MANAGING INTER-GROUP DYNAMICS IN CHANGING TASK ENVIRONMENTS: A DECISION-MAKING SIMULATION

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ABSTRACT

This paper describes an exercise that allows participants to experience the challenges of managing inter-group behavior as an organization's task environment grows and becomes more complex. The article begins with a brief review of models and concepts relating to inter-group dynamics, inter-group conflict, and interventions for effectively managing inter-group relations. Then directions for preparing and conducting the exercise are explained, followed by suggestions for maximizing learning potential during the debriefing and applying new insights to back-home organizations.

INTER-GROUP DYNAMICS

Whenever the activities of one group affect the performance or satisfaction of another, there is a need for managing inter-group dynamics [11]. As organizations grow and develop, inter-group dynamics are altered, requiring constructive interventions to maintain productivity and satisfaction [5]. Although students are frequently provided with team experiences to help them learn about internal group dynamics they do not often have opportunities to learn about inter-group dynamics [3]. The *Name Game* exercise was created to demonstrate the changes and challenges that occur for interacting groups during different stages of organizational development. Participants learn about sources and consequences of inter-group conflict, and have opportunities to apply strategies for productive inter-group relations.

The *Name Game* exercise simulates the changes that occur between groups as organizations grow in size and complexity. Participants experience the consequences of these changes and the impacts of various interventions on inter-group productivity, satisfaction, and development. The exercise has been used for learning about inter-group dynamics in classes of undergraduate business majors, MBAs, and executive MBAs. It has also provided insights for resolving conflicts and other interdependency problems between groups in a wide variety of business organizations [7].

Changes in Inter-group Dynamics as Organizations Develop

Most organizations experience five phases of growth and development [5]. Phase one occurs when organizations are new and small. Members experience success through creativity and function effectively through informal relationships. In phase two, successful organizations become larger and more complex, necessitating more centralized leadership to coordinate activities. In phase three, additional increases in size and complexity require delegation of responsibilities. In phase four, delegated responsibilities need to be coordinated to avoid sub-optimization by individual groups. In phase five, needs for coordination require collaboration and problem solving by the interacting groups.

As organization size and task complexity increase during the *Name Game* exercise, it becomes clear that the interdependent groups cannot continue to be effective interacting as they have in the past. Continued

success requires adapting structure and process to accommodate these changes. If participants fail to adapt appropriately, they experience negative consequences. Successful adaptations are rewarded. Even if interacting groups intend to be cooperative, they often inadvertently react in dysfunctional ways to environmental changes [2]. For example, sub-optimization often occurs when one group maximizes outcomes for itself at the expense of other groups [8]. If one group's behavior is perceived as threatening the goals of other groups, aggressive reactions lead to dysfunctional conflict and competition [9].

Inter-group Conflict

Inter-group conflicts are normal in growing organizations. They create potential for negative consequences or positive benefits Productive outcomes can be achieved if conflicts are recognized before negative sentiments set in. Common antecedent conditions for conflict include goal incompatibility, insufficient shared resources, different time orientations, interdependence, power differentials, different role expectations, and low trust between interacting groups [12].

Once conflict is manifest between groups, decreases in trust, cooperation, and communication contribute to lower productivity, satisfaction, and growth [9] At this point groups need to apply the most appropriate method to constructively manage the conflict. Five methods of approaching conflict are competing, accommodating, avoiding, collaborating, and compromising [13].

Depending on how it is managed, conflict may stimulate creativity and productivity within groups, or it can promote sub-optimization [9]. Cooperative behavior usually enables groups to achieve far more than they could if they acted independently, but excessive cooperation may cause contentment and lack of motivation to improve [4]. The challenge for interdependent groups is to discover the most appropriate applications of competition and cooperation for different stages of organizational development.

Promoting Collaborative Inter-group Dynamics

There are a number of strategies for promoting collaborative relationships between interacting groups. They all require the establishment of common goals and accurate communications [6] [10]. Some more common strategies include the establishment of super-ordinate goals, increasing communications, confrontation meetings [14], expansion of resources [10], third-party judgment [10], changing organizational structure [1] [14].

OVERVIEW OF THE *NAME GAME* EXERCISE

The *Name Game* is an exercise requiring the cooperative exchange of materials (letters) between groups to complete a common task (spelling required sets of names). The exercise simulates changes that occur between groups as organizations grow in size and complexity. The goals of the exercise are for participants to increase their awareness of inter-group dynamics, learn the consequences of changes in organization size and task complexity, and be better prepared to react effectively to similar inter-group dynamics in the future.

Three to four groups act as departments in the same organization. Each group receives an envelope containing some of the letters needed to spell the required words. To spell all the required words, groups must plan and coordinate the exchange of letters. The first task (spell the days of the week) requires only informal organization. As the organization grows in size by adding departments, succeeding tasks

become more difficult (spell the months of the year), and the simple methods used to communicate, make decisions, and coordinate activities become inadequate. Three increasingly complex rounds of play are sufficient to achieve the learning goals. An optional, much more complex round (spell the states in North America), can be conducted to challenge a large class.

During the exercise, students experience goal conflict, sub-optimization, communication problems, power struggles, need for structural reorganization, process inefficiencies, and decision dilemmas. Successful groups solve these problems and implement appropriate changes. Participants learn about the consequences of their actions from observer feedback following each round and the debriefing at the end of the exercise.

The debriefing compares the participants' performance to benchmark completion times. Participants discuss why their performance was better or worse than the benchmarks, aided by feedback from observers, messengers, and the instructor. In concluding, ideas for applying what has been learned to other inter-group situations are discussed.

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