

## Team Effectiveness and Perceived Employees' Performance in Nepalese Service Sector

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### ABSTRACT

Team plays a significant role on employees' performance that leads to organizational performance. To create and implement team effectively, management system must be designed to fit the team environment to enhance the productivity. Various factors such as supportive environment, team rewards and cohesiveness affects the team effectiveness which eventually leads to better employee performance. The study investigated the key factors affecting team effectiveness and employees performance in Nepalese service sector. Total 150 questionnaires had been distributed to the selected employees 100 questionnaires were used for further analysis. Convenience sampling technique has been applied. The results indicates that all the six dimensions of team effectiveness such as Supportive Environment, Team Reward, Team Skill, Role Clarity, Leadership and Team Cohesiveness have positive relationship with Employees Performance in Nepalese Service Sector Organizations. Team Skill and Role Clarity is the two highest influencer towards Employee Performance where as Supportive Environment and Team Cohesiveness have least impact on Employees performance. Remaining variables such as leadership and team reward have moderate impact. This study contributes to understanding employee reactions to team and to the diffusion and sustainability of work innovations more broadly. The result of this study may have implications for the organizations management. The study emphasizes the importance of team effectiveness and its' impacts on employees performance and its relevance in shaping the cognitive states of employees involved in a team. Management of organization must recognize the team and its members and provide a mediating link between team and organization.

**Keywords:** Team Management, Nepalese Service Sector, Perceived Organizational Performance, Team Effectiveness

### BACKGROUND

An organization is a team work where many individuals work together to achieve common goal. Teams are created in an organization and processes are improved to increase competitive advantage. To create and implement team effectively, management system must be designed to fit the team environment to enhance the productivity. The team work is essential in an organization so that team work friendly management system should be designed (Jones and George, 1998). Team refers to a technique and process for organizing and coordinating a group of individuals to achieve the common goal. So, effective team is essence for organizational success (Prendergast, 1999). A team is a group in which members work together intensively to achieve common group goal (Lewis and Taylor, 1998). A team can be defined as any group of people organized to work together interdependently and cooperatively

to meet their customers by accomplishing purpose and goal (West, M. A., 2001).

A team generates positive energy through combined coordinated effort. In team, the individual efforts result in a level of performance greater than the sum of those individual inputs (Robbins, Judge Vohra, 2011). According to Kelly, a single honey bee does nothing till it will be a part of a highly productive operation to make honey. It indicates about process. K. Kelly focused on "a hive mind" consisting of individual bees working together for common objectives (Kevin Kelly 1998). The team results better output with effective utilization of the available resources and it is very necessary to be effective.

Effective teaming requires a careful examination of planning issues related to the use of team. Team is to be managed in such a way that it enhances the synergy (McGrath, 1964). Boyett (1995), emphasized on development of firm-

specific talent, designing and implementing training programmes. It focuses on team skills with individual behaviors with those who work in team. He further focuses on Human Resources (HR) policies and training and development programmes enhance to team skills. On focusing on the team work, team skill and team behaviors, the organization enhance success and effectiveness.

Bringing individuals together is easy, but making them perform is difficult. Similarly, giving them task is easy but expecting the best from them is tough. For the same, there is a scope of team management which refers to the various activities to bind a team together by bringing the team members closer to achieve the set targets. Team-based management technique improves team members' productivity, quality, satisfaction, performance and the team be effective (Elmuti, 1996). If a team leads to better performance, and then their use will expand. Group task design, processes and rewards affect workers attitude and performance (Batt, 2004). The team should be formed with just enough members to accomplish the task but not less or more that can be managed effectively (J. Richard Hackman 1987).

Team effectiveness helps to conflict management which eventually helps to improve employees' performance. So, team effectiveness is the ability of the team members to meet the goals and objectiveness of the company (Gull et al. 2012). The debate between teams and effectiveness is the fact that very few studies have shown a clear connection between team and performance and even fewer have assessed the team impact on employees and organizational performance (Wisner and Feist 2001).

There is no well-tested and accepted body of research and theory to guide practitioners while groups are not being used to perform the task nor there is a documented set of techniques to make team more effective (J. Richard Hackman, 1987). The ingredients of effective teams that contribute directly to team effectiveness are supportive environment, appropriate skills and role clarity, super ordinate goals and team rewards ( J. Newstrom & K. Devis, 2001). Human resources policies for team empowerment and effectiveness along with team-based selection, training, evaluation and incentives for team members effort are other ingredients ( Kirkman et al.,2001).

Team plays a significant role on employees' performance that leads to organizational

performance. Team is group of people with predetermined purpose of achieving a set of goals through use of collective effort (Lewis & Taylor, 1998). Although the team is very difficult to manage so caution should be taken. It is easy to bring many individuals in an organization but to perform from them is very tough. Various factors such as supportive environment, team rewards and cohesiveness affect the team effectiveness which eventually leads to better employee's performance. This study has been conducted in a collective team context in foreign and Nepalese context. This has investigated the key factors affecting team effectiveness and employees performance. The study has been directed towards exploring the answers of the following questions.

- How does the different factors of team affects team effectiveness?
- How the team effectiveness does affect on employees' performance?

This research has aimed to gather empirical evidence which can explain current situation on Team effectiveness and its' impact on employees performance in Nepalese Service Sectors Organizations. The research also tried to find the factors that contribute to team effectiveness and test their relationships which help to improve employees' performance. The research tried to inquire the issue in two research question such as

- How the team effectiveness does affect on employees' performance? and
- How does a team and its' effectiveness is affected the different factors.

This study is important piece of work for all those who are interested to know about team effectiveness and perceived employees performance. It has further explored the team effectiveness towards employees' performance which may be useful as teaching materials in teaching learning process. It is hoped that the study explores several ideas about how to test team effectiveness in organization which eventually will add advantage for researcher for further study about team effectiveness and employees performance.

### OBJECTIVES OF THE STUDY

This study has aimed to investigate the key factors affecting team effectiveness on perceived employee's performance. To achieve this, the research is designed at addressing the following specific objectives.

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- To examine the relationship between team effectiveness and employees performance in Nepalese Service Sector.
- To determine the impact of team effectiveness on employees performance in the Nepalese Service Sectors.

### HYPOTHESIS

After reviewing the various literature related to the team and its' effectiveness towards employees performance, the study is directed to test the following research hypothesis.

- H<sub>1</sub>: The supportive environment has a significant positive effect on employees' performance in Nepalese Service Sector.*
- H<sub>2</sub>: The team reward has a significant positive effect on employees' performance in Nepalese Service Sector.*
- H<sub>3</sub>: The team skill has a significant positive effect on employees' performance in Nepalese Service Sector.*
- H<sub>4</sub>: The role clarity has a significant positive effect on employees' performance in Nepalese Service Sector.*
- H<sub>5</sub>: The leadership has a significant positive effect on employees' performance in Nepalese Service Sector.*
- H<sub>6</sub>: The team cohesiveness has a significant positive effect on employees' performance in Nepalese Service Sector.*
- H<sub>7</sub>: The team effectiveness has a significant positive effect on employees' performance in Nepalese Service Sector.*

### LITERATURE REVIEW

In the current postindustrial age, more and more organizations face high velocity environments which are characterized by dramatically changing, uncertain and high-risk (Riulli-Saltzman & Luthans, 2001). In such a highly dynamic and uncertain environment, many organizations are using team concept to achieve the organizational goal and teams are being efficient and productive (Le Pine, Erez & Johnson, 2002)

Team refers to a group of people (members) who work together intensively to achieve common group goal (Lewis & Taylor, 1998). Team can be defined as a group of people organized to work together to achieve organizational goal. Through the combined and collective effort of members, resources and team (collective) responsibility are used for the result achieved and teams are also formed for challenges and compete with competitors. Teams are formed to benefit from the principle of synergy

where total output from team is always greater than the sum of individual output of team mates i.e. one plus one in a productive and dynamic team is always greater than two (Kelly, Martocchio & Frink 2002). A team is a small number of people with complementary skills who are committed to a common purpose, common performance goals, and an approach for which they hold themselves mutually accountable (Acharya, 2015).

Team makes sense in current challenging and competitive global markets. Team work creates benefits such as increased productivity, improvement in product quality, enhances the quality of work life of the employees, reduces the cost, minimizes the employees turnover and conflict resolution (Cohen & Ledford 1994). A successful team-based organization is dynamic and ever ready to change as well as to re-orient its' core competencies to meet with new environmental challenges and utilizing the organizational capabilities to achieve its' objectives (Teece et al. 1997). Business firms with superior knowledge-based resources can add value to assets and firm worth by innovation in order to cope with an uncertain and dynamic business environment (Miller & Shamise 1996). Business organizations maintain team practices and give continuity for market introduction, team composition and reviewing team composition, at each stage in the development cycle, refining skills and use resources as per need and accepting team membership and the leadership is a key to success in the organization. This study suggested four influencing factors of high performing organizations, appropriate team leadership, appropriate team type, strong team sponsorship and support system (Mercer 1997).

Pentland A. (2012) has focused on the chemistry of high-performing groups which is no longer a mystery. The successful teams share following characteristics such as:

- Everyone on the team talks and listens in roughly equal measure, keeping contributions short and sweet.
- Members face one another, and their conversations and gestures are energetic.
- Members connect directly with one another-not just with the team leader.
- Members carry on back-channel or side conversations within the team.
- Members periodically break, go exploring out-side the team, and bring information back.

Pentland A. (2012), the study also establishes another surprising fact: individual reasoning and talent contribute far less to team success than one might expect. The best way to build a great team is not to select individuals for their smarts or accomplishments but to learn how they communicate and to shape and guide the team so that it follows successful communication patterns.

The evidence of team effectiveness has been drawn from the construction of the planet's oldest monoliths in Malta c. since 4000 B.C. unfortunately; the contributing factors to team effectiveness were not well documented till the period of 20<sup>th</sup> century where Elton Mayo's work "uncovered the importance of teams" came out (Parker, 1990). Team effectiveness towards organizational performance, there are some factors which plays significant role. Those factors are: Energy, Engagement and Exploration Pentland A. (2012). Team effectiveness is the extent to which a team achieves its objectives, achieves the needs and objectives of its members and sustains itself in an organization (Mc Shane and Glinow, 2003). Teams are more effective than individuals which totally depends on the criteria we use for defining effectiveness in terms of accuracy, team decisions and it contributes for better quality decisions and more creative solutions (Acharya, 2015).

Shelley, D.D., Francis, J. Y., Atwater, L.E., and Spangler, W.D. (2004), the idealized influence

/inspirational motivation, intellectual stimulation and individualized consideration could produce intermediate outcomes such as shared vision, team commitment, an empowered team environment and functional team conflict. In turn, these intermediate outcomes may positively affect team communication, cohesion and conflict management. Implications for team development, team training and team structure are key success factors of a team which leads to employees' performance.

Elmuti (1996), statistical analysis was found to indicate that involvement in team-based management systems was positively related to perceived changes in satisfaction with opportunities for participation at work, to accomplish something worthwhile at work, and enhancing opportunities and skills needed for advancement in organizations. Grindle (1982), team leaders who are skilled in leadership, communications, decision making and in sharing power and authority find team management to be productive. A team helps on productivity improvement, creativity enhancement, reducing the time and cost and helps to make decisions. Based on the review of available literature in the field of team effectiveness on employees' performance, the following framework has been developed to undertake the purposed study in systematic manner. The general relationship of these variables is summarized as below:

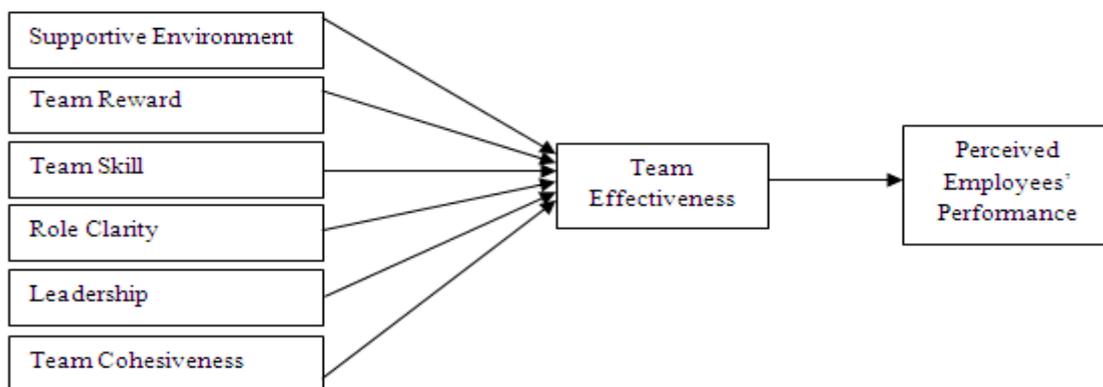


Fig1. Conceptual Framework of Team Effectiveness and Employees' Performance in Nepalese Service Sector

**TEAMWORK PROCESS**

**Team Cohesion**

Cohesion indicates the degree to which member of a team are motivated to remain on the team (Shaw 1976). Teams with high cohesion tend to have less absenteeism, high involvement in team activities and high levels of member coordination during team tasks (Morgan and Lassiter, 1992). Team cohesion is link with team variables that

included satisfaction, productivity and member interactions (Buttenhausen's 1991). According to Swezey and Salas (1992) cohesion is one of the primary category that addresses team work process principles which may discriminate between effective and ineffective teams. Empirical research shows that the team cohesion has been considered as a critical motivational factor influencing team effectiveness (Weaver *et al.* 1997) where as previous Meta analysis showed

a significant cohesion - performance effects (Evans and Dion, 1991).

### Role Clarity

Team role refers different habitual behavior to contribute to a team. If the team member has clear understanding about his/her role, the task will be easy. If the team members' role is clear, he/she can perform well through which employees' performance will be improved.

### Leadership

The leader in a team can be as a manager, supervisor, foreman, project manager, committee coordinator and so on. The success and failure of a team entirely depends upon the team leader. To be successful, team needs effective leadership and proper allocation of task and clear role among members (Mc Shane and Glinow, 2003).

Leaders with strong concern about their team members' relations with them and each other and express these concerns by creating a supportive and friendly environment are said to be people-oriented (Beatty, 1988; Katz *et al.*, 1950). Such leaders are referred to as interaction-oriented, interaction-facilitative and supportive, and concerned for team maintenance (Anderson, 1974; Bass, 1967; Blake and Mouton, 1964).

### Performance Evaluation and Reward System

One of the special features of an effective team is proper performance evaluation and equitable reward system. The team should adopt team performance and reward system instead of traditional and individually oriented evaluation system (Acharya, 2005).

### Employees' Performance

Performance is a set of financial and nonfinancial indicators which offer information on the degree of achievement of objectives and results (Lebans & Euske 2006 after Kaplan & Norton, 1992). The organization which is committed to support the development of its people who are encouraged to improve their own and people's performance. People believe their contribution to the organization is recognized. The development of people is in line with the organization's aims and objectives where people (employees) understand how they contribute to achieve its goals. Managers who are effective in supporting the development of people to learn and develop effectively. The development of people improves the performance of the organization, teams and individuals as well as the organization gets better at developing people (Beal, 2003). In

conclusion, the success of organization highly depends on team effectiveness.

## RESEARCH METHODOLOGY

### Research Design

A research design should provide relevant information that has most efficiently and effectively address the research questions or hypotheses (Hair *et al.*, 2007). There are three distinct research designs: exploratory; descriptive; and causal. Of these three, descriptive and casual research designs match the need to provide the relevant information for the above research questions. This study has used a quantitative approach towards descriptive and explanatory casual research design to test the research questions empirically and a descriptive research design for answering the research questions. Similarly, the need of explanatory casual research design is needed and reflects to test the relationship and impact of team effectiveness over Employees Performance. The need for casual research design reflects the development of hypotheses, where the relationship and impact is empirically tested. In this study, both independent and dependent variables are involved in order to form the required relationships. So forth, this study addressed hypothesis testing in relation to the research model.

### Population and Sample

The population of the study is the individual who work in Nepalese service sectors. Employees of middle and top level are included in the study. Convenience sampling technique has been applied under non-probability sampling technique in this study.

### Instrumentation

This study is based on primary sources of data. Questionnaires were used to collect the data in this study. Respondents included in the study were from Nepalese Service Sectors employees who work in a team to collect the information in this study. Total 150 questionnaires had been distributed to the selected samples out of which only 100 questionnaires were used for further analysis. The response rate was 66.67%. The questionnaire was divided into six parts i.e. supportive environment, team rewards, team skill, role clarity, and leadership and team cohesiveness. Each variables contained a numbers of questions based on 5 point scale i.e. from strongly disagree to strongly agree. Analysis had been done by using SPSS.

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Descriptive statistics, inferential analysis, correlation coefficient and regression analysis were used to analyze the data.

### Analysis of Data

The collected data was used for the analysis. The Reliability was tested obtaining Cronbach's Alpha of all the dimensions. After that, further analysis was done such as demographic characteristics, descriptive statistics along with various inferential statistics. Result of each and

**Table1.** Reliability of the constructs

Constructs	Items	Cronbach's Alpha
Supportive Environment	4	0.760
Team Reward	4	0.839
Team Skill	3	0.756
Role Clarity	3	0.773
Leadership	3	0.850
Team Cohesiveness	5	0.715

## DESCRIPTIVE ANALYSIS

### Respondents Demographic Characteristics

The majority of the sample are male i.e. 77% as compared to 23% of female, of which majority of sample falls 30 years to 60 years age group with 57% which is followed by below 30 years age group with 41% and above 60 years age group constitute only 2%. Based on collected data of respondents, it can be observed that majority of respondents holds Master Degree with 50% and followed by Bachelor and above Master degree with 26% and 24% respectively. The entire study was done by dividing all respondent's current job position in three groups such as Lower Level, Middle Level and High Level.

Majority of respondents hold middle level job position with 50% and it is followed by lower level and high level with 29% and 21% respectively. The result of descriptive statistics is presented in the table 3 which provides information regarding perception of employees towards team effectiveness in Nepalese Service Industries. For this, six dimensions are used such as Supportive Environment, Team Reward, Team Skill, Role Clarity, Leadership and Team

**Table2.** Demographic Components of Respondents.

Gender	n	%	Qualification	n	%
Male	77	77	Bachelor Level	26	26
Female	23	23	Master Level	50	50
<b>Age Group</b>	<b>n</b>	<b>%</b>	Above Master	24	24
Below 30 Years	41	41	<b>Current Job Position ( Level )</b>	<b>n</b>	<b>%</b>
30 Years to 60 Years	57	57	Lower Level	29	29
Above 60 years	2	2	Middle Level	50	50
			Higher Level	21	21

every statistical test are presented in separate table along with its explanation.

### Reliability

According to tables 1 all the constructs have value higher than thresholds i.e. reliability (0.70). To assess validity, the extracted variance should be greater than the variance shared between constructs in the model i.e. squared correlation between constructs (Fornell and Larcker 1981). All of constructs are satisfied in the criteria.

Cohesiveness. Based on the result, it is found that employees moderately prevailed team effectiveness in these organizations with overall mean value 3.66 and Standard Deviation 0.51.

Similarly, different dimensions of team effectiveness moderately range practices exists in these organizations with highest mean of Supportive Environment with mean 3.88 and Std. Deviation 0.58 and followed by Role Clarity with mean 3.82 and Std. Deviation 0.62. Additionally, other dimensions has lower mean and standard deviation and rated moderately such as Team Cohesiveness (M=3.78, SD=0.60), Leadership(M=3.51, SD= 0.83) and Team skill(M=3.50, SD=0.77) and Team Reward with lowest Mean and Std. Deviation i.e. Mean 3.45 and Std. Deviation 0.75. Similarly, employees' performance has mean score of 4.17 with Std. deviation of 0.29. Hence, employees' performance is moderately perceived by the employees.

The team effectiveness was measured with six dimensions and its relationship was analyzed with employees' performance.

The study tested the casual relationship among the variables and tested the hypothesis.

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**Table3.** Status of Dimensions of Team Effectiveness and Employees Performance

Dimensions	Mean	Std. Deviation
<b>Supportive Environment</b>	<b>3.88</b>	<b>.58</b>
SE_1	3.97	.72
SE_2	3.94	.71
SE_3	3.71	1.06
SE_4	3.90	.73
<b>Team Reward</b>	<b>3.45</b>	<b>.75</b>
TR_1	3.34	1.03
TR_2	3.35	.91
TR_3	3.43	.90
TR_4	3.69	.80
<b>Team Skill</b>	<b>3.50</b>	<b>.77</b>
TS_1	3.34	1.01
TS_2	3.19	1.06
TS_3	3.96	.89
<b>Role Clarity</b>	<b>3.82</b>	<b>.62</b>
TC_1	3.97	.88
TC_2	3.46	.90
TC_3	4.04	.96
<b>Leadership</b>	<b>3.51</b>	<b>.83</b>
L_1	3.37	.92
L_2	3.69	.92
L_3	3.48	.99
<b>Team Cohesiveness</b>	<b>3.78</b>	<b>.60</b>
CH_1	3.74	.76
CH_2	3.45	.78
CH_3	3.95	.93
CH_4	3.77	1.02
CH_5	4.00	.86
<b>Team Effectiveness</b>	<b>3.66</b>	<b>.51</b>
<b>Employees Performance</b>	<b>4.17</b>	<b>.29</b>
<i>N = 100</i>		

To examine the relationship the Pearson's correlation analysis was done. The results are presented in table 4. The results indicate that there is significant positive relationship between different dimensions of team effectiveness and employees performance. The result also tells that there is significant positive relationship between team effectiveness and employees performance. As correlation coefficient between team effectiveness and employees performance is

0.744 with p value 0.001 (i.e.  $r=0.744$ ,  $p=0.001$ ). Based on this, it is proved that there is positive relationship between all these variables. Similarly, team reward has stronger relationship with team effectiveness ( $r = 0.903$ ,  $p=0.001$ ) where as supportive environment has strongest positive relationship with employees performance ( $r=0.697$ ,  $p=0.001$ ) with compare to other variables.

**Table4.** Relationship between Team Effectiveness and Employees Performance

Variables		Team Effectiveness	Employees' Performance
Supportive Environment	r	.743**	.697**
	p	0.001	0.001
Team Reward	r	.903**	.672**
	p	0.001	0.001
Team Skill	r	.560**	.455**
	p	0.001	0.001
Role Clarity	r	.803**	.672**
	p	0.001	0.001
Leadership	r	.750**	.606**
	p	0.001	0.001
Team Cohesiveness	r	.668**	.563**
	p	0.001	0.001
TEAM EFFECTIVENESS	r	1	.744**
	p		0.001

\*\* Correlation is significant at the 0.01 level (2-tailed).

**IMPACT OF TEAM EFFECTIVENESS OVER EMPLOYEES PERFORMANCE IN NEPALESE SERVICE SECTOR**

According to the measurement model fit test, the model fit test is found to be significant and framework with its path has been presented above in figure 1. All the hypotheses such as H<sub>1</sub>, H<sub>2</sub>, H<sub>3</sub>, H<sub>4</sub>, H<sub>5</sub>, H<sub>6</sub> and H<sub>7</sub> were verified to be positively. The results shows Supportive Environment positively affects the employees performance i.e. β=0.16, p<0.05 in which 1 % increase in Supportive Environment will cause to increase in EP by 16%. Similarly, Team Reward too have positive relationship with employees performance with β=0.49, p<0.05 which says that 1% increase in Team reward will have an increment in EP by 49%.

Furthermore, Team Skill positively affects the EP with β=0.8, p<0.05 which cause to increase in EP by 80% if this variable is increased by 1%. Role Clarity also have positive impact on EP with β=0.74, p<0.05 that means 74% increase in EP if Role Clarity is increased by 1%. Leadership too have positive impact on EP with β=0.20, p<0.05 means 20% increment in EP by increasing leadership by 1%. In the same way, team cohesiveness also have positively affect on EP with β=0.17, p<0.05 which cause increase in EP by 17% by increasing a single % increase in team cohesiveness. Based on this, the result shows R<sup>2</sup> = 0.63 which indicates that Team Effectiveness (TE) predicting 63% variance in Employees' Performance (EP).

**Table5.** Regression Analysis

Hypotheses	Independents	Dependent	β	t	P
	(Constant)	Employees Performance	4.380	.275	
H <sub>1</sub>	Supportive Environment	Employees Performance	0.16	.07	0.048
H <sub>2</sub>	Team Reward	Employees Performance	0.49	.07	0.01
H <sub>3</sub>	Team Skill	Employees Performance	0.8	.04	0.013
H <sub>4</sub>	Role Clarity	Employees Performance	0.74	.08	0.004
H <sub>5</sub>	Leadership	Employees Performance	0.20	.05	0.005
H <sub>6</sub>	Team Cohesiveness	Employees Performance	0.17	.07	0.025
H <sub>7</sub>	Team Effectiveness	Employees Performance	<b>F=0.351 R<sup>2</sup> = 0.63</b>		

The p-values, critical ratios and standard errors are obtained through the Regression Weights with standardized loading. All of the estimates are found to be significant. The Standardized Regression Weights are interpreted based on correlation between the observed variables and the corresponding common factors. For the six-factor model of team effectiveness towards employees' performance, all the regression weights are observed significant for all the factors. All the factors are significant at the level of 0.01. The Standardized Regression Weights of the model is placed in table 5 above. The result

indicates the coefficient of influence of team effectiveness to employees' performance.

**RESULTS OF HYPOTHESIS TESTING**

In responsive to the Hypotheses H<sub>1</sub> to H<sub>7</sub> of this study, this can be concluded that the dimensions of Team Effectiveness are positively influence Employees Performance. Hence, all the hypotheses from H1 to H6 are accepted. Similarly, hypothesis H<sub>7</sub> of this study can be concluded that team effectiveness is positively influence Employees Performance. Hence, H<sub>7</sub> is also accepted.

**Table6.** Summary of Hypothesis Testing In Understanding the Impact of the Various Dimensions of Team Effectiveness and Employees Performance

Hypothesis	Result
H <sub>1</sub> : The supportive environment has a significant positive effect on employees' performance in Nepalese Service Sector.	Accepted
H <sub>2</sub> : The team reward has a significant positive effect on employees' performance in Nepalese Service Sector.	Accepted
H <sub>3</sub> : The team skill has a significant positive effect on employees' performance in Nepalese Service Sector.	Accepted
H <sub>4</sub> : The role clarity has a significant positive effect on employees' performance in Nepalese Service Sector.	Accepted
H <sub>5</sub> : The leadership has a significant positive effect on employees' performance in Nepalese Service Sector.	Accepted
H <sub>6</sub> : The team cohesiveness has a significant positive effect on employees' performance in Nepalese Service Sector.	Accepted
H <sub>7</sub> : The team effectiveness has a significant positive effect on employees' performance in Nepalese Service Sector.	Accepted

### LIMITATIONS OF THE STUDY

The researcher has tried to best analyze the effectiveness of team on perceived employees performance, yet some of the limitations may be observed in the study. The following limitations may be observed.

- Due to situational constraints and limited time frame the respondents are from Kathmandu valley.
- Convenience sampling technique has been applied under non-probability sampling technique in this study.
- Some portions of analysis of the study is based on questionnaires and interviews with respondents. In some instances, researchers' observations and respondents' answer may be haphazard and random.
- In case of literature review, there are not sufficient literature in team effectiveness and organizational performance in Nepal available for the study. Hence, literature review of this study is completely based on review of outside country.

### CONCLUSIONS

Based on the study, it is found that there is lack of participatory approach in the organizations which is barrier in forming effective team. Teams in some organizations are found good in some aspects but still there is room for improvement for effectiveness. In order to form and develop effective team, organization should focus on participatory approach and employee involvement in decision making. In overall, there is moderate level of team effectiveness in Nepalese Service Sectors organizations.

In conclusion, this study explains that all the six dimensions of team effectiveness such as Supportive Environment, Team Reward, Team Skill, Role Clarity, Leadership and Team Cohesiveness have positive relationship with Employees Performance in Nepalese Service Sector Organizations. Team Skill and Role Clarity is the two highest influencer towards Employee Performance where as Supportive Environment and Team Cohesiveness has least impact on Employees performance. Remaining variables such as leadership and team reward have moderate impact. The main contribution of this study is to know employees perception towards team and its impact on employees performance.

### IMPLICATIONS

The result of this study may have implications for the organizations management. The study

emphasizes the importance of team effectiveness and its' impacts on employees performance and its relevance in shaping the cognitive states of employees involved in a team. Management of organization must recognize the team and its members and provide a mediating link between team and organization.

### LIMITATIONS AND FUTURE DIRECTIONS

There are more limitations in this model. This model could not include the entire variable that affects team effectiveness and employee performance. More independent variables could be incorporated in the model.

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