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INTRA-GROUP CONFLICTS IN TOP MANAGEMENT TEAMS. EMPIRICAL EVIDENCE FROM POLAND

Abstract:

The problems of functioning of Top Management Teams (TMT) have been a point of attention of practitioners and theorists for a long time. As the focus on TMT replaces studies on individuals as key decision makers in organizations, identifying and shaping factors determining TMT effectiveness have become one of the key issues of Corporate Governance.

The majority of studies is dominated by static approach, in which the impact of TMT structure (i.e. the size and heterogeneity of a team, as well as tenure, experience and expertise of board members) is considered to be the most important. However, incoherent conclusions implies further search for other explanations. One of them is a concept of group dynamics, which emphasizes the importance of group processes such as group cohesiveness and intra-group conflicts for TMT effectiveness.

The aim of the presentation is to show the results of the study conducted among companies listed from 2010 to 2013 on the main market of Warsaw Stock Exchange (Poland), which enabled the identification of the impact of intra-group conflicts on TMT, in particular on supervisory boards' effectiveness in case of enterprises operating in Poland. 46 representatives of various supervisory boards of above-described companies participated in the survey regarding various elements of group dynamics of TMT. The main results of the analysis based on exploratory factor analysis and structural equation modeling show that intra-group conflicts, especially cognitive and task conflicts, are an important determinant of TMT effectiveness.

The study enriches the theoretical concept of the effect of TMT group processes, especially of intra-group conflicts on TMT performance and provides empirical verification of theoretical models. A better understanding of the impact of intra-group conflicts on TMT functioning enables the development of propitious group processes enhancing the effectiveness of teams and companies performance, which seems to be crucial for investors and shareholders.

Keywords:

supervisory board; management board; effectiveness; board structure; intra-group conflict; cognitive conflict;

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