

**THE IMPACT OF TEAM LEADERSHIP FACTORS
ON TEAM EFFECTIVENESS OF HAIER
ENTERPRISE IN CHINA**



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UNIVERSITI MALAYSIA SABAH

**SCHOOL OF BUSINESS AND ECONOMICS
UNIVERSITI MALAYSIA SABAH**

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**THE IMPACT OF TEAM LEADERSHIP FACTORS
ON TEAM EFFECTIVENESS OF HAIER
ENTERPRISE IN CHINA**

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**Dissertation Submitted in Partial Fulfillment
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**SCHOOL OF BUSINESS AND ECONOMICS
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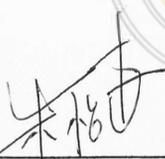
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DECLARATION

The materials in this dissertation are original except for quotations, excerpts, summaries and references which have been duly acknowledged.

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ABSTRACT

Today team effectiveness is more and more important in many enterprises, especially in China. The general objective of this research is to determine the impact of team leadership factors (coaching, communication, conflict resolution, and motivation), which have many influences on team effectiveness and age, gender and education level, which play a significant role in the relationship between team leadership and team effectiveness. The literature review provides detail description of former research on how these variables influence team effectiveness. The sample of this study is employees in Haier Enterprise in Qingdao, China. A sample of 200 employees were targeted, however, only 168 questionnaires were returned and collected for analyzing. For this study, the research used questionnaires as the main study instrument. Seven hypotheses were constructed and tested using SPSS program of multiple regression and hierarchical regression. The research discovered the team leadership factors (coaching, communication, motivation) have a significant impact on team effectiveness but, team leadership factor (conflict resolution) does not have a notable impact on team effectiveness. Age, gender and education level do not play a moderate role in the relationship between team leadership and team effectiveness.



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ABSTRAK

IMPAK FAKTOR-FAKTOR KEPIMPINAN BERPASUKAN TERHADAP KEBERKESANAN BERPASUKAN DI PERUSAHAAN HAIER, NEGARA CHINA

Pada masa kini, berpasukan dan keberkesanan berpasukan menjadi semakin penting terhadap banyak organisasi, terutama di Negara China. Objektif umum penyelidikan ini adalah untuk menentukan impak faktor-faktor kepimpinan berpasukan (melatih atau membimbing, komunikasi, penyelesaian konflik dan motivasi), mempunyai pengaruh yang besar terhadap keberkesanan berpasukan dan umur, gender dan tahap pendidikan, yang mana memainkan peranan penting dalam hubungan antara kepimpinan berpasukan dan keberkesanan berpasukan. Ulasan kesusasteraan membekalkan huraian yang terperinci dari penyelidikan terdahulu, bagaimana faktor-faktor perbezaan mempengaruhi keberkesanan berpasukan. Sampel penyelidikan ini terdiri daripada pekerja-pekerja di Perusahaan Haier di Qingdao, Negara China. Sejumlah 200 sampel menjadi sasaran kepada penyelidikan ini tetapi hanya 168 sampel dapat dikumpul untuk dianalisis. Penyelidikan ini telah menggunakan soalselidik sebagai kaedah utama pengumpulan informasi. Sebanyak tujuh hipotesis telah dijalankan dan diuji dengan menggunakan program SPSS, iaitu regresi berbilang (multiple) dan regresi hirarki. Hasil penyelidikan ini menemui bahawa faktor-faktor kepimpinan berpasukan (melatih atau membimbing, komunikasi dan motivasi) mempunyai impak yang signifikan terhadap keberkesanan berpasukan tetapi faktor kepimpinan berpasukan (resolusi konflik) tidak mempunyai impak nyata terhadap keberkesanan berpasukan. Umur, genus dan tahap pendidikan tidak memainkan peranan sebagai moderator dalam hubungan antara kepimpinan berpasukan dan keberkesanan berpasukan

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CHAPTER 1

INTRODUCTION

1.1 Overview

A great basketball star Michael Jordan once has said a famous saying: a great ball game star most prominent ability is lets your team member exert better. So team leadership has important function in team.

Team is popular word today. In China, many enterprises have themselves teams; for example TCL, Wa HaHa and Galanz; Francis and Young (1979:8) describe a team as an "energetic group of people who are committed to achieving common objectives, who work well together and enjoy doing so, and who produce high-quality results". Therefore modern management has become increasingly focused around the idea of the team.

Many variables affect team success, the influence of the leader is especially important. An earlier study involving over 100 teams revealed that team leader effectiveness related to team success at the highest level of 25 variables studied (Monczka and Trent, 1994). Other research has concluded that team leaders strongly affect group effort, cohesion, goal selection, performance norms, and goal attainment (Likert, 1961)

Higher-performing teams likely have a leader who has helped the team reach at least an implicit understanding about its task performance strategies, which refer to the collective choices a team makes regarding how to pursue an assignment. Effective teams often with the guidance of skilled leaders, develop at least an implicit understanding about how to proceed on their tasks. If the enterprise has not specially trained and skillful leaders, teams run a high risk of failing. Thus, to be effective as a

team leader, they must be adept at number of skills in team. For example, to be successful a manager should be able to develop and coach subordinates, communicate clearly, resolve conflicts, analyze problems, and make sound decisions. A manager must also be able to respond to work challenges in a positive way, use time efficiently, and delegate work (Davis et al., 1996).

Meanwhile, team members exert team effectiveness by team leadership and established self advantages. Team effectiveness is defined as team performance, team viability, and team member satisfaction (Hackman, 1987). In an enterprise, team performance and team viability is high; team member feel satisfaction to enterprise. The enterprise has competition advantages compare with other enterprise.

In this paper, it will focus on the factors of team leadership, and find the association between these factors and team effectiveness. Whether the factors of team leadership impact the team effectiveness and whether towards improving member's performance.



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1.2 Background of Haier Enterprise

The Haier enterprise was founded in 1984 with headquarters in Qingdao, Shandong Province, PRC. In 1984, Haier produced only a single model of refrigerator, today it is one of the world's leading white goods home appliance manufacturer (Figure 1.1). Under the leadership of Chairman and CEO Zhang Ruimin, Haier manufactures home appliances in over 15,100 different specifications under 96 categories. Haier's product categories range from refrigerators, refrigerating cabinets, air conditioners, washing machines, televisions, mobile phones, home theatre systems, computers, water heaters, DVD players and integrated furniture.

Haier 海尔

Haier while domestic obtains the huge achievement has also obtained the very good market share in the overseas market. Haier more and more close to the globalization development tendency.

Haier products are now sold in over 100 countries around the globe. The global revenue of Haier for 2005 was RMB 103.4 billion. Haier has over 240 subsidiary companies, over 110 design centers, plants and trading companies and over 50,000 employees throughout the world. In China, Haier's 4 leading product categories - refrigerators, refrigerating cabinets, air conditioners and washing machines - have over 30% market share. In overseas markets, Haier products are available in 12 of the top 15 chain stores in Europe and 10 leading chain stores in the USA. Haier is now approaching its goal of being "local" in American and European markets via localized design, manufacturing and sales processes. In addition, Haier has set up production facilities and plants in the USA (Figure 1.2), Italy, Pakistan, Jordan and Nigeria.



Haier (US) Industry Park

Today, Haier have much achievement, The Haier team has played the very major role. Haier established Haier University in 1999. Haier University train the team member and line manager by varies of course. On the other hand, Haier also established international training center in 2001. Most team leaders would benefit from training and development directed at improving specific knowledge and skill areas. (Coaching Communication, Conflict Resolution and Motivation etc).

1.3 Research problem.

In China, in large enterprise which transnational enterprise, team leaders pay attention to train team member, team members must also know how to function effectively as team member, they think effective team member lead to effective team, and there exist the problems which neglect team leaders' management. Zenger et al. (1994), summarizing from his research involving hundreds of teams and team leaders, has observed that organizations often underestimate the time and ability required to assume formal leadership positions. Managers cannot ignore is the relationship between the effectiveness of the team leader and team performance.

Zenger et al. (1994), has concluded that without specially trained and skillful leaders, teams run a high risk of failing and, within days of taking a leadership position, team leaders usually realize they need a new set of skills. Because a team leader affects so many of the variables that are vital to teaming, managers cannot ignore the important influence that team leaders have on team and, ultimately, team effectiveness. So, effective leaders also play a vital role in establishing and enforcing higher performance.

Therefore, by focusing on the impact team leadership skills (coaching communication, conflict resolution motivation) on team effectiveness in knowledge and skill areas, it may be able to find solution to problem on this enterprise. The main problem to be solved in this research is to what extent team leadership influence team effectiveness. This research basically, will also try to answer the following research questions:

1.3.1 What is the relationship between team leader coaching skills and team effectiveness?

1.3.2 What is the relationship between team leader communication skills and team effectiveness?

1.3.3 What is the relationship between team leader conflict resolution skills and team effectiveness?

1.3.4 What is the relationship between team leader motivation skills and team effectiveness?

1.3.5 Do age, gender and education level moderate the relationships between team leader skills and team effectiveness?

1.4 Research Objectives

The research objectives of this study are to:

1. To examine the relationship between team leader coaching skills and team effectiveness.

2. To analysis the relationship between team leader communication skills and team effectiveness.

3. To examine the relationship between team leader conflict resolution skills and team effectiveness.
4. To investigate the relationship between team leader motivation skills and team effectiveness.
5. To analysis age, gender and education level play a role in moderating the relationship between team leader skills and team effectiveness.

1.5 Scope of study

Haier enterprise has over 240 subsidiary companies around the world, in order to let our questionnaire survey be convenient, we focus on Haier headquarters in Qingdao, Shandong Province, PRC. Therefore, this research is conducted to determine whether team leader skills have a positive impact on team effectiveness at Haier headquarters in Qingdao.

Population of this research consisted of team members attached to Haier headquarters in Qingdao, Shandong Province, in China. The selection of the respondents was based on a conveniently sample method.

1.6 Significance of the study

This research will be useful to the literature of factors of team leadership, helps the management of Haier headquarters in Qingdao, Shandong Province, in China improving the leadership qualities as well as to increase team effectiveness.

The results of this research can help the Haier find solutions to team leadership on team effectiveness, increase cooperation, improve product quality and not incidentally, increase profits. Furthermore, this research will be beneficial on atmosphere in the

enterprise to improve the team leader skills areas, which the team members become commitment, trust and passion to their team or enterprise. They would like to stay in the team and exert their ability to come true team effectiveness.

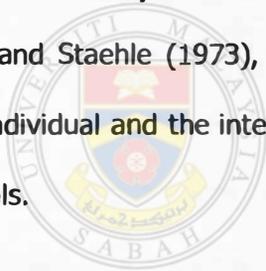
Data collected from this research can be used to articulate solution to team effectiveness by team leadership. The result of this research could also help Haier to compete with other large enterprise in the aspect of team leader.

1.7 Definition of Key Terms in This Study

On this study, definition for all the six key variables as follows:

1.7.1 Team Leadership

Bass (1990) and Staehle (1973), team leadership means influencing the attitude and behavior of individual and the interaction within and between groups for the purpose of achieving goals.



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1.7.2 Team Effectiveness

The term effectiveness "refers to how well a team accomplishes its purpose or mission" (Tannenbaum, Salas, & Cannon-Bowers, 1996, p. 505)

1.7.3 Coaching

Coaching refer to training and feedback given to employees by immediate supervisors. (Robert, L., John H., 2003)

1.7.4 Communication

Wynn and Guditus (1984:74) communication is "the process of exchanging information, beliefs and feelings among people; it may be oral, written, or nonverbal.

1.7.5 Conflict Resolution

Conflict resolution means terminating conflict by methods that are analytical and get to the root of the problem (Tillett, 1992, p. 123).

1.7.6 Motivation

Motivation had been defined as an inner drive or force that acts on humans to initiate or direct behavior and influence the intensity of that behavior. (Petri,1991)

1.8 Conclusion

Today, china enterprises more and more pay attention to team or teamwork in organization. Team is not isolated, team effectiveness directly connect with origination effectiveness or performance. Moreover, the organization exerts a considerable amount of influence on how the team is able to work. Team leadership is important part bout team effectiveness. Team leadership how to influence on team effectiveness? This paper studied the problems encountered by Haier Enterprise in China and provided a significant trail of study based on the data of Haier Headquarters in Qingdao.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter deals with the survey of the literature in the area related to the impact of team leadership factors on team effectiveness. A review on some of the research studies of team leadership on effectiveness and its variable is as outlined in this chapter.

2.2 Definitions of Concepts

Each of the concepts will be defined as to show the relationship of team effectiveness and the variables of team leadership (coaching, communication, conflict resolution and motivation). The researcher will relate to these concepts with the findings in the chapters.

2.2.1 Team Leadership

The concept of leadership has been defined by many people in various ways often based on a specific discipline and personal experiences (Rosenbach, 2003; Hartog et al., 1997). One of such definitions is from the most authoritative source on leadership research and theory – The Handbook of Leadership (Bass, 1990). It defines leadership as: an interaction between members of a group. Leaders are agents of change; persons whose acts affect other people's acts affect them. Leadership occurs when one group member modifies the motivation or competencies of others in the group (Gibson et al., 2003). Rosenbach (2003) defines leadership as: a process of the leader and followers engaging in reciprocal influence to achieve a shared purpose. It is all about getting

people to work together to make things happen that might not otherwise occur, or to prevent things from happening that would ordinarily take place.

Leaders are generally responsible for overall organizational effectiveness as measured by production, efficiency, quality, flexibility, satisfaction, competitiveness and organizational development (Gibson et al., 2003). Avery and Baker (1990) on the other hand defined leadership as: a process of influence between a leader and his followers to attain group, organizational and societal goals.

Many researchers and academicians in the past have attempted to exactly determine the very fundamental attributes and characters of an effective leader. Leaders are considered effective if they possess the ability to develop and articulate a vision, honesty, energy, commitment, integrity, internal locus of control and a passion for continuous improvement (Buhler, 1995).

On the other hand, we concur with Lord and Maher (1993, p. 11) that leadership "involves behaviors, traits, characteristics, skills and outcomes produced by leaders as these elements are interpreted by followers" therefore team leader's behavior, skills, and function connect with team effectiveness. Most team leaders would benefit from training and development directed at improving specific knowledge and skill areas.

Finally, although many argue that leadership effectiveness should be assessed in terms of team or organizational effectiveness (e.g. Hogan et al., 1994), in reality, except for a few studies, most investigators evaluate leadership effectiveness in terms of ratings on individuals provided by superiors, peers, or subordinates (Judge et al., 2002). In the present study, we examine some of the leadership qualities of the dominant member of a team in order to predict team effectiveness.

2.2.2 Team Effectiveness

The term effectiveness "refers to how well a team accomplishes its purpose or mission" (Tannenbaum, Salas, & Cannon-Bowers, 1996, p. 505). Salas, Dickinson, Converse, and Tannenbaum (1992) provided a good working definition of a "team" as: a distinguishable set of two or more people who interact, dynamically, interdependently, and adaptively toward a common and valued goal /objective /mission, who have been assigned specific roles or functions to perform, and who have a limited life-span of membership.

This definition, echoed by other team researchers (Nieva, Fleishman, & Rieck, 1978; Orasanu & Salas, 1993), emphasizes that team members typically have different and unique roles, each representing critical contributions to collective action. This means that there exists a high degree of interdependence among team members. This interdependence requires coordination and synchronization among members and integration of their contributions to achieve team goals. During team action, members need to exchange information and resources, as well as constantly monitor the coordination of their efforts, adjusting individual and team actions when coordination breaks down (Salas et al., 1992). Thus, successful team action requires (a) the identification of appropriate individual member contributions and (b) a plan for the best way these contributions can be combined into an integrated team response (Hinsz, Tindale, & Vollrath, 1997).

Moreover, effectiveness is important because it is a determinant of a company's success and that it relates to satisfying the environment. They contend that effectiveness is the degree of correspondence between actual and desired outputs.

For the present study, team performance is described by its variables effectiveness and efficiency (Madhavan and Grover, 1998). Effectiveness refers to the degree to which teams meet expectations regarding the quality of the outcome, whereas efficiency relates to the adherence to schedules and budgets. Therefore, effectiveness reflects a comparison of intended versus actual output, whereas efficiency ratings are based on a comparison of intended versus actual input.

2.2.3 Coaching

Coaching refer to training and feedback given to employees by immediate supervisors. (Robert L., John H., 2003). (Raymond A., John R., Barry and Patrick M., 2004) defined coach refers to a peer or manager who works with an employee to motivate the employee, help him or her develop skills, and provide reinforcement and feedback.

Team leader coach the team member to improve professional performance and personal satisfaction and consequently, to improve the effectiveness of the team or team member. The literature clearly delineates between two major types of coaching (Koonce, 1994; Olivero et al., 1997; Snyder, 1995; Thach and Heinselmann, 2000). The first of these can be described as performance based, and focuses on practical and specific business issues. This type of performance-based coaching is generally more short-term in nature, and can range from one to several meetings between coach and team member. The second type of coaching can be defined as in-depth coaching. This can be more psychoanalytical in approach, attempting to get at deep-seated issues and often exploring personal values, motivation, and even family issues. This type of coaching generally lasts longer and is more costly. Regardless of the type of coaching