



# How teamworking works in the Inland Revenue: meaning, operation and impact

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304

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**Abstract** *Studies of teamworking suggest that, for it to be successful, fundamental changes must take place in many aspects of an organization's structure and operations. This study of the Inland Revenue reveals that only in a few aspects does its operation of teamworking follow this model. The range of work is little changed; employees exercise little in the way of new skills; they appear reluctant to adopt responsibility for the work of others; and the performance management system operates on the basis of individual performance. Nonetheless, teamworking appears to work in the Inland Revenue. It does so by having a team rather than an individual allocation of work, and by encouraging individual identity with the team target. This suggests that, although a limited version of teamworking exists, this might be all an organization needs. Thus what is needed is a more sophisticated understanding of teamworking, its objectives, and the relationship between the two.*

## Introduction

There are a number of ways in which the concept of teamworking can be understood. In the more popular management literature the focus has been on the idea of the team itself and, in particular, on how successful teams can be identified and created. Perhaps the most prominent example of this kind of approach is Belbin's (1981, 1993) work on the identification of the different roles that members of a team need to take on. A second important approach – and the one adopted in the present paper – is to place teamworking more squarely within the context of the employment relationship and, as such, to see it as a management strategy for the organization of work. Rather than management, project or product development teams, the concern in this approach is with the employees who make up the bulk of an employing organization. At the risk of some over-simplification, we can say that it is the organization rather than the team that is the focus of attention.

Taking this as our starting-point, this paper examines the operation and effectiveness of teamworking in the Inland Revenue, the UK's tax assessment and collection department. We begin, however, by surveying the literature in order to build up a general, outline picture of teamworking as a management strategy. This introductory section is in four parts. We show, first, how teamworking's strategic nature means that it can have implications for the



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structure of the organization and for the roles and responsibilities exercised within it. Second, we broaden our discussion to look at the management styles and the organizational systems associated with teamworking. Third, we turn to the link between teamworking and organizational performance, which, while often assumed to exist, has proved difficult to identify in practice. This leads us into the final part of the introductory section, which, by looking at studies of teamworking in non-manufacturing organizations, suggests that any link with performance may not be the same in all settings.

This introduction provides the framework within which we can examine teamworking in the Inland Revenue. We shall see that only in a few aspects does it resemble what the literature suggests teamworking might look like. The range of work is little changed, employees exercise little in the way of new skills, they appear reluctant to adopt responsibility for the work of others, and the performance management system continues to operate on the basis of individual performance.

Nonetheless, teamworking appears to work in the Inland Revenue. It does so primarily by having a team allocation rather than an individual allocation of work and by encouraging individual identity with the team target. In addition, employees show a willingness to accept a joint responsibility for the distribution of work, and this is facilitated by a more open middle-management style. All this suggests that, although a rather limited version of teamworking exists, this might be all an organization needs. It seems that what we need to do is to develop a more sophisticated understanding of teamworking, its objectives, and the relationship between the two. In order to do this, however, we must first look at some of the dimensions along which we can assess what teamworking looks like.

#### *Structures, roles and responsibilities*

The first implication of the strategic nature of teamworking is that, as Buchanan (1994) expresses it, distinguishing between work design and organizational design becomes very difficult. In particular, what we have is a situation in which the team becomes the basic organizational unit, and there may have to be an element of organization re-design in order to bring this about (Thompson and Wallace, 1996). Production technology is important here, for certain production systems will lend themselves better than others to this redesign (Procter and Mueller, 2000). While teamworking is often associated with flowline production and, in particular, with the production of cars, Cutcher-Gershenfeld *et al.* (1994) showed that in manufacturing industry it is in batch production that the necessary flexibility of design is more likely to exist.

In any case, a number of changes in the nature of work are likely to accompany this reorganization. Along with decisions about how tasks should be grouped together, organizations are faced with decisions about how they should be distributed among team members. In this context teamworking is generally associated with a widening of the range of tasks undertaken by an individual (Dunphy and Bryant, 1996). Team members might also have to take

on new kinds of work. In some accounts this is problem-solving and improvement activity (Delbridge *et al.*, 2000; Findlay *et al.*, 2000); in others, “soft” skills, such as communication, are given emphasis. Perhaps most contentious is the expectation that individuals will take on a greater degree of responsibility for the work of fellow team members. In some accounts this is the essence of teamworking: the replacement of bureaucratic control by the “concertive” control of peer pressure (Barker, 1993).

#### *Management and organization*

Just as team members are expected to take on new roles and responsibilities, so too are middle-level managers. In many cases it is the role of the team leader that assumes great importance. With their team leaders expected to manage as “coach” rather than as “cop”, organizations can often find it very difficult to find the right people for these positions (Procter *et al.*, 1995). Once in position, moreover, team leaders, faced with short-term production and financial targets, can come under great pressure to revert to a more “command and control” style (Watson and Rosborough, 2000).

We need in any case to examine not just the teams themselves but the organizational context in which they operate (Cohen *et al.*, 1996). Although it might seem obvious that, in particular, the system of appraisal and reward in an organization would have some relationship with teamworking, very little work has addressed this question directly. Among work that has done so, Harvey and von Behr (1994) found that a system of individual piece rates in the non-automotive metal industry worked against flexibility, and hence teamworking, by encouraging workers to stay on one machine in order to maximise earnings. Likewise, Lloyd and Newell (2000) show how the operation of teamworking in a pharmaceutical salesforce was severely hampered by the fact that evaluation and pay continued to be based on individual performance. Studies of situations in which team-based payments systems have been introduced seem to be just as uncommon. Ezzamel and Willmott (1998) are an exception in pointing up the conflicts and issues raised by a clothing manufacturing company’s introduction of a bonus based on team performance.

#### *Teamworking and performance*

What all this leaves us with is an impression of how teamworking works; from an organization’s point of view, what is also important is how well it works. In other words, what the strategic nature of teamworking does is to put it in a much more direct relationship with organizational performance. In looking at this, we have first to establish what we mean by performance. Dunphy and Bryant (1996), for example, identify three forms of team, each of which is most suited to the pursuit of a particular aspect of performance. While simple, multi-skilled teams are thus most likely to impact most heavily on an organization’s costs, self-managed teams will have their main effects on value, and self-led teams on innovation.

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Even if the impact of teamworking can be isolated, there is the question of the “transmission mechanism” through which it has its effects. From a sociotechnical perspective, the link between teamworking and performance can be explained by the self-regulation provided to employees by the more structural properties of teams but, as Cohen and Ledford (1994) point out, because the kinds of job to which such teams give rise – high in variety, autonomy, identity, significance and feedback – are similar to those advocated by the job characteristics model, a single channel of influence is difficult to identify.

Cohen *et al.*'s (1996) “predictive model” looks at four sets of factors in the performance of teams:

- (1) task design;
- (2) supervisory behaviours;
- (3) group characteristics; and
- (4) organizational context.

They found that it was those variables relating to organizational context that had the strongest relationship with team effectiveness. They were thus also unable to provide any comfort to Manz and Sims (1987), who, despite seeing value in certain “leader behaviours”, had been unable to provide evidence of a direct link with performance.

#### *Teamworking in the service and public sectors*

This account of the nature of teamworking and its impact relies very heavily on work conducted in a fairly small range of settings. There is an overwhelming concern with manufacturing industry and, even within this, certain sectors – automotive, electronics, engineering – tend to feature very strongly. It is only more recently that studies of teamworking in service settings have begun to emerge. Thus we now have, for example, Cohen and Ledford's (1994) and Cohen *et al.*'s (1996) studies of the telecommunications sector, and Lloyd and Newell's (2000) study of a pharmaceutical salesforce. As Lloyd and Newell argue, a key issue is what factors, if any, differentiate the use of teamworking in the service sector. Cohen *et al.* (1996) suggest that elements of the organizational context that support employee involvement, such as rewards and training, may assume greater importance in services, where the nature of work is likely to be less straightforward than in manufacturing.

A further complication is added, if we allow for the fact that a service setting may be found in the public rather than in the private sector. Again, while the bare figures suggest the presence of team-based working in the public sector, research has been slow to follow. One exception is Martinez Lucio *et al.*'s (2000) examination of the UK postal service, although the focus here is on the nature of the trade union response to teamworking rather than teamworking *per se*.

With the public sector in the UK and elsewhere under increasing pressure to perform and to adopt “private sector” methods in order to do so, we need to

understand what teamworking looks like here, and how, if at all, it achieves its objectives. How does teamworking in the public services match up against the characteristics we have identified in this introduction? What does it mean for employee roles and for organizational structures and systems more generally? Moreover, if teamworking can be seen to work in this kind of setting, how precisely does it effect any improvement in performance? It was with questions such as these in mind that our study of teamworking in the Inland Revenue was undertaken.

### **The research project**

#### *The Inland Revenue*

The Inland Revenue is the UK's tax assessment and collection department. Since income tax was reintroduced on a "temporary" basis in 1842, the main developments have been the introduction of pay-as-you-earn (PAYE) in 1944 and self-assessment (SA) in 1997/1998. In 1998 the Inland Revenue employed over 52,000 people, of whom around 9,500 were part-time. For operational purposes the Revenue is divided into ten regional offices and a number of more specialist sections. Operating offices, of which there are between 500 and 600, have been of two main types, concerned with the assessment and the collection of tax respectively. Under the new office structure (NOS) programme, however, these two functions are gradually being brought together. The size of office varies from around 50-60 staff up to around 500, with mergers producing an increasing average figure. Both the number of staff and the number of offices have fallen significantly in recent years, and the intention is that this process will continue.

Under the Inland Revenue's pay and grading system, staff are placed in one of five pay bands, A to E, A being the highest. Our concern here is with those on the lowest grades: Bands E – divided between E1 and E2 – and D. As might be expected, the majority of staff are to be found at these grades. From 1997 figures, Band E2 accounted for 27 per cent of staff, Band E1 for 34 per cent, and Band D for 22 per cent. The jobs and responsibilities of each of these grades are as follows. At Revenue Assistant (RA) (Band E2) level, work is made up of basic clerical tasks such as receiving mail, record-keeping, and sorting and filing documents. Revenue Officers (RO) (E1) are concerned with the routine calculation and collection of tax. They would also be the point of contact for members of the public. Revenue Executives (RE) (D) deal with more complex tax cases and with the tax affairs of more highly paid employees. They also provide technical support to RAs and REs. Front-line managers (FLM) (D or above) have a role that is managerial rather than technical.

#### *Project scope and description*

It was felt that the objectives of the project would best be achieved by the in-depth investigation of a relatively small number of offices. Access to six offices was negotiated through an initial contact in the central human resources division (HRD). The offices were chosen by the HRD on the basis of their

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providing a range of sizes, types and experiences of teamworking. Over the period December 1998-February 1999 a total of six offices were visited. One or both of the researchers spent two days in each office, carrying out a series of hour-long semi-structured interviews. The interviewees were chosen by the researchers' point of contact within the office, who was asked to provide people from a range of functions, grades and points of view. A total of 74 people were interviewed in the offices. Amongst these were eight Band E2 employees, 27 Band E1 and 23 Band D. In addition, interviews were carried out with members of the HRD and training office. Internal documentation was also provided.

### **Teamworking in the Inland Revenue: what and why?**

#### *Background to teamworking*

Teamworking in the Inland Revenue needs to be seen against the background of major changes that have been taking place in the way that it is managed and organized. These include what was widely seen as a half-hearted attempt to introduce "empowerment" in the early 1990s. Of more direct bearing on teamworking was the delayering process undertaken in 1995/1996. This aimed to remove one layer of management completely – the management inspector role – and to establish the principle that there should be no more than one level of management between any employee and the head of the office in which they worked (the officer-in-charge). This led to the emergence of the position of front-line manager (FLM) and, with it, an attempt to move to a very different approach to middle-level management.

Perhaps the most important part of the background to teamworking was the introduction of self-assessment (SA) for a large number of taxpayers in 1997/1998. As part of the long process of preparation for this, teamworking was pushed strongly as the best way in which SA work could be organized. The link between SA and teamworking was not self-evident, and our research revealed a number of different ways in which it was understood. Perhaps the most important of these was that the immensity and complexity of SA meant that – at least in the first instance – whole-case working would be too difficult.

From the point of view of those in the offices, much of the teamworking initiative came as part of the move to SA. Although non-mandatory, teamworking certainly seems to have been strongly recommended. One senior employee put it as follows: "The best advice that we were getting from the experts and various comments was that 'You won't deliver self-assessment unless you have a teamworking approach to it'".

Linked to – but not explicitly part of – SA were other attempts by the central human resources division and training office to encourage the use of teamworking. The result of their collaboration was the booklet, *Developing Successful Teams*, circulated in 1996. The booklet set out the potential advantages of teams and showed how the changing nature of the Revenue encouraged or even demanded their use. This was supplemented the following year by the team development pack, a training package consisting of eight modules designed to take teams through various stages of development.

Although the booklet and the training package were circulated to all offices, those involved felt that they had no control over the manner in which this was done. From the point of view of one of those involved in its compilation, "It didn't get out in quite the way we wanted. We didn't have control over distribution beyond the officer-in-charge."

### 310

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#### *Understanding teamworking*

A first question asked of almost all interviewees was what they understood by teamworking, both in general terms and as the expression was used in the Inland Revenue. General conceptions of teamworking were based around familiar ideas such as its being a collective effort towards a common goal. As these ideas applied more specifically to the Revenue, teamworking was also associated with a willingness to cover for one's colleagues. "Teamworking" in this sense was seen as giving a name to something which had always gone on.

There was, however, widespread recognition that teamworking went beyond both the general notions and a willingness to cover for colleagues. It was recognized that the idea of "covering" or "helping" colleagues itself implied that each individual had an exclusive area of work. Teamworking involved a move beyond this. It meant, said one RO, "that you don't have personal jobs, and that you shouldn't be saying, 'I've finished my work – can I help you?'" This was expressed in various ways. According to two ROs:

... it's all in one pot and ... you just all work from the one pot instead of having your own little pots.

Teamworking is a whole different concept. You are looking at a whole cake instead of just the slices.

In the Inland Revenue this was a fundamental change. What it meant was an end to the system of "individual allocations" of work. Under this system, each employee had been allocated a certain set of taxpayers, usually on the basis of the taxpayer's surname. One person would take A-E, the next F-J, and so on. The individual would then take responsibility for all aspects of work associated with these taxpayers. These allocations were often jealously guarded. Said one Band D employee, "In my day, you had your allocation of work ... and ... if anybody tried to take my allocation of work off me, I'd have done murder for it."

Reluctance to give up individual allocations, however, was not defended simply on the basis of narrow self-interest. It was widely held that it offered advantages from the point of view of customer service: taxpayers had an identifiable point of contact with the Revenue, and this point of contact had a thorough knowledge of them and their case.

The system of individual allocation had not, of course, been without its disadvantages. Many of those interviewed explained how their work would build up when they went on holiday: "You'd never be able to see your desk when you got back", said one RO, "... it would be knee-deep in work, and you needed another holiday by the time you'd finished it." More generally, others associated individual allocations with pressure and isolation.

In line with the considerations raised in our introductory section, those interviewed in the offices associated teamworking with broad “business” aims. From one standpoint, teamworking was seen simply as a way of getting increasing volumes of work from declining numbers of staff. In fact, there was little attempt to deny this in interviews with more senior and more central staff. In common with other areas of the public sector, the Inland Revenue is under constant pressure to produce efficiency gains. With such a large part of its turnover accounted for by labour costs, reducing staff numbers was seen as the only way in which this could be achieved.

Teamworking could then be seen as first, a way of making this a little less obvious, and second, a way of implementing it more easily. With individual allocations replaced by team allocations, one RO, who had previously been responsible for around 4,500 taxpayers, described this:

I think we worked out that after changes . . . we would be actually dealing with about 8,000 each, roughly. So it just seems to be a very back-door way of actually getting us to take on more work without us really realising . . .

Other interpretations placed more emphasis on what might be considered more positive considerations. For some, teamworking was part of the move to make the Revenue a more customer-driven organization: “The Civil Service has never been like a business”, said one RO. “So you’ve got to start thinking of the way that businesses work, and the way that businesses work is by teamworking”.

### **Working in teams**

#### *Forms of team: establishing groupings*

The most pressing concern, and one that best illustrates the issues faced by the offices, was how the new SA work would be organized. Rather than tax returns being checked as they were being processed, the introduction of SA was effected on the “process now, check later” principle. The official recommendation was that each team of employees should deal with the full cycle, starting with the receipt of forms, through the processing stage, and into the “check later” stage. Under the previous system, the close association between function and grade meant that function-based work groups were also essentially grade-based.

Although in principle teamworking involved a move from a function-based to an allocation-based system of work organization, distinctions – sometimes physical – between grades meant that in some cases it was not clear what the “team” was. This was illustrated by one RO when asked about her team:

There are nine people in [my team] at the moment. Five are at RO level and four at RE level. We’ve got two Revenue Assistants which are supposed to be with our team but because they don’t sit with us at all they are not really attached to us. Only the ROs and REs sit together at the moment.

In fact, even the ROs and the REs were separate from each other: “All the REs work together and all the ROs work together, so we are divided a bit.”

Thus, more than anything, it was the target that defined the team:



... but we all have targets we have to meet, so we all work together to meet the target. You can't say we work as a team like at a building site, because it's impossible to sit there and observe a team working as a team ... But we all do the same thing, if necessary, or the same type of work, in order to clear our targets.

The relationship between the different grades also emerged as an issue in another office. According to a senior manager:

... you had an RE at the front of the team, who's the manager; you had the RAs, who were support; you had the ROs, and you had the RE case workers, that all worked together. That caused a certain amount of friction, because people tended to lose their identity within that team.

In this view, it was the technical REs who were the main losers:

... although those technical REs were managed by a C2, it was the RE at the front of the team that managed the work ... And that was difficult for the technicians and it was difficult for the manager.

Quite different tendencies could also operate. The use of multi-band teams meant that severe imbalances of work could emerge. This came about as a result of staff being confined to working on a single team. Teamworking, in other words, rather than being hampered, seemed to be working too well. According to one RO:

There was a sort of, if you like, "My team's work comes before my grade's work," which was commendable in one way but, when you haven't got anybody else who could do that work, there was nothing more you could do.

Teams were thus working at the expense of the office as a whole. As another RO expressed it:

... the teams have bonded but they've bonded to their own team and nobody gives a stuff about anybody else, and that is the downside of it.

Other problems multi-band teams could create were also experienced. Having created and operated such teams, it was felt in one office that the complexity of the SA system – one of the reasons it had been argued that teamworking was necessary in the first place – was too great for a team to deal with. As one FLM expressed it, "Because it's such a big system, with so much information to try and learn, it became 'information overload'." With six SA teams running in parallel in this particular office, there were also fears that taxpayers were not being dealt with in a uniform way.

As a result of all this, the work in the SA section of this office was reorganized along functional lines:

We've still got six teams, but we've only got two teams dealing with the initial receipt of forms, two teams dealing with the actual process of those forms ... then we've got two teams ... dealing with the "check later" aspects. [FLM]

#### *Nature of work*

The same issues could be looked at from the point of view of how work was allocated within teams. The basis on which teams were established meant that

there could be little increase in the range of tasks taken on by staff. This was clearest when teams were established on a functional basis, but even in supposedly cross-functional teams the division of work between bands meant that the scope for task flexibility was limited. One RA said:

With the SA they've had mixed-band teams, and I don't know how successful that is, but from what I can see, it's just the RAs doing the RA jobs and the ROs doing the RO jobs, and they are sort of clonked together.

Thus, on the whole, the nature of the way in which the work was grouped determined the division of labour within the team. A slight blurring of distinctions could be observed in some cases. One Band D caseworker put this down, at least in part, to physical co-location:

... as you are mixed in with everybody, if an RO, Band E's phone was ringing, you answer it, whereas you would have been away from it because you would have been in a group of Band Ds at the time ... I wouldn't spend a lot of my time doing E1 or E2, but, because I'm amongst them, if it needs doing then you tend to do it.

What discretion there was tended to centre on how team allocations of work were distributed to individuals. This could in some cases involve an effective reversion to individual allocations. One RO described her experiences working in one team:

... there is one team that used to actually work allocations inside the team, so that the work was literally split up like it was before teamworking came in. I would actually deal with everybody's name that began from A-D and ... and so on and so forth.

#### *New skills and responsibilities*

As well as seeing little in the way of greater flexibility, there was little evidence of the "new" skills often associated with teamworking. Scope for innovation is in any case restricted by the legal and other constraints within which the department must do its work; and, while the introduction of SA did raise issues which required the application of diagnosis or problem-solving skills, these were not seen as anything new.

Where some attempt was made at development was in the softer skills associated with teamworking. This centred on use of the team development pack to which we referred above. Use of the pack's modules was left to the discretion of individual offices, although they could make use of trained regional facilitators. Several of those interviewed had made some use of the pack, and there were those who felt that they and their colleagues had benefited from it. The majority remained sceptical, however, both of the pack itself and of the process by which they had come into contact with it. Some regarded the process as little more than "party games", while others resented the time and effort involved.

As a result of working through the early modules, a number of interviewees were able to produce a team charter. These, however, seemed to be of little lasting value: "We came out with a little charter" said one FLM, "but I don't

think it's had any relevance at all with the staff." "We drew up a team charter," said an RO. "I don't know whatever happened to it. I've never seen it since."

There was also a marked reluctance on the part of team members to take on supervisory responsibilities with regard to colleagues. One RA said:

I think it should come down to the group leader. They should have a word with the individual, because I don't think an E2 can go to another E2 and say, "You need to get your finger out". Because there'd be, "You can't tell me what do, you're the same grade".

Where significant changes were observable was in responsibility for the distribution of work within the team. Some stressed the continued restrictions imposed by the requirements of the department, but one RA described the change that had come about:

... [you] can have a group meeting, decide how you want to do the work; whereas before it was imposed, whatever the manager said, that went. Whereas now, you can turn round to the manager and challenge them ... and say, "Well, no, I don't think that's quite how it should be, perhaps we could look at X, Y and Z." I think you can do that now, whereas before you certainly couldn't.

This assumption of new responsibilities thus needs also to be seen from the perspective of the change in the role of the team leader.

### **Management and organization**

#### *Role of the front-line manager (FLM)*

Appointments to the new position of Band D FLM – our main concern here – had come, in the main, from existing Band D group leaders or from the grade below, E1. In many cases these appointments seemed to be quite *ad hoc*. One FLM said:

And it came about that I was asked by the boss to consider being a manager because one was leaving, and I thought I'd done long enough with the technical stuff and needed a change. I do get bored easily, so I said, "Yes," and that was it, really.

Set against that, the induction offered to FLMs was quite positively regarded. The major complaint was that the course on offer was not well synchronised with their appointment. There could be gaps of six months either before or after taking up the post.

The change in management style expected of team-leaders was along the lines of the transition from "cop" to "coach". The "cop" role in the Revenue was described by one FLM:

... you were hard and kicked people's backsides, and if you were nice to them you were seen as being a weak manager, because you didn't go round making a lot of noise and shouting.

One FLM, with 25 years' experience, described the transition between the old and the new:

... now you work as a team, you discuss things with your team, you have team meetings, and it's not the Management Inspector gives you an order and you pass the order on to your group.

On the whole, from the point of the FLMs' team members, a change in management style was both recognized and welcomed. One RO said of the management style:

It's changed greatly. There's been a massive change. Years back, they would check your work that was going out, they would check repayments, check letters, count post in, keep a record of what came in . . .

The transition, of course, was not simple or seamless. The tension inherent in the team leader role is that the pressure for results might cause a reversion to methods that may be more familiar or seem more capable of generating short-term improvements. A second, less obvious danger was that a more people-focused style would be restricted to the more formal aspects. In the words of one RO: "They [managers] seem to be there nowadays for the end-of-year reviews and the assessments."

For the FLMs it was not just a case of moving to a more facilitative management style; this had to be reconciled with taking overall responsibility for their team's meeting their target. This was part of their role as the pivot or linchpin in the office, representing team members to more senior management and *vice versa*. An FLM in one office described how the district target had implications for her team target and, within it, for the targets of individual team members:

As a district, we've got a district plan, which basically gives an undertaking that our district will capture X per cent of returns. That will be the district's share of the regional plan. Moving on from the district plan, we've got a team plan. So, for us to achieve a district plan, each team talks about it and says, "We'll do our share" . . . At the same time, even though it's a team, everybody still wants to claim their individual targets as well.

At the same time it was down to the FLMs to represent their teams in the office as a whole. When asked to describe her role, one FLM replied:

A go-between really . . . I'm there as their spokesperson, I suppose. I come down with the task and say, "How do you want to do them?" and they make that decision.

She felt that she was "piggy-in-the-middle" between her team and senior office management. But the input at a higher level was valued:

You are more involved with the running of the district than you were before. You have to put your ideas forward for how the district is going to achieve whatever we've got to achieve.

One implication of the FLMs' new roles and responsibilities was that it was difficult for them to maintain a technical role in the team. Their role was described as "pure" management, and any technical problems would be referred to the non-FLM Band Ds: "It isn't really our job now", said one FLM. "We are supposed to know somebody who can help them, not to know ourselves."

A further danger was thus that the FLMs' lack of technical knowledge would lose them the respect of their team members and make their management job more difficult. Some FLMs felt that respect could still be generated without the technical know-how, although a number of team

members regretted the disappearance of the technical role, arguing that, in removing day-to-day contact, this would in fact disadvantage rather than enhance the “pure management” aspects of the role.

This stress on the managerial aspects of the FLM’s role also raised longer-term questions about career development. The issue here was whether opportunities existed for those in FLM positions, having given up their technical work, to progress along a largely or wholly management career route. The particular focus was the role of management inspector, which had been a management position in the offices at Band C level but – formally at least – had been abolished as part of the delayering process. Again, a range of views was expressed. Some saw no problem in pursuing a management career, even if it meant moving outside the operating offices. On the other hand, there were those who saw their opportunities as distinctly limited.

#### *Performance management*

Among those interviewed, the aspect of the organizational context that was of most direct relevance to the operation of teamworking was the system of performance management. Under the system, each member of the department was appraised individually each year on the basis of an agreement reached the previous year. There were three basic assessments: “not met”, “succeed”, and “exceed”. This assessment determined part or all of an individual’s pay increase.

Teamworking and the performance management system were widely seen as being simply inconsistent with each other. One senior employee said, “I think it’s like two totally alien cultures. I don’t think the two go together at all.” For many, this was because of the feeling that, in order to do well in terms of performance management, an individual had to show that they were performing better than their colleagues. A comment from an RO reflects this:

You can’t have the two together, they don’t make sense. Because in performance management you have got to prove that you are better at your job than someone else. In teamworking it’s not about proving who’s best, it’s about getting the job done. So it is a contradiction in terms; it’s just stupid.

The tying of pay increases to appraisal grades added a layer of complication. In some eyes this was the overriding factor in the clash between teamworking and performance management. For others, the differences in salary increases were so small that they were not really an issue. One FLM described how team members described the difference as about “a Mars bar a day”.

One other aspect of this was that teamworking drew attention to differentials in pay which had accumulated over time. One FLM said of the performance management system:

It can be quite divisive, because some of the staff are aware that others are earning more than them, and that can cause resentment . . . The old problem: “We are doing the same job, we are in the same team, and yet they are on more than me, it’s not fair”.

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Attempts to reconcile teamworking and the performance management system revolved around its inclusion as a “key responsibility” in the performance management agreement. On the whole this was felt to have little impact on the essentially individualistic nature of the agreement – “It’s a bit of a cop-out, really”, said one FLM – but, at the same time, there was little support for a move to a team-based system of appraisal and pay. Although the idea of team-based pay was something with which the Revenue was experimenting in a limited way, mention of the idea in the research interviews was met with almost universal suspicion and disapproval. Underlying this was a reluctance on the part of individuals to allow even a small part of their own earnings to depend directly on the performance of other people.

### Conclusions

Before we try to draw out the broader implications of the form teamworking has taken on in the Inland Revenue, can we say that it has been successful? In the Inland Revenue we can take as a measure of success the ability to meet the increasing demands placed upon it by government, and, in particular, the ability to deal with the introduction of SA. If we return to the issues that we considered in our introduction we can see that there exist enormous difficulties in trying to establish the impact of teamworking or of human resource management practices more generally. Any attempt to isolate and quantify the effect of teamworking would almost certainly be futile.

The impression gained from employees at all levels was that the successful transition to SA was certainly eased by teamworking and, if anything, might not have been achieved without it. As a less direct measure of success, we might also say that, on the whole, employee attitudes were positive: teamworking was recognized, widely accepted and, in some cases, enthusiastically received.

As we have seen, teamworking in the Inland Revenue is of a particular form. The variety of work is little changed, employees exercise little in the way of new skills, and they appear reluctant to adopt responsibility for the work of others. From this last point, it should be noted, it might be inferred that there was little evidence of teamworking working through “concertive control”. In addition to the lack of change in roles and responsibilities, moreover, the performance management system operates in a manner which appears to be directly at odds with teamworking. There certainly seems little evidence to support Cohen *et al.*'s (1996) suggestion that, because service work is more complex than manufacturing, teamworking will rely heavily on the development of a supportive organizational context. Indeed, a superficial analysis might conclude that teamworking does not exist at all.

Teamworking, however, certainly carries meaning for those working in the Inland Revenue. For one thing, it is associated with a more facilitative management style, which, in turn, is linked to a willingness on the part of team members to enter into decisions about the distribution of a team allocation of work. Perhaps most importantly, teamworking represents the end to individual

allocations of work. Individual targets still exist but the shift – small but significant – that seems to have taken place is that the individual target is seen much more as a component part of the team target. A comment from one RO seems to capture the spirit of this: “With teamworking we are doing the same jobs but we are doing them combined”. One way of looking at this is that the team (or, more precisely, the team target) acts as a bridge between the individual and the organization. From the individual’s point of view, the team is small enough for them to feel that their contribution is significant; from the organization’s point of view – in this case, the office – the team is large enough for its performance to be significant.

To paraphrase Mueller’s (1994) view of teamworking, what we have is the re-alignment of individual motivation and organizational rationality. What is interesting here is that there has been no attempt to achieve this through explicitly “normative” or “cultural” means. Teamworking may certainly have been able to draw on an existing ethos of public service, but the case presented here is in line with the down-playing of the normative aspect, which is suggested in the work of Cohen and Ledford (1994) and Wright and Edwards (1998). The analysis of our case also offers broad support to the approach of Dunphy and Bryant (1996). Thus, although a rather limited version of teamworking exists, the nature of the organization and of its production environment means that this limited version might be all that is needed. More generally, we might conclude, what we need is a better understanding of what an organization seeks to achieve from teamworking, of the way in which teamworking operates in that organization, and of the broader relationship between the two.

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