

Chapter 73

Measuring the Effect of Team Characteristics, Team Effectiveness on Organizational Performance, Organizational Survival and Competitiveness: A Case Study of an Indonesian NGO, Yayasan Cinta Anak Bangsa by Using PLS Method

Cheng Ping Shih

National Taiwan Normal University, Taiwan

Dian Utami Putri

National Taiwan Normal University, Taiwan

ABSTRACT

Teamwork was already utilized since the beginning of human history. Pressure of global competition, needs to align business models, and urgency to have continuous improvement have made many organizations and the majority of non-governmental organizations (NGOs) think of teamwork as one of their core competency. One way to improve NGO's competitive advantage was to enhance teamwork performance. The purpose of this research was to explore the relations between team characteristics, team effectiveness, organizational performance, organizational survival and competitiveness in the NGO context. A TEPS Model was created and analyzed by using Partial Least Squares (PLS) method. The findings indicated that team characteristics had a positive significant effect towards team effectiveness; team effectiveness also had positive significant effect towards innovation, customer's satisfaction, financial performance, as well as organizational survival and competitiveness of YCAB. Practical implications and suggestions were also proposed in order to improve overall teamwork performance in YCAB.

DOI: 10.4018/978-1-5225-3909-4.ch073

BACKGROUND

Teamwork is one of our most beneficial principles that we practice since early childhood from the play-ground to later in the work place to achieve the higher performance and more effective work result. As a result of globalization, improvement of technology and education, there was a shift in organizational system. These factors changed the characteristics of people, jobs and therefore the organization itself (Levi, 2001). People demanded more meaningful work, jobs became more complex and interdependent, and organizations found that they needed to have more diversity. Pressure of global competition, need to align business models with complex environments and urgency in continuous innovation have led to the critical use of teamwork as a core element of organizational design (Kozlowski & Bell, 2003).

Companies have reported that they used work teams in order to improve productivity, quality, morale, and to reduce costs (Lawler, Mohrman, & Ledford, 1992; Wellins, Byham, & Dixon, 1994). Prior statistical researches were also conducted on the effect of teamwork to the team performance. Many researches have studied the strong link between work teams and job satisfaction (Cohen & Ledford, 1994; Wall, Kemp, Jackson, & Clegg, 1986) and organizational commitment (Corderey, Mueller, & Smith, 1991; Pearson, 1992). Also, many models of teamwork have been presented in order to identify which team characteristics could enhance team effectiveness. However, not many studies have investigated the big picture of relations of team effectiveness, organizational performance, organizational survival and competitiveness.

Indonesian Non-Governmental Sector: Background and Challenges

In Indonesia, NGOs have become a significant and highly dynamic part of Indonesian society, active participants in almost every social endeavor (Saidi, 2001). However, this did not imply that NGOs did not face various challenges. Due to the major financial crisis which occurred in 1998, NGOs experienced an extensive impact. It was very challenging for NGOs to receive aids; in addition, aids they obtained were not sustainable. The instability of Indonesian NGOs urged them to become more competitive in their sector.

As a result, to maintain their survival, NGOs must do better job at selling themselves to donators by emphasizing not only their agendas but also their capabilities and assets (Heap, 2000). Since most NGOs are team oriented, one way to improve their competitive advantage is by enhancing their teamwork performance. In order to remain competitive, NGOs have to ensure they have strong and effective teams. By increasing reliability and capability, NGOs may be able to secure their foreign assistances and be able to continue with their programs in the long run. Hence, there is need for further investigation about teamwork, organizational performance, organizational survival and competitiveness in regard to NGOs.

The purpose of this research was to explore the relations between team characteristics, team effectiveness, organizational performance, organizational survival and competitiveness using an integrated model in the NGOs context. The model helped to provide insight of significant variables that contributed most to team effectiveness, subsequently the organizational performance and organizational survival and competitiveness. By identifying the relations between variables, practitioners could emphasize the strong factors that have dominant effects to organizational performance and survival, as well as minimize weak factors. Thus, it could help practitioners to formulate the best and relevant strategies for their teamwork and organizational development.

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