

TEAM DYNAMICS AS THE FOUNDATION OF EFFECTIVE MANAGEMENT

The article provides a comprehensive overview of the significance of team dynamics as a foundational element of effective management, particularly in the modern business environment characterized by rapid changes and high competition. It thoroughly addresses key aspects such as leadership, decision-making processes, and the interplay between internal and external factors influencing team dynamics. The author emphasizes that leadership's influence on teamwork effectiveness is significant. The author explores the impact of factors such as psychological flexibility, the role of diversity in the team, game mechanics, and collaboration tools. The article emphasizes the importance of implementing new team dynamics mechanisms, such as microrotation of duties, feedback culture, and social rituals, to adapt to modern challenges. The author suggests implementing game mechanisms (gamification) and using modern tools for collaboration, which help increase employee engagement and improve the efficiency of the organization's management.

Keywords: team; leadership; management; organization; decisions; decision-making; efficiency; management of organizations; team dynamics.

Formulation of scientific problem and its significance. In any enterprise, one of the main factors influencing efficiency and quality is having a cohesive team. However, managers do not always pay sufficient attention to team formation and are often reluctant to delegate authority to team leaders who may be more competent in certain situations. Meanwhile, subordinates often shy away from team interaction due to societal emphasis on individual success. Nevertheless, team building remains a crucial management tool, and issues related to group dynamics remain highly relevant.

Group dynamics encompass interactions among team members, role distribution, conflict resolution, and trust-building, all of which are critical to achieving optimal results. In the modern digital economy, work efficiency hinges not only on technology but also on cohesive team actions and employees' ability to think creatively and make



unconventional decisions. Team interaction reveals individuals' strengths, fostering synergy and optimizing work processes.

However, in an unstable macroeconomic environment, companies often struggle to implement a team-based approach, diminishing focus on this critical management area. A lack of effective team dynamics can hinder adaptation to rapid changes and implementing innovations. Therefore, fostering and maintaining strong team dynamics should be a priority for managers aiming to improve internal business processes, drive sustainable growth and enhance business competitiveness in dynamic market conditions.

Analysis of recent research and publications demonstrates that the issue of team dynamics holds a significant place in the studies of both domestic and foreign scholars. Effective team interaction is crucial for the successful implementation of management decisions, the achievement of strategic goals, and the overall effectiveness of organizational management. A substantial contribution to the theory and practice of team dynamics has been made by researchers such as Bruce Tuckman, Meredith Belbin, Richard Hackman, Patrick Lencioni, John Adair, and Kurt Lewin. Among Ukrainian scholars, notable contributions have come from Olena Vinogradova, Natalia Yevtushenko, Viktoriya Voronina, Olena Danchenko, and others. These researchers have explored topics such as the stages of team formation, role distribution, methods for enhancing productivity, and the impact of leadership on group dynamics.

Despite these significant scientific advancements, several aspects remain underexplored. These include the influence of team dynamics on an organization's adaptability to change, the formation of an innovative environment, and their effect on organizational management effectiveness. The impact of team dynamics on enterprise development is a complex and multifaceted process that requires a systematic methodology for analysis, improvement, and effective management.

The article aims. The purpose of the article is to examine the significance of team dynamics in enhancing management efficiency, analyze the impact of internal and external factors on team interaction, evaluate the role of coordinated teamwork in improving the quality of management decisions and organizational performance, and identify key areas for the development of team dynamics that will support the implementation of modern management approaches in a dynamic business environment.

Presentation of the main material. Teams are the core of any organization, and with collaboration and teamwork, nearly any goal can be accomplished. A team leader must understand the importance of studying team dynamics and analyzing team performance to identify blind spots and ensure the team operates efficiently.

Effective teamwork is a cornerstone of organizational success, particularly in dynamic business environments. Teamwork is a collaborative process through which employees achieve exceptional results by sharing knowledge, exchanging skills, and harnessing team synergy. It creates a supportive work environment where individuals actively contribute, engage in decision-making, and solve problems collectively to achieve organizational goals [1]. Organizations are often seen as collective human creations, built on interpersonal relationships and the combined efforts of employees working toward common objectives. However, the success and productivity of these efforts rely heavily on the effective integration of team members. So, team performance is strongly influenced by the quality of member interactions, with more effective collaboration leading to better outcomes [2]. To ensure this, organizations must adopt a structured approach that integrates team members, provides clear decision-making processes, and strengthens relationships between different groups, fostering diversity, inclusion, and consistent decision-making practices.

As is well known, a team evolves from a working group and possesses unique features that enhance overall labor productivity through a positive synergistic effect. Effective teamwork is a team's defining characteristic, involving genuine collaboration and mutual support rather than mere routine interaction. However, excessive time spent on activities like frequent meetings or all-encompassing discussions may have the opposite effect-reducing or undermining real teamwork. This happens when the total time spent in meetings outweighs the productive working time, increasing the formalities of communication. In a team, members have already jelled and are familiar with each other's strengths and weaknesses, enabling the effective assignment of roles in task distribution. While team members, like those in a working group, can coordinate and quickly adjust their interactions, when necessary, a team is distinguished by a higher level of trust in these agreements.

Personal and collective responsibility are essential for achieving the goals set by a team. This requires team members to share a common vision of the objectives and the situation. Without this shared



understanding, there is a risk of reverting to a division of responsibility by functional areas, reducing the team to the level of a working group. It is important to emphasize that while psychological compatibility, mutual complementarity, and effective communication are valuable, they are not sufficient to form a fully functional team.

Research [3] highlights that individual employee behavior can significantly influence group dynamics in the initial stages of organizational transitions, with generational differences often leading to varying team behaviors. Leadership plays a pivotal role in shaping team behavior and fostering innovation. From the interactionist perspective, effective leadership traits, such as confidence in decision-making, can inspire teams to generate innovative ideas. Leaders who transcend mere adherence to organizational policies and foster a proactive behavioral environment greatly enhance team creativity and performance.

Diversity is recognized as a critical component of team dynamics, encompassing demographic variables and psychological attributes such as cognitive abilities, values, and attitudes. While earlier studies focused on non-psychological aspects like age and gender, recent research underscores the importance of psychological diversity in boosting team creativity and performance. Diverse teams demonstrate greater resilience, flexibility, and productivity. Employers are encouraged to assemble teams with various skills and experiences to enhance organizational outcomes.

Moreover, team effectiveness is strongly tied to its diversity, as it influences value alignment and the criteria for evaluating tasks and interactions. Relationship conflicts generally hinder productivity, while task-related conflicts, if managed effectively through goal clarity and defined roles, can foster creativity and strategic planning. Thus, the interplay between leadership, diversity, and team dynamics forms the foundation for achieving high team performance and innovation in contemporary organizations.

Team dynamics refer to the system of relationships and interactions between team members that influence their behavior and productivity. It encompasses both conscious and unconscious factors that shape the team's atmosphere. In a healthy team, members complement one another and engage with respect and trust, enabling them to achieve shared goals. Positive team dynamics are essential for effective organizational management. They enhance productivity, as a cohesive team is more likely to collaborate, share ideas, and provide

mutual support, enabling quicker and more effective problem-solving. Furthermore, healthy team dynamics boost engagement and morale; when team members feel comfortable and confident in their roles, they are more committed and perform at a higher level. Strong team dynamics also contribute to employee retention, as individuals who feel valued by their team are less likely to leave the organization. This helps reduce recruitment and training costs, ensuring the organization's stability and long-term success.

Stages of team development are a natural process of team evolution that occurs during joint work on projects or tasks. The stages of team development, according to Bruce Tuckman's model, illustrate the natural process of forming effective group interaction. This process consists of five key stages, each with its own characteristics, challenges, and objectives (figure) [4].

1. *Forming*. At this initial stage, the team begins its work. Members get acquainted with each other and establish shared goals and tasks. The main focus is on defining roles and responsibilities, creating a general strategy, and setting preliminary rules for interaction. Team members often behave politely, avoid conflicts, and act cautiously. Successfully completing this stage lays the foundation for further cohesive teamwork.

2. *Storming*. This stage involves conflicts and disagreements arising from role distribution and the definition of responsibilities. Team members may express dissatisfaction with their colleagues' actions, compete for leadership, or defend their ideas. Conflicts at this stage are natural and necessary to achieve clarity in team operations. The key objective is to overcome tensions, establish mutual understanding, and transition to smoother collaboration.

3. *Norming*. During the norming stage, the team begins to form strong bonds. Members adapt to their roles, build trust, and jointly establish rules and norms of behavior. Collaboration becomes more effective: support increases, conflicts decrease, and productivity rises. This is a critical phase where the team starts functioning as a unified entity.

4. *Performing*. The stage is characterized by a high level of productivity. The team reaches maximum efficiency as all members clearly understand their roles, tasks, and responsibilities. Participants focus on achieving the common goal, demonstrating initiative and proposing innovative ideas. Team interaction is flexible, and decision-making is quick and well-coordinated. At this stage, the team achieves full synergy.

5. *Adjourning (Completion Stage)*. The adjourning stage marks the end of the team's work, with a shift from task execution to reflection and closure. Members may feel a mix of pride in their accomplishments and sadness about the team's disbandment. This phase focuses on reviewing collective performance, acknowledging achievements, and celebrating successes. Effective management includes organizing summative evaluations, facilitating feedback, and providing opportunities for gratitude and recognition, ensuring team members part ways on a positive and constructive note.



Figure. Bruce Tuckman's Model of the Main Stages of Group Team Development

Team dynamics depend on many factors, which can be divided into internal (those that depend on the team itself) and external (those that influence the team from outside). Such a division makes it possible to understand the nature of problems better, develop effective strategies for solving them, and ensure a high level of team adaptability to external conditions, as well as help create conditions for the team to achieve maximum results in any environment [5]. Internal factors of team dynamics include team composition (number, competencies, personal qualities); clear definition of responsibilities; quality of information exchange; management style and leader influence; group norms and values; internal desire to work towards a common goal; team cohesion; conflicts and their resolution; stages of team development. External factors of team dynamics include organizational culture, goals and objectives, technical, financial, and information support, market conditions, deadlines, external partners and clients, and legislative and regulatory environment [6].

To study in detail the impact of team dynamics on managerial decision-making and management effectiveness in an organization, it is important to investigate the mechanisms of group dynamics. The mechanisms of group dynamics reflect how a group functions and responds to internal and external changes.

For a group to establish its «group norms» which all members share, it must go through a series of conflicts. Resolving these conflicts helps stabilize the group's structure. Several types of intragroup contradictions can be identified: the discrepancy between the group's growing potential and its current activities; the tension between an individual's increasing desire for self-realization and the simultaneous pressure to integrate more deeply into the group structure; and conflicts arising from a leader's actions that deviate from the expectations of other group members. Overcoming these contradictions is essential for fostering cohesion, enhancing group performance, and, consequently, improving the quality of the organization's management [7].

The mechanisms of group dynamics include idiosyncratic credit and psychological exchange. Idiosyncratic credit occurs when a group allows a high-status member to deviate from the established «group norms», giving him more freedom in behavior. Such relaxations are based on his significant contribution to achieving group goals in the past. This mechanism plays an important role in group development, contributing to innovation and the transition to a new efficiency level. The psychological exchange accompanying this process occurs at two levels: at the initial dyadic level, the exchange is carried out between individual group members, forming mutual recognition of statuses. At later stages, when the group becomes a holistic entity, the exchange acquires a collective character, and statuses are determined depending on the value contributions of each participant. These mechanisms ensure the stability and dynamic development of the group structure.

One of the key mechanisms of team dynamics is the decision-making process, which defines how a group reaches agreed-upon actions to achieve its goals. This mechanism involves various approaches, depending on the nature of the tasks, the team's maturity level, and the leadership style. Common decision-making methods include discussion, voting, consensus building, and leadership directives, each with its own advantages and limitations. Decision-making processes are critical to a team's effectiveness, influencing cohesion, motivation, and productivity. Choosing the appropriate method depends on the task's specifics, the team's composition, and the



operational context. Organizations that focus on developing this mechanism lay the foundation for effective teamwork and achieving strategic objectives.

The mechanism of team dynamics is significantly influenced by formal and informal leadership, which directs the group's activities and ensures its effectiveness. Formal leadership involves an officially appointed leader responsible for organizing work, making key decisions, and maintaining discipline. Such a leader has the authority and resources to manage, which allows him to provide structure and control over processes in the team. Informal leadership, in turn, is based on natural authority that arises due to a team member's personal qualities, experience, or professional knowledge. Informal leaders often mediate, facilitate conflict resolution, motivate other participants, and help unite the team. Their influence depends on the trust and support of the team, which makes them important for maintaining the psychological climate and increasing the level of interaction. The synergy between formal and informal leadership is ideal for stable teamwork. A formal leader sets direction and strategy, while an informal leader maintains morale and promptly resolves interpersonal issues. For example, when a team faces a high level of stress or uncertainty, a formal leader can provide structure and confidence.

In contrast, an informal leader can help relieve tension and maintain motivation. Leadership also affects the decision-making style of a team. A formal leader may introduce a more directive approach, while an informal leader promotes consensus or encourages open discussions. By combining these two types of leadership, a team can better adapt to change, solve complex problems faster, and achieve high results. Leadership is, therefore, a key factor that determines the effectiveness of team dynamics, influencing communication, motivation, role distribution, and overall team performance. For a team to be successful, it is important to balance formal and informal leadership, which allows you to consider both strategic and socio-psychological aspects of its activities.

In our opinion, modern challenges necessitate the addition of new mechanisms to traditional team dynamics to foster flexible, adaptive, and highly effective teams, which will positively impact organizational performance. The contemporary business environment, characterized by rapid change, globalization, digitalization, and increasing competition, requires innovative approaches to managing team interaction. These proposed mechanisms aim to boost productivity and

create an environment where every team member feels engaged and motivated.

One such mechanism is psychological flexibility, which enables teams to adapt quickly and respond effectively to challenges. It involves developing stress resilience, emotional intelligence, and problem-solving skills—critical attributes in times of uncertainty when rapid decision-making and adaptability are key.

Another important mechanism is dynamic role allocation, which allows tasks to be distributed flexibly based on members' current competencies and the priorities of the task or project. This reduces the risk of overloading specific individuals and ensures optimal use of human resources.

The mechanism of microrotation in duties is equally valuable, as it enables team members to gain a deeper understanding of one another's roles, fostering mutual respect and empathy. It also prevents monotony, which has a positive impact on motivation.

Additionally, implementing a real-time feedback culture is crucial, ensuring prompt responses to issues and enhancing team interaction. This mechanism allows for quick adjustments in strategy and helps prevent long-term conflicts or misunderstandings.

Modern challenges also highlight the need for social rituals to build trust, which creates an atmosphere of support and mutual understanding. Rituals such as regular discussions of achievements, challenges, or even personal stories can enhance the emotional engagement of each team member.

Gamification of work processes is another innovative mechanism that encourages engagement and fosters healthy competition within the team. Organizations can cultivate an enjoyable and productive environment that motivates employees to strive for new achievements by introducing game elements.

Finally, virtual collaboration zones are essential for remote teams. These spaces facilitate informal interaction and the exchange of ideas, fostering a sense of unity even in a virtual work environment.

Overall, the implementation of these new mechanisms will not only improve the efficiency of teamwork but also improve the overall productivity of the organization. This will allow you to adapt faster to market changes and ensure stability in achieving strategic goals. In addition, such mechanisms will help strengthen the corporate culture and increase employee satisfaction, positively affecting talent retention.

Conclusions and further researches. Thus, in the modern business environment, team dynamics are a key factor determining



management's effectiveness and the organization's success. Interaction between team members, the distribution of roles, conflict resolution, and support for a common goal create the basis for coordinated work that contributes to achieving strategic goals. Properly configured team dynamics allow managers to effectively coordinate employees' efforts, stimulate innovation, and increase productivity. By investing in the development of team dynamics, organizations receive a powerful tool for achieving strategic goals and ensuring long-term success. Further research in the field of team dynamics could include the impact of remote work on team interactions, the role of diversity in shaping an innovative environment, and the use of gamification to stimulate motivation and engagement. Studying these aspects will help create more flexible and competitive teams capable of achieving high results in today's world.

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КОМАНДНА ДИНАМІКА ЯК ОСНОВА ЕФЕКТИВНОГО МЕНЕДЖМЕНТУ

У статті детально аналізується значення командної динаміки як основи ефективного менеджменту, з акцентом на її ключову роль у підвищенні продуктивності, якості управлінських рішень та досягненні стратегічних цілей організації. Автори підкреслюють, що у сучасному динамічному бізнес-середовищі, де швидкі зміни, цифровізація та глобальна конкуренція стали нормою, злагоджена робота команд є вирішальним фактором успіху. Значну увагу приділено етапам формування командної взаємодії за моделлю Брюса Такмана, які включають формування, штормінг, нормування, виконання та завершення. Ці етапи дозволяють зрозуміти, як поступово розвиваються відносини між членами команди, які фактори впливають на їхню співпрацю та як керівники можуть оптимізувати ці процеси. У статті також розглядаються механізми, що впливають на групову динаміку, зокрема процеси прийняття рішень, розподіл ролей, управління конфліктами та побудову довіри. Автором підкреслено роль лідерства, як формального, так і неформального. Доведено, що синергія між цими двома типами лідерства сприяє підтримці високої ефективності команди. У статті висвітлюється важливість таких сучасних механізмів командної динаміки, як психологічна гнучкість, мікроротація обов'язків, культура зворотного зв'язку та соціальні ритуали зміцнення довіри. Вони дозволяють команді краще адаптуватися до змін, стимулюють інноваційність і забезпечують стабільність робочих процесів. Окремо розглянуто вплив різноманітності у командах, що включає як демографічні, так і психологічні аспекти, на креативність та загальну



ефективність. Автор пропонує впроваджувати ігрові механізми (гейміфікацію) та використовувати сучасні інструменти для співпраці, які сприяють підвищенню залученості співробітників та підвищенню ефективності управління організацією.

Ключові слова: команда; лідерство; менеджмент; організація; рішення; прийняття рішень; ефективність; менеджмент організацій; командна динаміка.

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