Increased work arrangements in teams have lead to an increased interest in the study of group behavior. The abundant offer of popular management books on teamwork reflects the definite demand of current management practitioners for increased insight in issues related to the management of teams. How to promote the performance of their teams is probably one of the most salient questions today’s business people are confronted with in their daily managerial duties. Promoting self-efficacy has proved to be very efficient in enhancing individual performance. Similar links exist between a team’s efficacy beliefs and its performance.

Building on a review of current literature, I propose an integrated dynamic model taking into account the interaction of efficacy beliefs at different levels. This model attempts to describe how the various efficacy beliefs are formed and evolve within a small group setting. Current models are mostly static and fail to account for interaction between levels (except for Lindsley et al. 1995). Based on the proposed model, I then develop propositions to set the stage for future testing and indicate avenues for research of efficacy beliefs in the workplace, as well as managerial implications.

A complex network of interactions takes place at the group level, where individual beliefs are shaped by and shape team member’s and group beliefs. The following three types of interactions can be distinguished:

1. At the level of the self, efficacy beliefs related to different tasks mutually influence themselves.
2. Interactions between members about the beliefs related to the same tasks. These interactions will cause convergence in the beliefs, and create what we call collective efficacy beliefs at the group level for each task.
3. Similarly, interactions between team members will lead to an overall set of efficacy beliefs relatively independent of the task. This is how group potency arises. In a single task setting, thus collective efficacy and potency would be identical.

Thus, Collective efficacy results from interaction of team members individual beliefs with respect to the group task. Task interdependence, will therefore be highly significant in this process, higher task interdependence increasing the possibility for arriving at a consistent collective efficacy measure. Therefore, in highly interdependent teams, the two measures of collective efficacy (individual questionnaire or group response through consensus) should be quite equivalent as through their daily interaction working at the task their perceptions will converge. The mutual influence of collective efficacy beliefs in the formation of potency, can be dependent on the salience of certain beliefs, the identification with or the value attached to the task. The aggregation of collective efficacy to potency is thus not possible without an assessment of these factors. Testable propositions are presented, as well as avenues for further research and managerial implications of the proposed model.