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Business Capstone Review: Team Dynamic Effects on Business Decision-Making

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by

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Abstract

This thesis focuses on team dynamics and how they affect business decision-making when finding solutions collectively. It analyzes new team dynamics in relation to Tuckman's model of the five stages of team development. While much-existing research measures team dynamics and leadership styles, the purpose of this study is to highlight the characteristics and processes created in teams that lead to the strongest results. The constructive cohesion of team members comes from building a specific culture based on attitudes and guidelines. This knowledge is valuable because it can lead to the success or failure of decisions. This thesis argues that relationship-building through trust and safety must be established. Genuine connections allow for cooperation and the application of the strengths of each diverse team member. Practicing these enables teams to be efficient and decipher firm decisions in the business world.

Introduction

The Portland State University (PSU) business capstone course groups students from various business school majors and assigns a client needing business support or guidance to them. When consulting with a small business in a team environment, creating effective solutions depends on how well the individuals collaborate. Real clients drawn from local businesses rely on the team's research and recommendations. Knowledge of team dynamics and their effect on decision-making is essential for successful business decisions. Most individuals have been grouped and assigned tasks to complete from an early age. Throughout the years, one is given different team projects to navigate, and they execute them one way or another. How a team collaborates and strategizes affects the results and quality of the work done. This paper will break down what made the twelve teamed individuals in this capstone able to collaborate and execute a significant project successfully. I will begin with a breakdown of the capstone business project, what it entails, and our objectives as a team. The next portion uses Tuckman's model of the five stages of team development to review how our team dynamics developed. Lastly, I will

reflect on how our team collaboration affected the strategic decisions and recommendations formed.

Background

    I.   Capstone Course

The PSU School of Business works with local companies to create an agreement in which graduating students assist them. The scenario is similar to real-world consultation situations, allowing us to apply our education. Organized into teams of twelve, PSU pairs senior School of Business undergraduates with an external small business client who needs assistance. Throughout the process, the students evaluate the business's external and internal environment. These include utilizing analytical tools, including SWOT, VRIO, PESTEL, and Porter's Five Forces. The SWOT analyzes internal strengths, weaknesses, opportunities, and threats. This focuses on an internal understanding of the company's position in the industry and future potential. VRIO regards resources and whether they are valuable, rare, difficult to imitate, and organized. This is done to assess the company and inform the client on what areas must be developed to gain a sustainable competitive advantage. PESTEL is an external analysis of the industry's political, economic, social, technological, environmental, and legal components (Ketchen, 2022). These five sectors are analyzed to understand what a company should know and how they may execute business based on these elements. Lastly, Porter's Five Forces influence the industry regarding rivalry, supplier power, buyer power, substitution threat, and new entrants (Danao, 2024). Understanding the sector reveals how profitable one can be and what to be aware of when creating strategies. Our capstone team did extensive research to run these analyses and about the specific industry. We then developed and conducted a survey to apply more data to our findings. Then, we collectively presented the content and findings four times, with the final meeting being official recommendations.

II. Client and Goals

Our client, Company A, is a start-up with minimal platforms and established content. They have created a shell and framework for their work but have yet to execute and promote their services. The target market is Gen Z and millennials, specifically young professionals. Company A's vision is to serve the underserved community lacking financial literacy knowledge. Currently, the client has only one employee (the founder) who is running everything alone. They intend to execute seminars, sell services online, and ultimately write a book regarding financial literacy advice. Our team was brought in to give a road map about how to efficiently and effectively execute these goals. The capstone course allowed us to utilize our different backgrounds and apply our education to Company A. A statement of work was developed and signed, ensuring agreement about the aspects we will address as a team for the client. Eight goals were established for us to research and find solutions for. These include:

1. Method of differentiation

2. Primary research to find the target audience

3. Find potential venues that could host financial literacy seminars

4. Research marketing media and successful platforms

5. Expand the Portland area markets to other markets

6. Research the basics of needed finance content for the public

7. Market research on the product/service of financial literacy for the seminar

8. Identify cash flow and how it runs in the seminar

The team created these based on the client's needs and challenges.

III. Capstone Team

The capstone teams, composed of strangers, partnered to solve issues that don't

necessarily concern them, have exciting dynamics. The capstone course is crucial for testing our education but does not affect our personal lives. On any diverse team, many cultures and backgrounds are mixed. Our team had a variety of majors, from management and leadership, marketing, accounting, and more. Our workloads and experience were highly diverse. For example, I was taking 22 credits overload, and another student was enrolled with ten credits. There were eight males and four females on our team. A few have formed relationships in past classes, but most of us were a new mix. To break down the team development process, Tuckman's Model includes Forming, Storming, Norming, Performing, and Adjourning stages will be utilized (Stein, n.d.).

Methods

Tuckman's stages of group development are founded on how teams evolve, intentionally or not, and go through these five team states. Understanding the process and what stage a team is at can be beneficial for knowing what is needed to get to a highly functional position. Recognizing these stages helps highlight the behaviors occuring and the momentum needed to be efficient. Tuckman's five stages are a process every team goes through to achieve its goals. The framework identifies the tones the capstone team is working through as they transition between stages. Every stage has specific behaviors, moods, and feelings (Kumar et al., 2014).

The initial stage, forming, is structuring the team; in this phase, members are highly polite and cheerful. Storming is noted to be when people are more vocal; hence, conflict begins to arise. Roles are still being clarified and established as they organize themselves. Norming is transitioned to when conflicts start to resolve more smoothly and work towards productivity. Members are more acquainted and comfortable as they develop routines and quicker solutions. Performing is the lasting stage of group formation and is highly productive. Members are confident in their expectations and flexible in their functions. Adjourning is the final stage,

where the team separates, in our case, as the course concludes. A sense of sadness and grief can occur along with relief and transition.
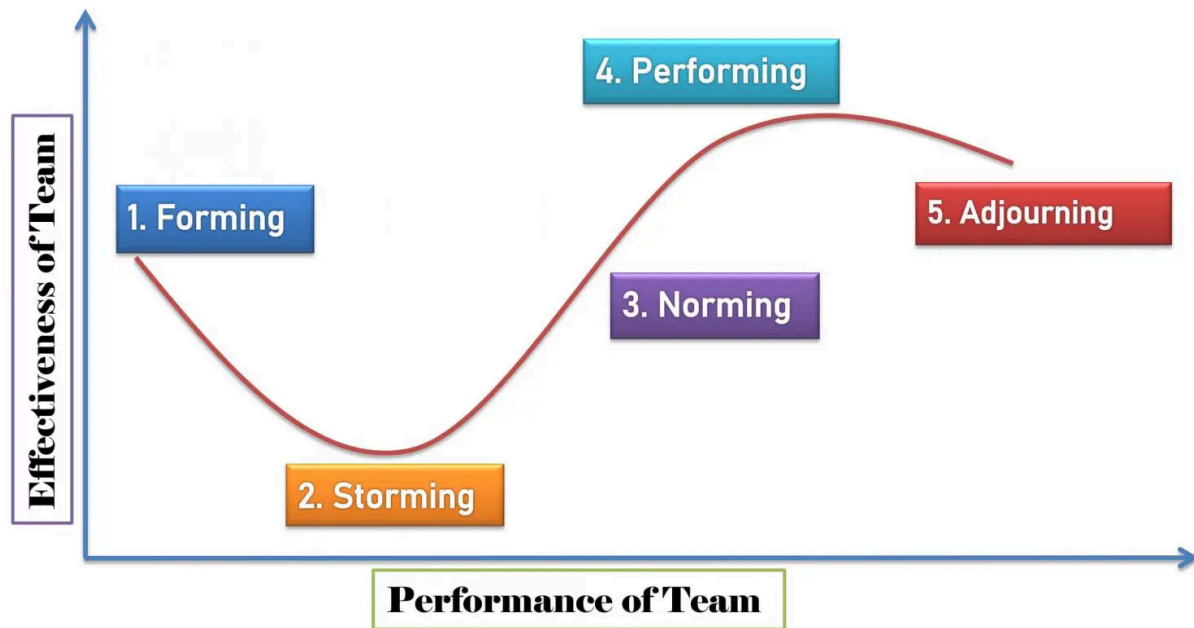
Tuckman's Model of Five Stages

I. Forming

Forming is where uncertainty about norms and expectations occurs as a group initially comes together as a team. In our case, introductions and information were initiated quickly on the first day we met and saw our teammates. The typical icebreaker involved introducing our names and majors. Then, we had our first team decision: choosing a project coordinator (PC). The PC would take over the primary communication with the client. An extraverted personality volunteered to take the position during the awkward beginning tension in the forming stage. Everyone was evidently nervous about stepping on toes or causing conflict, so no objections were made. From there, most classes included "lab times" sessions to work on our research and tasks for our client. The capstone course is fast-paced because we have just ten weeks to form our team and meet our client's needs. A successful capstone seminar requires consistent communication and collaborative platforms between the team members. By the end of week 1,

our group assignment was to propose our understanding of the project back to the client. The large group makes it easy to individually assign portions of each assignment to unique team members using a collective document to share work and keep each member updated. The work was assigned and completed separately, which became evident in the choppy flow of the passage. Nevertheless, it went smoothly, and we completed it on time with only minor critiques. We entered the storming process once the basics were sorted and easy decisions made.

II.   Storming

Storming, the second stage of Tuckman's model, is intended to work out the struggles of teamwork and find a rhythm. In our capstone, we began by feeling each other out and finding the groove of things by cultivating trust. Once individuals started to open up, needs were voiced more frequently. By week 3, I observed introverts getting more comfortable and hearing more voices at the table discussions. Extroverts still voiced their opinions but were less dominant. Personalities were adapting to each other and creating an inclusive tone for the team. The increased participation brought slight tension in conversations and decision-making, but the group quickly learned to resolve conflict efficiently. As week 3 concluded and we neared our first presentation, we had assembled and worked out the kinks in our process. We talked about public speaking and how comfortable we were with the task. I expressed how I get incredibly nervous and run out of breath. Each member spoke about their experience and what strengths and weaknesses they have. It humanizes us to be open and honest about how we struggle. It also allowed us to be more supportive when the presentation day arose. We knew each person's comfort level. Psychologist Adam Grant found that being vulnerable and engaging in conversations flatters individuals as you inquire about their insights (Grant, 2013). This builds empathy for each other and deeper trust as we navigate the group dynamics.

At the beginning of week 4, we completed our first presentation as a group. Despite only running through it once as a team, we were applauded for our synergy. The team included

numerous chatty individuals, so we enjoyed socializing and getting to know each other. One girl

stuck with the one friend she knew in the group and still didn't know everyone's name. This

became evident during the Q&A portion of the presentation when she couldn't refer to our

colleague by his name. The following lab time, we went around saying our names; even though

the girl wasn't there, I'd say everyone else knew. It was amusing to go around the table and state

our names after presenting content together. Yet, it shows how much we value our team and

working together.

III.   Norming

This stage of development has a more general feeling of acceptance and cohesion. The

week following our presentation, we were immediately tasked with another presentation to

complete and present. Now that we knew the process, we met the way we did before, as it proved

effective. Comfortability was forming; it became easier to correlate ideas and discussions. It also

became evident that everyone was committed to providing high-quality work and strived to

satisfy the client's needs. A report by EY and Harvard Business Review found that 81% of

executives found that when firms were purpose-driven, they delivered "higher quality products

and services" (Gavin, 2020). Work outcomes were better when the members felt a shared

purpose and connection. In our team, at this point, more unrelated topics were brought up, and

interest in each other's lives was shown. I loved to ask about majors, post-college, and my

colleagues' general lives. I smiled at each member whenever I saw them, even giving a wave or

small chat outside the workspace. I observed that they were more relaxed and comfortable after

I made that effort. Most members started to see and respect the way we served each other. The

marketing majors chimed in on aesthetics and ways to communicate information. More backend

majors, such as human resources and finance, were more invested in the logistics and data

related to client A's business. By week 5, our routine and work schedule had become natural,

and a productive workflow was established. One member, a natural leader, took the initiative.

Decisions were made more collectively, and we partnered off to complete tasks instead of working entirely independently. These partnerships built deeper connections between members. We were still slow to jump into topics but were getting quicker at navigating them.

IV. Performing

Moving into week 6, we were preparing for our most complex presentation, the qualitative and quantitative analysis. We realized the heavier content density and work necessary for this presentation as a team. This is where we had to be high-performing, and since we had confidence in each other, it went smoothly. Our routine was pushed as everyone must show up, and there was less room to slack. We were a high-functioning team that produced solid results and work. Yet, as with all teams, confident leaders and initiators carry and push the communication. Questions are constantly being asked, and our entire Saturday was spent communicating about the content. An extra rehearsal was established, raising the responsibilities of every member.

V. Adjourning

The adjourning stage occurred during the course's closing, as many were ready to complete the work. Our qualitative and quantitative analysis included three routes close to the conclusion of our strategic recommendations for our business owner. We were intensely satisfied with our work to assist Company A.

Discussion

Working on a diverse team and reflecting on how it becomes successful revealed the importance of building relationships. Our routine and communication made each task easy to accomplish efficiently. Conflicts were quickly resolved, and encouraging attitudes were the only

accepted ones. Collaboration became easy once we knew how to move our data and work with each individual. Feedback was often given, and despite constructive criticism, it was understood that it meant better results. Owning up to mistakes or where we need help was also a successful strategy. The open honesty that came with trusting each other allowed us to create quality work with minimal uncertainty. The feelings of deep trust and respect allowed for creativity to be encouraged in finding the best results. All these factors derive from the connections that led us to be engaged and loyal to our workplace. Being efficient and high-performing leads to successful decisions and results.

  The capstone course is laborious at six credits and challenging, making it easy to have a negative perception. A "bad" team can make the entire experience miserable and burdensome for the members. Once we established connections, it became more enjoyable. Attitudes changed from being forced to complete tasks together to tackling them as a team.

Results

  This capstone business project had one of the most successful teams I have ever participated in throughout my 18 years of schooling. Our team cultivated a culture with solid expectations and standards for how we got work done. The storming process's minimal conflict allowed us to progress quickly, which was essential for such a fast-paced course. We were asked to rank our teammates from most to least valuable during midterms. Each member expressed dismay with executing this task, as we all thought so highly of every other. Our professor felt we were efficient enough to take on more complex tasks. This included answering questions during the presentation instead of holding them until the end. It gave us a more accurate real-world situation as we presented our consultation findings to our client. Only some teams were strong enough to handle the task. We were only given the opportunity due to our high performance and robust data. I know of a classmate in a different capstone whose team missed crucial deadlines

and needed excessive extensions. The team had no synergy and resented each other. They created a more hostile environment with passive-aggressive actions.

The way we established a strong foundation of communication and reliability allowed us to create solid business decisions. Creating connections fostered a sense of community and investment in our work. Our backgrounds came together to combine our perspectives effectively. We were able to establish three recommendations:

- Recommendation A: Create a brand identity that resonates with Gen Z and millennials, marketing to them using relevant platforms.
    - SOW Goals: 1, 2, 4, 5, 6, 7
- Recommendation B: Develop partnerships with organizations, companies, educational institutions, or government agencies.
    - SOW Goals: 2, 3, 5
- Recommendation C: Focus on using seminars in different mediums to grow and expand to broader markets beyond Portland.
    - SOW Goals: 3, 5, 6, 8

Supported by data and our survey results, we cultivated these pathways and a roadmap for Company A to execute. The team felt excitement and pride in the work and execution of the goals.

Conclusion

The PSU business capstone course allows soon-to-be graduates to utilize their skill sets and work with real-world clients. Teams are created due to the work intensity needed within a short time frame. Becoming efficient with these dynamics and stakes can be challenging for students. Building relationships was essential to success in the collaborative project. This experience pushed each member to grow and make crucial decisions through group unity.

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