



Encyclopedia of Health Care Management

Group Performance

Contributors: Eric Sundstrom & Elaine Seat
Edited by: Michael J. Stahl
Book Title: Encyclopedia of Health Care Management
Chapter Title: "Group Performance"
Pub. Date: 2004
Access Date: May 14, 2019
Publishing Company: SAGE Publications, Inc.
City: Thousand Oaks
Print ISBN: 9780761926740
Online ISBN: 9781412950602
DOI: <http://dx.doi.org/10.4135/9781412950602.n344>
Print pages: 232-233

© 2004 SAGE Publications, Inc. All Rights Reserved.

This PDF has been generated from SAGE Knowledge. Please note that the pagination of the online version will vary from the pagination of the print book.

Group performance represents the extent to which a group's products or services meet the expectations of those who use, receive, or evaluate them. Expectations concerning performance derive from the group's *mission* or *role* as defined by the group's primary counterparts: the manager responsible for assigning and supervising the group's work; customers who receive the group's output; and possibly others with an interest in the group's practices, processes, or results, such as professional peers, regulators, stakeholders, or support staff.

Defining and clarifying the group's role are critical for group performance. Usual sources of role definition include the group's manager (for example, in a new product team), members (for example, physicians in a medical practice), and their individual roles in the larger organization (for example, a surgical team). Clarifying a group's role in the workplace calls for specifying the group's responsibility for negotiating and organizing its work, based on the combination of members' knowledge, skills, abilities, and preferences. Role specification also focuses on the group's responsibilities, timelines, work standards, and methods for measuring performance. Objective criteria of performance—based on counts of output—are ideal, although not always available. Reports or ratings of satisfaction by customers or managers are more common, and are best when specific.

Group effectiveness encompasses group performance plus *viability*, or long-term, continuing capability of performing as a group in the future. Because a group can burn out, fall apart, or otherwise lose its capacity to perform, effectiveness requires more than performance. Viability depends on the extent to which (a) working in the group continues to meet the members' needs, (b) members maintain the necessary individual expertise and collective capacities for coordinated effort, and (c) members maintain positive interpersonal relationships and willingness to continue working together in the future. For example, an effective ER team not only provides excellent emergency services, but its members also maintain and update their individual, specialized skills; the group maintains its teamwork skills; and members like and respect one another well enough to continue working together.

Psychologist Ivan Steiner (1972) proposed an equation to describe group productivity, a form of performance (output produced with available resources):

Actual productivity = potential productivity – process losses + process gains

In this equation, group performance (productivity) depends on (a) *potential productivity* expected in view of its resources—especially members' expertise—and constraints; (b) *process losses*, or failures to apply the resources to the mission, through faulty interaction processes; and (c) *process gains*, or increments in performance beyond the expected potential, gained through interaction in which members' collaborative results exceed the expected sum of their separate, individual efforts.

The following sections describe the terms on the right-hand side of the equation and identify factors related to process losses and gains.

Potential Group Productivity or Performance

A group's potential performance depends on the fit of its resources—especially members' knowledge, skills, abilities, and other traits—with the group's role, including specific responsibilities and constraints. Resources also include budget, tools, equipment, technology, facilities, and work time. Constraints can include reporting relationships, acceptable procedures, and work standards, among others. Ideally a group's members collectively possess all necessary capabilities and resources. If so, the group's potential performance is 100%.

Process Losses

Groups' interaction processes can lead actual performance to fall short of potential performance through failures to fully apply members' capabilities. Common sources of process loss involve *coordination*, as in a tug-of-war with people tripping over one another; or *motivation*, not pulling hard enough; or *direction*, as when a leader instructs people to pull in different directions.

Some well-established group dynamics commonly produce process losses: groupthink, conflict, and others. Process losses become more common as group size increases, and as coordination becomes more difficult. Process losses can stem from a mismatch of the leader's style, the group's composition, the situation, and/or the mission.

Process Gains or *SYNERGY*

Process gains occur when interactions among group members build on or extend the combination of individual contributions for better-than-expected outcomes. The term *synergy* describes such interactions, in which the collective result substantially exceeds the sum of results expected from the same individuals working separately. For instance, a new product team may conduct a "brainstorming" session and identify several new product ideas, all worthy of development, none of which the members might have conceived while working alone. Gains via interaction processes can come from innovative ways of combining members' complementary skills, new work technologies, refinements in procedure, or simply coincidence. For example, a new orthopedic cast replacement was created when materials experts and orthopedic surgeons assembled to manufacture new sizes of an existing product. Similar gains can occur when a group finds a better way (or "break-through") to accomplish a well-defined mission.

Factors in Group Process Losses and Process Gains

Group Size. Experts recommend forming groups of the smallest size that incorporates the needed expertise. Relatively small groups allow comfortable, efficient interaction among members. As group size increases, potential productivity rises at a decelerating rate, whereas potential problems in coordinating the members' efforts increase at an accelerating rate, along with prospects for process losses.

Group Composition. Research has found that group performance is related to group composition, the particular combination of individual ability and personality among members. For example, group average cognitive ability correlates positively with group performance for most tasks studied. Some research shows process gains in homogeneous, high-ability groups. Composition on some personality traits, especially average conscientiousness and agreeableness, relate to group performance of some kinds of work.

Heterogeneous groups—those with relatively diverse personalities—experience more conflict than other groups, and if they manage it well, may generate more creative solutions. In contrast, homogeneous groups tend to be more cohesive, less prone to process losses, and possibly less creative. Experts recommend staffing teams on the basis of complementary, work-related *expertise*, and not on personality. Diverse teams may need extra training in teamwork skills for managing individual differences.

Cohesion. Group cohesion, the extent to which members feel attracted and committed to their groups, tends to magnify the influence of *group norms*. In groups whose norms favor high performance, cohesion correlates positively with performance. In groups whose norms do not favor productivity, cohesion correlates inversely with performance. Cohesive groups tend to remain intact for relatively long periods, and generally perform well. Under certain conditions, however, cohesive groups can become susceptible to process losses from *groupthink* (a dysfunctional approach to decision making that involves a false perception of unanimity).

Goals and Goal Setting. Groups that adopt specific, moderately difficult goals perform better, on average,

than groups with no goals, vague goals, or apparently impossible goals. The gain in performance from setting specific, moderately difficult goals generally improves when members participate in setting the goals, or set the goals themselves.

Performance Measurement and Feedback. Groups whose members have timely access to measurements of their performance—that is, immediate feedback—tend to improve their performance more rapidly than do groups that receive no feedback. Some research has found dramatic gains from measuring group performance and providing timely feedback.

Motivation. Among the most powerful motivators for group performance are contingent rewards or incentives, particularly pay systems that incorporate *team compensation*, or rewards for collective performance by groups. Other sources of motivation include professional awards, public recognition, and evaluation by professional peers. Highly motivated groups tend to demonstrate process gains.

Leadership. Leadership roles, both internal and external to a group, include responsibility for (a) facilitating external communications and work linkages, (b) providing direction and coordination within the group, and (c) facilitating the development of positive interpersonal relationships among members to enable long-term group viability.

A leader whose approach complements the group's mission and composition can produce process gains, and a leader who uses a mismatched approach can create process losses. For example, a study at a health care facility found poorer participation and performance among groups whose leaders used an autocratic approach that overrepresented physicians' opinions and underrepresented the views of other professionals. In contrast, many situations involving groups in health care settings call for decision making by *consensus* (agreement by all members to support the group's decision). Research has consistently found process gains from consensus decision making, which takes more time than other methods of decision making and is best used for key decisions.

Conflict. Groups with interpersonal conflict—concerning personal differences—tend to perform poorly, at least in part because they spend time addressing relationship-focused conflicts that they could spend on their work. In contrast, well-managed task conflict—concerning alternative ways of approaching the group's work—tends to bring process gains. However, task-related conflict can become detrimental to performance when members refuse to compromise or adapt to one another's views and approaches. Best-performing groups have a moderate amount of well-managed conflict focused on the group's work and minimal conflict concerning interpersonal relationships.

Teamwork Skills. Specific skills needed for effective team-work, such as consensus decision making and conflict management, are taught as part of the standard training in teamwork skills offered by many successful team-based organizations.

- group performance
- productivity
- performance
- group size
- group composition
- loss
- groupthink

Eric Sundstrom & and Elaine Seat
<http://dx.doi.org/10.4135/9781412950602.n344>

See also

- [Group Norms](#)
- [Groupthink](#)
- [Team-Based Compensation](#)
- [Teamwork](#)

Further Reading

Cohen, S. G. Bailey, D. E. What makes teams work: Group effectiveness research from the shop floor to the executive suite. *Journal of Management* 23(3)239–290(1997) <http://dx.doi.org/10.1177/014920639702300303>

Hackman, J. R. (1990) *Groups that work (and those that don't): Creating conditions for effective teamwork*. San Francisco: Jossey-Bass.

Pritchard, R. D. Jones, S. Roth, P. Stuebing, K. Ekeberg, S. Effects of group feedback, goal setting, and incentives on organizational productivity. *Journal of Applied Psychology* 73(2)337–358(1988) <http://dx.doi.org/10.1037/0021-9010.73.2.337>

Steiner, I. D. (1972) *Group process and productivity*. New York: Academic Press.

Stewart, G. L. Barrick, M. Neubert, M. J. Mount, M. K. Relating member ability and personality to work-team processes and team effectiveness. *Journal of Applied Psychology* 83(3)377–391(1998) <http://dx.doi.org/10.1037/0021-9010.83.3.377>

Sundstrom, E. De Meuse, K. Futrell, D. Work teams: Applications and effectiveness. *American Psychologist* 45:120–133(1990) <http://dx.doi.org/10.1037/0003-066X.45.2.120>

Definition of Healthcare Management: The task of confronting challenges and pursuing effectiveness, efficiency, and equity in the use of limited resources on healthcare. Receive Complimentary Electronic Access to the First, Second, Third, and Fourth Edition of the Encyclopedia of Information Science and Technology with the Purchase of the Fifth Edition. For a limited time, receive the complimentary e-books for the first, second, third, and fourth editions with the purchase of the Encyclopedia of Information Science and Technology, Fifth Edition e-book*. Offer is only valid when purchasing the fifth edition's hardcover + e-book or e-book only option directly through IGI Global's Online Bookstore (www.igi-global.com/books) and is not intended for use by book distributors or wholesalers. Health information technology consists of a wide range of networking technologies, clinical databases, electronic medical/health records, and other specific biomedical, administrative and financial technologies that generate, transmit and store healthcare information. In the diagram below, a generic model of information flows that typify health information systems infra-structure is presented, and a brief discussion of the application of this model is highlighted in Figure 1. Healthcare management, also referred to as healthcare administration, is the administration, management or oversight of healthcare systems, public health systems, hospitals, entire hospital networks or other medical facilities. Duties of these professionals include ensuring that individual departments run smoothly, qualified employees are hired, information is disseminated efficiently throughout the organization, specific outcomes are reached and resources are used efficiently, among many other responsibilities. Required Education. There are various degrees that can lead to a professional position as a healthcare manager. Students usually pursue a program in healthcare management through a business school or school of public health. There are bachelor's level...