A review on the top management team reflexivity influencing strategic decision outcomes

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Over the last fifteen years, there has been a great deal of interest in the role of team reflexivity (social reflexivity and task reflexivity) in team effectiveness. In this article, we review the theoretical and empirical research on this topic to summarize what we have learned and also to provide a foundation for future research necessary for application for this knowledge to strategic decision-making teams. We describe research that emphasizes the moderating effects of social reflexivity in the relationship between task-related arguments and affective conflict, and we discuss recent effects that attempt to enhance the relationship between task-related arguments and strategic decision outcomes by the moderating effects of task reflexivity in strategic decision-making teams. We conclude by identifying several issues that should take precedence in research in order to advance our understanding of the role of team reflexivity in strategic decision-making teams.

Key words: Top management team, task reflexivity, social reflexivity, strategic decision making.

INTRODUCTION

Team reflexivity

Organizations widely rely on team work and prefer a team-based organizational structure; for effective teams are believed to enable organization to face the requirements of a more and more dynamic environment because teams are adaptive and flexible. West (1996) identified team reflexivity as an important determinant of team effectiveness.

Team reflexivity is defined as the extent to which team members collectively and overtly discuss their objective, process, develop strategies, and plan to adapt these aspects to current or anticipated endogenous or environmental circumstances, and make changes accordingly, but also includes good conflict handling, social support, support for team member's growth, and a healthy social climate (Carter and West, 1998; Swift and West, 1998; West, 1996, 2000, 2003). Non-reflexive teams show little awareness of the team objective, strategies, the environment in which they operate, and the well-being of its members. Reflexive teams show more detailed planning, pay more attention to long-term consequences, have a larger inventory of environmental cues to which they respond, provides more support to members, and reflect more upon how conflicts are resolved and what is the overall social climate of the team. Carter and West (1998) found that reflexivity predicted the effectiveness of BBC production teams. Schippers et al. (2003) found that group longevity and outcome interdependence moderated the relationship between diversity on the one hand and reflexivity and team outcomes on the other. De Dreu (2002) found that high levels of minority dissent led to greater team effectiveness, but only if the level of team reflexivity was high.

West (1996) distinguished between task reflexivity, where the reflection is believed to enable teams to develop optimal performance strategies, to detect deviation from expected results, and to adapt team functioning to changing demands, and social reflexivity, where the team reflects on integrating divergent opinions, constructively dealing with conflict, and promoting the well being of its members. To date, most of the empirical studies focus only on task reflexivity and recent theoretical works does not separate social and task reflexivity only speaks about ‘group task reflexivity’ (West, 2003). Despite the decline of research on social reflexivity, it addresses another important aspect of team effectiveness, that is, how team members deal with each other.

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Social reflexivity

Team performance is associated with two main parts of team functioning: task related process and social related process. Not only do teams have to do their tasks, but also, the way team members work together in a team is important. The social side of team work mainly refers to the capability to deal with conflicts, reviews member social support, and promotes the well-being and development of its members (Carter and West, 1998).

Social reflexivity is associated with the social functioning part of a team, deals with interpersonal relation, strengthens collaboration among team members, and therefore leads to better performance. West (1996) demonstrated that social reflexivity plays an important impact role for the welling-being, satisfaction of team members, and team viability. Jehn (1995) noted that conflict fosters high team effective when the team members can feel safe engaging in discussion. De Dreu (2002) found that a high level of minority dissent increases team performance but divergent thinking had to be managed under high social reflexivity. In teams high in social reflexivity, team members often reflect and deal effectively with collaboration problems, and thus display a good quality of relationships and friendly attitudes. Psychological safety appears to be an important prerequisite for dealing with problems in teams (Edmonson, 2004). Carnevale and Probst (1998) found that the participants who expected to take part in a tense session, showed a higher level of cognitive flexibility and creativity. But this positive effect disappears when people anticipate a hostile and competitive conflict; thus, social reflexivity with open discussion and shared experiences of errors in a safe climate with no fear of voicing opinions, is a way of enhancing team learning and subsequently team performance.

To be fully effective, team members should actively focus upon their objectives, regularly reviewing on the circumstances they work in, ways of achieving objectives and the methods of working – ‘task reflexivity’. At the same time, in order to promote the well-being of team members, the teams must reflect upon the ways in which it provides support to members, how current ways of working are resolved and what is the overall social climate of the team or its ‘social reflexivity’. The purpose of these reflections should be to provide active steps to change the team’s objectives, ways of working, and social functioning, in order to promote effectiveness.

Task reflexivity

The group behavior literature notes that task reflexivity is an important instrument for assessing the most current environment in order to apply the best course of action (Hoegl and Paeboteah, 2006), especially if the environment of the team is uncertain. West (1996) proposed that task reflexivity has a direct positive effect on team task effective. This is because such teams with high task reflexivity are more likely to achieve group goals, particularly in changing circumstances when they continually engage in a process of openly discussing what they are doing, how they are doing it, and how well they are approaching team objectives.

Task reflexivity is the unification of adaptive cognitive processes and their implementation. West (2003) presented task reflexivity as a process combining three critical aspects: an exchange and reflection on information (including discussion of goals, strategies, processes and past performance), a plan aspect (revising goals and processes, and changing strategies) and an action or adaptation aspect (adjusting actions in order to adapt to environmental changes). The effectiveness of task reflexivity depends on the interaction of these three aspects. Task reflexivity is a quality that teams may or may not posses. Task non-reflexive teams do not pay much attention to the appropriateness of team objectives, strategies, or changes in their environment. They have a tendency to react defensively to changes and fail to anticipate environmental changes. Task reflexive teams help members to clarify and develop appropriate goals which in turn foster team members’ commitment to them, and share the same vision of goals and focus their attention on achieving those goals. Research has confirmed the vital importance of clear and shared goals for team performance. The literature revealed that a task reflexive team is able to:

i. keep the team effective and focused against internal and external circumstances (Hoegl and Parboteeh, 2006);
ii. recognize how certain current ways of operating can be obsolete because of environmental changes (Schippers et al., 2003);
iii. monitor and become aware of how the team works together and develop and implement improvement plans that respond to emerging conditions and challenges (Tjosvold et al., 2004); and
iv. enhance satisfaction, commitment, group information elaboration, and team performance (Carter and West, 1998; Müller et al., 2009; Schippers et al., 2003; Tjosvold et al., 2004).

A BRIEF OVERVIEW ON TOP MANAGEMENT TEAM REFLEXIVITY

Strategic decision making is a process wherein executives determine appropriate actions and direction for the firms, and crafting and implementing effective strategic decisions is paramount in successful forms. A top management team provides a way to cope with the turbulence and complexity in the external environment that has complicated the task of executive leadership (Hambrick, 1984). Teamwork allows the executives to
engage in a participative group process through which diverse members wrestle together with difficult issues to make decisions and build commitment to implementing them, giving rise to strategic leadership effectiveness. Team characteristics have been the focus in the preponderance of strategic decision-making research, because these characteristics would influence a firm’s decision-making process (Hambrick and Mason, 1984). Yet, the results of these studies have been mixed concerning the influence of TMT characteristics. Theses inconsistencies may be due to the ignorance of complex processes that occur within strategic decision making. Thus, Lawrence (1997) argued that to understand the strategic decision making, group variables with the ‘black box’ need to be researched. Black box variables were examined in the general strategic decision making literature by such as conflict, knowledge sharing, trust, cohesion, and etc. Unlike the TMT composition and diversity literature, group processes refer to what the team does. We focus on two important team processes - task-related arguments and team reflexivity (task reflexivity and social reflexivity).

Prior research has shown that task-related arguments (discussion about divergent viewpoint about the task) are expected to be related to positive strategic decision outcomes for providing the variety of information necessary for team members to synthesize conflicting alternative into a single decision (Rahim, 1982). Team reflexivity is a relatively new but important addition to the team process literature. While the study of reflexivity in decision-making theory is still relatively rare, there are some important studies within this discipline indicating that it has beneficial effects upon decision outcomes, and hence enhancing team performance. Although the majority of the research on reflexivity and decision-making explores decision-making in lower level teams, it is plausible to suggest that reflexivity within the top teams may also have implications for the firm in terms of strategic decision making through reflexive behaviors such as monitoring of external and internal environment, conflict handling, and information processing. Reflection can vary in depth according to the strategy and materiality of issues. In the phase of deep reflection, the norms and values of the team or organization are questioned and their effects on team and organizational functioning are discussed. Deep reflection may be more important for specific types of teams, such as executive teams. MacCurtain et al.’s (2010) meta-analysis revealed that the top management team reflexivity was a valid predictor of team effectiveness. Top management teams that engage in reflexive behaviors such as planning, debating, monitoring of external and internal environment, critical problem solving and adaptation are more likely to be able to adapt to new conditions, be proactive, and bring about radical change (Hoeogl and Parboteeah, 2006). This is similar to what Sundbo (2003) refers to as ‘strategic reflexivity’; a concept he argues is core to the effectiveness of the firms.

Strategic decisions are vague, complex and non-routine require teams to interact on a decision platform. Conflict is a frequent aftermath of such interaction. Research on top management team has found that task related arguments can be functional to strategic decisions, but too high level of task related arguments leads to affective conflict, which is detrimental to team performance as well as team members’ satisfaction. Affective conflicts arise from interpersonal tensions, and are largely emotional in nature, and are dysfunctional (Amason, 1996). In general, members may perceive task-related arguments and disagreements as personal attacks, and these perceptions may eventually trigger emotional or affective conflict. Available empirical evidence supports the notion that teams that experience higher task related arguments will experience higher levels of affective conflict (Simons and Peterson, 2000). The researchers therefore argue to discourage affective conflict (Eisenhardt, 1997; Roberto, 2005). Social reflexivity is recognized by researchers to moderate the positive relationship between task-related arguments and affective conflict. Carter and West’s (1998) meta-analysis revealed that a high level of social reflexivity correlated with team performance and team members’ well being.

CONCEPTUAL FRAMEWORK LINKING STRATEGIC DECISION OUTCOMES AND REFLEXIVITY

As earlier stated, task reflexivity and social reflexivity have served as the conceptual basis for influencing the strategic decision outcomes. Unfortunately, although this general framework is intuitively appealing, it ignores several important complexities that detract from its usefulness as an aid in understanding how the various research streams on the effects of task reflexivity and social reflexivity fit together to tell a coherent story. In particular, it does not recognize alternative ways in which task reflexivity and social reflexivity might come to influence strategic decision outcomes. In response to this shortcoming, we use the model depicted in Figure 1 to organize our review of the literature.

Our model begins with the task related arguments of team members as independent traits brought by members to the team setting. We first review the research linking task related arguments, social reflexivity and affective conflict in the left portion of the figure. This pathway – depicted by dashed lines and labeled as pathway A – examines how social reflexivity discourages the positive relationship between tasks related arguments and affective conflict. We then review research linking task related arguments, task reflexivity and strategic decision outcomes in the right portion of the figure. This pathway – depicted by dashed lines and labeled as pathway B – examines how task reflexivity strengthens the positive relationship between task-related arguments and strategic decision outcomes.
Path A: Social reflexivity influencing on affective conflicts

From the perspective of information process theory, the perceptions of individual members concerning others’ behavior play a vital role in interpreting the information stemming from the group process. In organizations, members do make considerable emotional investments and develop interpersonal relationships. These interpersonal care and reciprocation of such care result in group social reflexivity and influence the way in which members interpret the information generated from task-related arguments.

The greater the social reflexivity, the lesser the possibility that members carry out the constructive arguments to become affective conflict. The essence is that social reflexivity is likely to reduce emotional misbehavior, such as harsh language, hurtful tactics, and sabotage of the members (West, 1996). Thus, the possibility and strength of affective conflict will be weakened by the social reflexivity between members. Social reflexivity, in fact, will have a buffering impact on affective conflicts. Though task-based disagreements have potential to results in affective-conflict, the nature and amount of emotional investments made by the members interferes before the manifestation of affective conflict. For example, in the absence of social reflexivity, group members may perceive task disagreement as personal attacks on the members who oppose their viewpoints (De Dreu and Carsten, 2010). This may result in biased information processing and withholding information required by other members and may have negative outcomes. If group members have social reflexivity toward each other, they will be more likely to accept the stated task arguments as genuine and are less likely to misinterpret such arguments as having hidden agendas or personal attacks (De Dreu 2002). In sum, in the presence of social reflexivity it is less likely that task-related arguments will get degenerated into affective conflicts.

Furthermore, social reflexivity among the members encourages them to explore ideas, communicate openly, and concentrate on a task. In teams high in social reflexivity, this is a good quality of relationships and team members display friendly attitudes because they reflect and deal effectively with collaboration problems. This good climate may come from the fact that social reflexivity promotes a climate with no fear of voicing opinions. This means to say, presence of high level of social reflexivity may promote minority dissent, which is revealed as valid predictor of team effectiveness by De Dreu (2002). Thus, social reflexivity discourages the positive relationship between task-related arguments and affective conflict, and therefore enhances decision outcomes.

Path B: Task reflexivity influencing on strategic decision outcomes

While task-related arguments have positive outcomes, task reflexivity provides boundary conditions under which the strategic decision outcomes of task-related arguments will be strengthened. That is, task reflexivity of the members is more likely to affect the positive relationship between task-related arguments and decision outcomes. The theoretical rationale for this is provided both Ashby’s (1996) theory of requisite variety and the information processing theory of Galbraith (1973). The theory of
requisite variety states that the complexity/variety of a given state must match the complexity of the environment in which it operates. Thus, task-related arguments provide the variety of information necessary but say nothing about how that information is processed. Task reflexivity provides cues as to how to process, interpret, and act upon the information.

In the face of environmental turbulence and complexity, task reflexivity is one of the contributing factors for teams to anticipate environmental changes and respond accordingly. Recently, research has shown that motivated information processing in the form of team reflexivity is of vital importance in decision-making, largely because it can yield the motivation within a team to identify, discuss and eventually diminish errors and biases in team decision making (Schippers and Homan, 2009; Schippers et al., 2010). The motivated information processing in group model argues that decision quality and team performance in cooperative groups benefit from epistemic motivation – the willingness to expend effort to gain an accurate and rich understanding of the world, including the teams’ task and context (De Dreu et al., 2008). This may be especially true for top management teams when involved in highly ambiguous strategic decision-making tasks. Prior research has shown that team task reflexivity is expected to be related to cognitive reconstruction among team members. A variety of diverse or opposing viewpoints and ideas foster team members a deeper understanding of task issues and an exchange of information that facilitates problem solving, decision making and the generation of ideas. Task reflexivity enables the members to use diverse skills and become more creative in strategic problem defining and solving. Moreover, higher levels of reflexivity allow team members to be more aware of their fellow team members’ expertise and skills (Lee-Kelley and Blackman, 2005). Such deeper knowledge of team strength and weakness is likely to lead to better decision quality as expertise is distributed in the most appropriate way. Thus, task reflexivity strengthens the positive relationship between task-related arguments and quality of decisions such that the relationship is stronger under the conditions of high levels of task reflexivity than low levels of task reflexivity.

Task-related arguments enable the team members to understand the rational behind the decision. Such an understanding is important because it provides a common direction for the team members (Amason, 1996). Through an exchange of information, task related arguments foster a deeper understanding of task issues. Such an understanding is necessary for successful implementation of decisions. Therefore, the rigor of the task related arguments provide the top management team with a solid grounding of the issues and tasks relating to strategic decision. While task related arguments enable the members to understand the decisions, task reflexivity would strength the relationship between task related arguments and understanding of decisions. Under high task reflexivity, team members intend to collectively explain how the diverse information elicited from the team members is inferred and interpreted by members, which in turn, enhances the understanding of the task related issues. When such task reflexivity is lacking, However, members are more likely to jump to conclusions on the basis of insufficient evidence, do not engage in deep thinking, and are heavily influenced by heuristic cues (Lerner and Tetlock, 1999; Simonson and Staw, 1992). Thus, task reflexivity strengthens the positive relationship between task-related arguments and understanding of decisions such that the relationship is stronger under the conditions of high levels of task reflexivity than low levels of task reflexivity.

Studies show that there is a positive relationship between the opportunity of articulating one’s position and affective acceptance (Simons and Peterson, 2000). Just as top managers can feel satisfaction that real progress is occurring as they openly discuss and debate viewpoints and ideas, they may also feel more commitment to the outcome if they have contributed to its creation and development (Amason, 1996). In fact, Erez et al. (1985) found that team members became more committed to the final decision when they freely discussed and shared their views. While task-related arguments enable the members to remain committed to the decisions, task reflexivity would strength the relationship between task-related arguments and commitment to decision. We now articulate the moderating effects of task reflexivity from two aspects: organizational interests and personal interests. On one hand, participants’ commitment to decisions will decrease if organizational interests are not fully found and served. In other words, commitment to decisions will be impaired if members do not fully understand or misunderstand the rational behind the decision. Task reflexivity, nevertheless, could foster a deep understanding of diverse viewpoints from other members, and the background and rationality behind the viewpoints, and enable the members to understand the necessity and feasibility of the decision. Such an understanding is necessary for high commitment. Task reflexivity, thus, provides an opportunity for the members to reach a decision that meets the organizational interests. On the other hand, commitment to decisions will decrease if the final decisions do not meet the personal interests. Task reflexivity, however, provides an opportunity for members to reflect on viewpoints from task related arguments and balance the interests of all parties, and therefore, enhances the commitment to decisions. Thus, task reflexivity strengthens the positive relationship between task-related arguments and commitment to decisions such that the relationship is stronger under the conditions of high levels of task reflexivity than low levels of task reflexivity.

CONCLUSION

We are confident that team reflexivity is associated with
various aspects of management team function and effectiveness. Unfortunately, however, we have yet to develop an appreciation of which specific associations among specific dimensions are most important and useful with regards to strategic decisions. The intent of our review was to summarize existing knowledge regarding effects of top management team reflexivity in a way that will facilitate knowledge accumulation and identify fruitful avenues of future research.

Our first overall conclusion is that effects of team reflexivity can be quite substantial. West (1996) first distinguished between task reflexivity and social reflexivity, which were regarded as two essential dimensions for the effectiveness of teams. Follow-up studies, however, focused on the effects of task reflexivity on team performance, whereas neglected the effects of social reflexivity on satisfaction, affective conflict handling, and team effectiveness. We should note here that the meta-analytic estimates of social reflexivity are appreciably lower in studies conducted in field survey. One explanation worth investigating in future research is that the empirical research constitutes a 'strong situation', and therefore tests its role in team performance.

Our second overall conclusion is that effects of social reflexivity handling top management team affective conflict can be quite substantial. This general pattern of the relationships may appear to support the idea that task-related arguments are positively related to affective conflict, and that perhaps affective conflict explain why the relationship between task-related arguments and strategic decision outcome has not been consistency supportive. Social reflexivity is defined and organized to moderate the positive relationship between task-related arguments and affective conflict, and therefore enhances decision outcomes. However, it is important to emphasize here that very little empirical research has examine the effects of social reflexivity on strategic decision outcomes (pathway A in Figure 1).

Our third overall conclusion is that researchers have made significant headway in defining and organizing the direct influence of task-related arguments on strategic decision outcomes. Unfortunately, researches have yet to focus enough attention on the linkage between task-related arguments, task reflexivity, and strategic decision outcomes. In particular, future research should investigate how it is that task reflexivity as a moderator to the relationship between task-related arguments and strategic decision outcomes.

In summary, team reflexivity is an important addition to the team process literature, the research on team reflexivity has focused mostly on the task reflexivity dimensions. The study of reflexivity in decision-making theory and top management teams, however, is still relatively rare, and we have developed a better understanding of how social reflexivity and task reflexivity influence top management team strategic decision outcomes. Future research needs to focus on the empirical study on the moderating effects of team reflexivity in strategic decision-making teams.

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