index indicated a general lack of stress, both personally and upon relationships among the respondents. The majority (84.4% NI; 97.6% RoI) felt 'on top of the job' and agreed to having sound and positive relationships with their spouse and children (94.8% NI; 97.6% RoI and 98.1% NI; 94.7% RoI, respectively).

Both groups expressed confidence in their ability to achieve (81.3% NI; 90.2% RoI) and to enjoying the challenge at work (93.7% NI; 92.7% RoI). However, although the overall pattern of responses suggests a general lack of negative stress, a significant number of respondents (48.5% NI; 43.9% RoI) believed that work life adversely affects their home life. However, the high level of commitment (98.1% NI; 90.2% RoI) to their organisations expressed by the managers may make more acceptable the negative effects on home life.

### Team Management Style

One of the most influential factors in determining the culture of an organisation is management style. The dominant management style identifiable within a company gives a clear indication of the sort of culture which top management are creating and maintaining. Four predominant management styles have been identified; valuing performance and professionalism, being sensitive to people, rules and regulations oriented, and power oriented. Figure 3 shows the results for the NI and RoI groups.

In all but one of the management styles ('sensitive to people') there is a statistically significant difference between the NI and RoI groups. The survey results show that the more prevalent company management styles in the NI sample are those

Figure 3

#### PERCEIVED MANAGEMENT STYLE



1. Sensitive to people  
3. Rules and regulations oriented

2. Power oriented  
4. Valuing performance and professionalism

associated with better performing teams. The majority chose 'valuing performance and professionalism' and 'sensitive to people' to describe their company's management style. While these two styles were also the top ranked among the RoI group, much fewer chose them, and the spread of response across all four styles was greater than for the NI group.

Of NI respondents, 76% indicated that their company management style could be described as 'valuing performance and professionalism'. With this style the focus tends to be on developing and working towards the company's mission statement. Emphasis is generally placed on building relationships within the top team, and strong efforts are made to openly discuss sensitivities concerning the way in which the business is run. Maintaining the morale of employees is also a priority. Almost half (48.8%) of the RoI group also indicated that their companies could be described as 'valuing performance and professionalism'. Half of the NI respondents and one third of the RoI group described their company's management style as 'sensitive to people', which strongly focuses on the development of individuals within the organisation.

The main difference between the NI and RoI responses is in relation to the less positive management styles. Almost one quarter (22%) of the RoI group described their company as having a 'rules and regulations' oriented management style, compared to 6.3% of the NI group. The rules and regulation style is concerned with maintaining the current system and tends to emphasise an inward focus among staff. The focus on keeping things as they are, and doing things the established way can have a restrictive influence on how people perform their jobs.

The 'power oriented' management style is often adopted when unresolved sensitivities exist, and leads to personal dominance and manipulation as the mechanisms for management. None of the NI sample felt that this description fitted their company's management style. However, 19.5% of the RoI group did feel that it was appropriate. The 'power oriented' style is associated with a negatively oriented top team which emphasises power relationships, while a company which values performance is more likely to exist where the top team is positive and effective.

As with company management style, clarity of organisational structure can be an indicator of the functioning of the top team. A good organisation structure is one with clear focus on each of the key business areas, where objectives are being pursued and teams and functions are clearly defined. An effective top team is associated with clear communication of functional, departmental or divisional objectives in each part of the organisation. Such a culture of good communication is essential for the transmission and understanding of the corporate mission statement. Non-communication of each of these objectives and lack of awareness of the mission statement are more commonly linked to an ineffective top team.

The survey showed a significant difference between the two groups in the perceived clarity of communication throughout the organisation. The NI group felt that both corporate (84.1% agreement) and functional/departmental objectives (87.3%) are

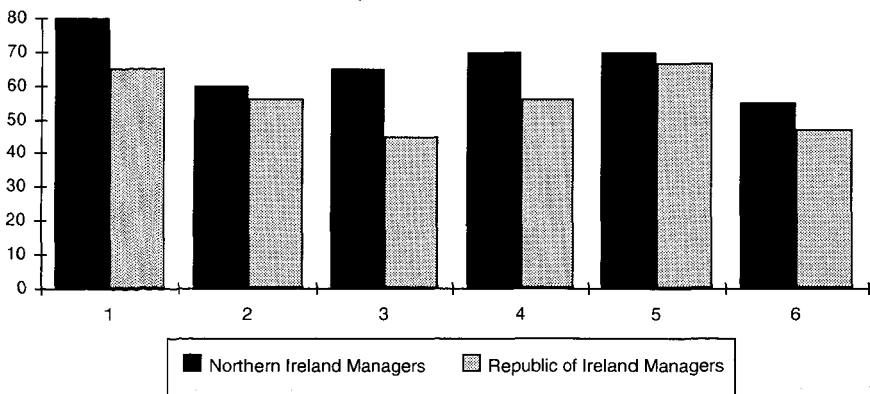
clearly communicated throughout the organisation. Although the majority (65.9%) of RoI respondents also agreed that objectives (both corporate and functional) are clearly communicated in their organisations, over one third felt that this was not the case. The majority of respondents in both groups were aware of the company's mission statement, with more of the RoI group (73.2%) agreeing than in the NI group (58.1%).

The results also suggest a clarity of organisational structure in the companies of most of the respondents. 92.2% of NI managers and 89.7% of the RoI managers indicated that the senior managers in their organisations 'have clearly defined areas of responsibility' and that 'most managers ... could accurately sketch out the company's organisational structure'. The model suggests that clarity and definition of organisational structure should lead to greater motivation within senior management. Most of the respondents (84.4% NI, 82.5% RoI) felt that this was the case, and over one third also described their senior managers as performance oriented.

### Effect of Top Team Performance on Top Team Interactions

The overall response of the NI managers indicates that they have a more positive perception of their top team than do the RoI group. In relation to six bipolar attributes, 68.6% of the NI sample chose the positive pole, compared to 56.6% of the RoI group. The six attributes and scoring for the NI and RoI managers is shown in Figure 4 below.

**Figure 4**  
**PERCEPTION OF THE TOP TEAM**



1. Easy to talk to
2. Openly discuss sensitive issues
3. Understanding of each other

4. Trust each other
5. Will implement decisions made in the top team
6. Address long and short term issues

There is a statistically significant difference between the two groups of managers in relation to how trusting they perceive the top team to be. Both indicate that top teams are ‘trusting of each other’, but less of the RoI sample than the NI sample felt so (76.6% NI; 53.7% RoI). A relatively large numerical difference is also apparent between the two groups in relation to the attribute ‘understanding of each other’: 67.2% of the NI group considered their top team members to be ‘understanding of each other’, while only 46.4% of the RoI respondents felt so. What is also apparent from Figure 4 is that there are individuals in both groups who feel their top teams address more safe issues and leave sensitivities unaddressed. There is an important relationship between the existence of sensitivities or issues that merit attention within the top team but do not receive attention and the effectiveness or ineffectiveness of the team. Sensitivities that remain unaddressed are associated with poorly performing top teams that lack group cohesion.

There was a significant difference between the number of respondents in the RoI sample and those in the NI sample who felt their top teams left sensitive issues unaddressed. More than twice as many of the RoI respondents compared to NI respondents felt so (65.9% RoI; 28.6% NI), perhaps reflecting the lack of trust and understanding which RoI managers perceived among their top teams. This apparent lack of openness might also explain the perception among almost one quarter of the RoI sample that members of the top team pull in different directions, (24.4% of RoI managers agreed, compared to 7.8% of NI managers). There were also differences between the groups in relation to what these sensitive issues concerned. These are listed in Table 3 below.

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**Table 3: Sensitivities Not Addressed by the Top Team**

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Issue	Applicable to %	
	NI	RoI
Performance of one or more members of top team	55.5	37
Issues affecting the long term	50	66.6
Structure of the organisation	44.4	37.0
Cost management and control	33.3	29.6
The way the business/particular functions are currently run	33.3	22.2
Relationships between top team members	27.7	25.9
The morale of employees	22.2	37.0
Relationship between various functions/departments	22.2	33.3
Changes in the company's product/service portfolio	16.6	11.1
The quality of products/services sold to the customer	11.1	25.9
The future of the company	11.1	33.3
Differences of opinion concerning reorganisation	05.5	14.8

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The main area of sensitivity for the RoI group concerned issues affecting the long term (66.6%). Half of those responding in the NI group also felt that their top team did not address certain issues in this area. For the NI group, however, the highest ranked sensitivity related to the 'performance of one or more members of the top team' (55.5%).

### Impact of the Top Team on Business

Open discussion is essential to the decision making process and its lack will impact upon the business. Table 4 below shows how the managers see the effects of not addressing sensitive issues. Both groups agree strongly that business will be affected. The RoI group, however, show more concern with the impact of this upon the people in the company and its future than the NI sample.

**Table 4: Impacts of Not Addressing Sensitive Issues**

Issue	Applicable to %	
	NI	RoI
Business will be affected	66.6	59.3
Members of top team will be affected	44.4	37.0
Future of Company will be affected	27.7	44.4
People in the company will be affected	22.2	55.5

### Conclusion

The aim of the present study was to compare the results of the NI and RoI top team responses on the Executive Survey. Previously NI results were reported (McVeigh et al 1994) and appeared to validate the model of team success (Figure 1). Without comparison, however, it is difficult to show clearly the working of the model. The opportunity to compare samples from NI and RoI permits the further examination of the predictive ability of the model.

The framework for top team working, as shown in Figure 1, suggests particular outcomes in relation to effectiveness resulting from the dynamics within the top team. For example, the model suggests that if the Executive values shared by top team members are conducive to positive interaction (integration orientation, interpersonal orientation) then there should be more group cohesion, openness and trust. This positive culture should filter through to individual team members and be reflected in their job satisfaction and motivation, and be evidenced in the organisation by a positive team management style, (e.g. valuing performance and professionalism, sensitivity to people). Conversely, if the top team members hold values such as expertise or independence, positive team interaction is inhibited. The result will be less openness and trust, which will affect team members satisfaction with their jobs, and may be reflected in negative

team management styles, (e.g. power or rules and regulations orientation).

The Executive Survey gains the perceptions of top team members in relation to the impacts of top team dynamics. The results of the survey carried out with senior managers in Northern Ireland SMEs indicated that the framework has validity beyond the context of the large organisation, (McVeigh et al 1994). In general, top teams of those surveyed seem to have a positive impact upon the organisation, with the result that there are few adverse implications at the individual and team levels. The majority perceive their companies as having positive team management styles which value performance and professionalism and show sensitivity to the development of employees. As a consequence of this positive culture, senior managers are motivated and have a high level of job satisfaction. The top team members hold strongly to the organisation discipline and integration values which are conducive to positive team interactions. This is consistent with the senior managers' views regarding their own top team members. Top team members were seen as trusting and open with each other, able to address both long and short term issues and implement team decisions.

The results for the Republic of Ireland sample examined in the present study also appear to validate the framework. In general top teams were viewed positively; however, the perceptions of senior managers regarding their top teams were less positive than those of the NI group. They were seen as lacking trust and openness, and were considered by many to be 'pulling in different directions'. The majority also considered that there were unaddressed sensitivities existing, which impacted upon individuals and the organisation. The RoI respondents showed less job satisfaction than NI group, and there were more who felt that their company's team management style was of the negative type i.e. 'rules and regulations' and 'power oriented'. While the overall pattern of responses for the Executive values was similar to the NI group, a more detailed look at the item responses revealed less willingness to follow systems and controls and a greater desire for independence.

The reasons for these differences is not clear from the results. It may be that cultural differences exist between the managers. Cultural differences have been shown to exist among managers from different European countries (Kakabadse et al 1992). However, the results show that significant differences exist between the groups in the samples surveyed. These would suggest that there is the potential for less effective top teams in the RoI group due to the more significant desire for independence.

### **Further Developments**

One of the main drawbacks in the use of the Executive Survey is that it uses the measurement of individuals' views to examine a framework of team processes. In order to verify the accuracy of using individual team members' perceptions, an overview of the team's operation as a unit is needed. This could be gained through follow-up interviews and observation of team dynamics. In addition, to gain practical use from the

results, there is a need for them to be discussed with the top teams as part of a programme of organisational development, and to combine the information gained with the normative models of team development. The survey is limited in its measurement of the impact of team interactions on business success. Factors outside the organisation will impact regardless of how well internal factors are operating. Follow-up interviews would help place the results within a wider context. In addition it would be useful to draw together the information gained from individual reports. Finally, despite the limitations outlined above, this survey has significantly added to our understanding of the working of the model of top team dynamics. The opportunity it provides to contrast dependent and independent variables has added greatly to information on top team processes and has shown the model's validity in the SME environment.

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