

Work Democracy and Self Managing Teams

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Abstract

Since the time of Adam Smith and the beginning of capitalism the chasm between work and life has increased. On one hand we have worked hard in the western world to develop democracy under the foundations of authority, privacy, responsibility, and justice. On the other hand we have focused on building management systems that operate under the simplistic perception of a machine where every part (person) needs managed. This in turn has grown to become an obvious incongruence and annoyance of many 21st Century citizens who no longer want to be the slaves of business owners. This paper is a discussion of the concept of self-management for modern corporations in a post-modern society.

Introduction

The average person spends one third of their life at work and the economy is sustained by their efforts, however many still permit a manager to do their thinking for them. This stems from a philosophy proposed by Frederick W. Taylor in the late 19th century which sought to carefully plan daily tasks for each worker, standardize tasks and tools, provide good pay for good work and poor pay for failure, and remove all “brain work” from the shop floor and place it in the planning department (Rarick, 1987). The intent of this aspect of effective management in an industrial world was held within the framework of the modern dream, where a future was being created where citizens would be freer to enjoy life eventually. This deferred hope never arrived and many hearts grew sick giving way to an unsettled craving for more of life today.

Report

Business writer Harriet Rubin commented to Consultant Adam Kahane (2004) about her surprise that people were willing to accept being free citizens on the street but serfs at work. Many are afraid to speak out or take a risk because they have been conditioned to stay quiet and remain compliant. This energy suppressing work style may have cost society more than the average economist would calculate. Existentialist psychologist, Erich Fromm states that people are passionate beings, unable to tolerate boredom and monotony and if unable to take a genuine interest in life, will become capable of perversion and destruction. (Ewing, P.28) If he is correct then much of the egotistical, greedy, and undesirable behavior we are dealing with today are the symptoms of a greater illness in the workplace. This classical paradigm of work and management is in the process of being shifted to become con-

gruent with the rest of life and the passion of an intelligent community. The understanding of success has become broader and more people are thinking about creating a world in which they want to belong. The way we perceive business and organizational leadership is being radically reframed to suit the needs of a new environment. Charles Rarick (Associate Professor, Transylvania University) made a few predictions in 1986 that seem to have unfolded as very accurate:

“The organization of the future will be one in which every worker has some say in the planning and control of his or her job; an organization in which every employee enjoys the right to privacy and freedom within and outside the organization; an organization in which an employee has a right to speak out against unethical practices and to challenge a supervisor if he or she feels it necessary; an organization in which employees share managerial responsibility and ownership of the enterprise; an organization in which employees determine their own destiny.”

The concept of a democratic workplace and a self-managing environment may have only surfaced in the last 40 years but it has taken the workplace by storm. For a long time many people considered it a fad but today many management theorists and consultants see its revolution of the way we live and work. Gunn (1984) sits at the more radical end of the spectrum and defines worker's self-management (WSM) as fundamentally opposed to capitalism. He states that WSM is “the collective process of self-governance and democratic management within and organization that produces goods or services” and that “there is no inherent right of capital to participate in management”; rather, “all who actively contribute to production...have the fundamental right to manage that production” (P.15, 16). His revolutionary perception talks about workers taking over companies and redefining themselves around a commitment to social change instead of capital. Over 20 years after his radical statements we are hearing more about companies redefining themselves with a more ecological mandate and organizations empowering self-managing teams to lead the way of the future. Gunn seems to be very positional and is obviously anti-capitalist. It is interesting to notice however that many of his thoughts and ideas are being implemented in the United States and Canada alongside capitalism. There seems to be a greater capacity for theorists and practitioners today to see the benefit of this paradox.

The amount of research and writing on self-management in the past couple of decades has come mostly from a need for businesses to remain competitive and relevant. Self-management emphasizes employee commitment rather than the typical control-oriented approach to management. Self-management is self-directed and in contrast to boss-directed management. Self-managing individuals are responsible for determining approaches to task execution as well as for monitoring and managing their own behaviors. According to Manz and Sims (1984), basic self-managing skills include self-problem assessment, self-goal setting, self-rehearsal, self-observation and evaluation, and self-reinforcement and/or punishment. In many ways self-managing staff act as their own bosses. They have high degrees of responsibility and have the authority to make decisions on their own. There are many great positives to self-management and it has taken corporations a step in the right direction however those trained in self-management may have some difficulty in functioning in a self-managing team.

Self-management and self-managing teams are significantly different concepts and practices. Self-management is all about acting independently while self-managing teams exist to work collaboratively. Studies have shown that some self-managing teams utilize hardly any individual self-management and a potential loss of personal control and individual empowerment for team members (Liden, Wayne, Bradway, & Murphy, 1994; Manz & Angle, 1986). This discovery needs to be taken seriously when it comes to hiring and encouraging self-managing teams as many people mistake highly driven, independent personalities to be the people who can create this style of environment, when in fact they may be the least likely to encourage it.

A self-managing team is an empowered team that is made up of a group of highly-trained, self-directed workers who have either accepted or discovered as a team all the responsibilities and tasks necessary to complete a specific project. According to Schermerhorn et al (2003), they replace the traditional workgroup headed by a supervisor and the team members assume duties otherwise performed by a manager or first-line supervisor. This means that the team and not a supervisor is ultimately and collectively accountable for the work done. This means that in most cases the formal first-line supervisor is no longer necessary and the organization becomes flatter.

The introduction of self-managing teams has caused a lot of stress to leaders within organizations

and confusion as to the role they are left to play. There have been many organizations that changed to self-managing teams for the sake of changing, and others who changed to reap all the benefits promoted by those in a state of success. One of the main problems for failure of self-managing teams within these organizations has been the lack of transitional planning. Some leaders saw this as an excuse to delegate more work and gave away many of their unwanted tasks only to burden the staff with menial responsibilities while others shifted models without considering the necessary training, experience and knowledge transfer for each team.

Organizations that are considering a move towards self-managing teams will do well to define the scope of the work being handed to a specific team. A process of delegation can be beneficial to build the self-efficacy of a team. This process can allow the team to grow slowly and gather more responsibility and authority as it delivers on each project. Without this continuum some teams will fail only because they were given too much too soon. This gives the leader a clear role and the self-managing team a clear field to play within. The team over time begins to take more responsibility and the leader gives more away. The leader continues to coach and support the members of the team but also grows by becoming responsible for more teams.

Yukl (2002) lists some helpful guidelines on how to delegate:

- Specify responsibilities clearly
- Provide adequate authority and specify limits of discretion
- Specify reporting requirements
- Ensure subordinate acceptance of responsibilities
- Inform others who need to know
- Monitor progress in appropriate ways
- Arrange for the subordinate to receive necessary information
- Provide support and assistance, but avoid reverse delegation
- Make mistakes a learning experience

Although Yukl is referring to an individual, the same list is beneficial to dealing with a team. Instead of this being given to a person it is given to a group of people who are corporately responsible. The clearer these things are at the outset, the more likely the team is to be successful. Another benefi-

cial process is to lay out the continuum of increasing control to the team. This will help the leader to define his/her role with the team as well as assisting the team to understand where it can go if it is successful. It should be the mindset of the leader to be giving away more responsibility to the self-managing team at every milestone. The clearer the leader and the team are about this process the more effective the transition and development of both will be. This necessitates the leader to be very diligent and thoughtful in planning or the team's success will be put in jeopardy. The purpose of developing and growing self-managing teams is for the leader to give away as much as possible that can allow the team to become more responsive to its environment and customers. This means that the leader must learn to let go and give away both pleasant and unpleasant tasks of appropriate difficulty otherwise he/she will lose the respect of the team.

The process above promotes a transition through a continuum of empowerment which in most case will prove more effective than a radical change of models. Slow transitions can prove beneficial as there is a lot of change and learning for the team and the leader. As the results and deliverables gradually become the responsibility of the team, the leader transitions to become an advisor, coach, resource, and ambassador for the team within the larger organization.

There are different forms of self-managing teams. The most popular types are problem-solving teams and work teams. Problem-solving teams are formed for temporary purposes and work teams tend to be more permanent. Most teams range from 5-12 people with all the technical skills and authority to be able to manage themselves. According to Stokes (1991) there are at least eight business reasons for organizations to adopt the self-management approach: reduced costs, reduced workforce, increased productivity, getting closer to customers, fewer layers of managerial bureaucracy, shorter time to market for products and services, increased employee motivation and commitment, and increased recognition of individual employees' contributions. This clearly outlines why companies like Motorola, GE, Volvo, and The Proctor & Gamble Company have moved in this direction.

The passing of power and control to lower levels in the organization can be a very uncomfortable process for managers, stemming largely from perceived threats to their own status and power (Manz, Keating & Donnellon, 1990). This is understandable when we consider the traditional role of a manager/leader as the one who was encouraged to exert tight control over the workforce. In this

situation the leader/manager is now being encouraged to give more away and trust his/her staff to deliver and execute. This can be a frightening experience for many leaders as in reality the buck still stops with them. Druskat and Wheeler (2004) refer to this as managing in no-mans land. Leaders of self-managing teams can find themselves being accused of being either too lax or too controlling and can find themselves between a rock and a hard place when it comes to leaving the responsibility in the hands of the team while still reporting back to senior management. This highlights the wisdom of moving slowly through the transition and the need to build the self-efficacy of the team. Leading self-managing teams does not give the manager an easier job, if anything it is more complex and demands a whole new set of skills. This is one of the reasons why it is vital to gain the buy-in from all levels of the organization when considering moving in this direction. Moving towards a self-managing environment everyone ends up with more responsibility. If the process is handled effectively and the company grows, managers will end up being responsible for many teams and will need to remain in rapport and a state of trust with each team he/she represents and serves.

Druskat and Wheeler (2004) highlight 4 functions and 11 behaviors for leaders of self-managing teams broken into 2 areas of organization-focused behavior and team-focused behavior.

	Relating	Scouting	Persuading	Empowering
Organization Focused Behavior	1. Being socially and politically aware	4. Seeking information from managers, peers and specialists	7. Obtaining external support	
Organization/Team Boundary				
Team Focused Behavior	2. Building Team Trust 3. Caring for team member	5. Diagnosing member behavior 6. Investigating problems systematically	8. Influencing the team	9. Delegating authority 10. Exercising flexibility regarding team decisions 11. Coaching

This grid emphasized one of the main roles of the self-managing team leader as the connector between the organization and the team. This necessitated the leader to be up to date with what is happening in both situations and to breed effective communication and reporting. It is understood

that as long as the self-managing team has all the relevant information it can make the most appropriate decision. It may be tempting for the leader to use information that he/she has to make the decision however it is in everyone's best interest that the leader educates the team and shares the information without taking away the authority of the team to choose.

The self-managing team leader needs to be very perceptive of the team dynamic. He/she needs to be able to model a new way of being for the people on the teams. The leader is required to be highly skilled at facilitating dialogue, conflict resolution, and behavioral coaching. For many leaders these are new skills and they will require intense training in order to be able to develop the team. It is also of extreme benefit to an organization moving in this direction to give all staff training in communication, dialogue, negotiation, and conflict resolution. When there are fast acting teams of highly skilled and technical people communicational differences will arise often and without the right skills the team will be torn apart. Self-managing teams who have become skilled in these communicational domains will be more likely to last longer and become more effective over time. This reiterates the fact that self-managing teams don't just happen but need trained over time. Communicational development and expertise is one of the main areas a self-managing team leader should be considering when passing away more authority.

In most organizations that have not transitioned towards self-managing teams or an empowered environment the employees are controlled by the managers and the managers are controlled by the executive who are controlled by the boss who is controlled by the board. This demonstrates the antithesis of what we have been discussing and highlights the significance and scale of the transition. No one in the company is in control of themselves – they only control others (Elmuti, 1997). It is estimated that we can control about 15% of our life and behavior. Human behavior is largely subconscious and reactive and often runs on autopilot. For instance, when driving home, talking on a cell phone and listening to music, it would not be unusual for some to arrive at their destination with no clear conscious knowledge of how they got there. It is an interesting consideration that if we only have control of about 15% of our own behavior and we choose to spend this on attempting to control the 15% of other people then in reality control is relegated merely to a concept. It would seem to give us greater leverage if we learned to manage what we can of ourselves and educate others how to do the same.

Elmuti (1997) highlights the contrast between traditional work groups and self-directed teams and gives examples of self-managed team results:

Traditional Work Groups	Self-Directed Teams
Take directions	Take initiative
Seek individual rewards	Focus on team contributions
Focus on blame	Concentrate on solutions
Compete	Co-operate
Stop at present goals	Continually improve and innovate
Demand more resources	Work with what they have
React to emergencies	Take steps to prevent emergencies
Spend money to improve quality	Save money by improving quality
Organization	Results
Proctor & Gamble	30-50% lower manufacturing costs
Federal Express	Cut service problems by 13% in 1 year
AT&T Credit Corporation	Applications processed per day doubled
General Electric	Productivity increased 250%
Xerox	Teams at least 30% more productive
Volvo	Production costs decreased 25%
Honeywell	Output increased 280%

It is no wonder with behaviors and results like those listed above that many organizations are taking the transition towards self-managing teams serious. It has become a very attractive prospect in the midst of an unpredictable and changing marketplace. A word of caution can be given at this stage of the process. This may appear as a very compelling argument however there are certain situations that are more appropriate to self-managing teams than others and there are other options to be considered.

Yukl (2002), lists a set of conditions that can create a degree of psychological empowerment for individual leaders to build upon. This is a list that can help leaders know what to develop first be-

fore moving towards self-managing empowered teams or can be a warning of when to avoid them altogether. He uses the term psychological empowerment to describe “how the intrinsic motivation and self-efficacy of people are influenced by leadership behavior, job characteristics, organization structure, and their own needs and values.”

Conditions Facilitating Psychological Empowerment

Condition	Unfavorable	Favorable
Organization structure	High centralization and formalization	Very decentralized, low formalization
Competitive strategy	Low cost, standard product or service	Customized, highly differentiated product/service
Task design and technology	Simple, repetitive task and reliable technology	Complex, non-routine task, unreliable technology
Duration of relation with customers/clients	Brief transactions during a short time interval	Repeated interaction in a continuing relationship
Dominant culture values in the organization	Reliable, efficient operations without any mistakes	Flexibility, learning, and participation
Employee traits	Low achievement motivation, external locus of control, and emotional instability	High need for achievement, internal locus of control, and emotional stability
Employee ability	Unskilled, inexperienced	Highly skilled professional
Employee tenure	Temporary employee	Regular, continuing employee
Employee ownership and rewards for success	None or very little	Employees are shareholders or co-owners
Employee involvement programs	None	Extensive programs strongly supported by top management
Mutual Trust	Low	High

These set of conditions point out the complexity of the transition towards self-managing teams. They highlight the need for the wider organization to be involved in the process. If self-managing teams

are a wise choice, they may only be able to be implemented after a season of trust building among the staff for example. In addition, those who are moving towards an empowered environment without seriously considering and planning some form of employee shareholding and ownership may be missing the point. This set of conditions should be considered before moving towards empowered teams and can be used to develop an introduction strategy.

An alternative empowerment strategy to the self-managing teams considered in this paper is employee self-management without formally designated teams. This is a very complex process and takes self-management one step further towards the WSM democracy mentioned earlier. One company who has been pioneering an empowered environment like this is W.L. Gore & Associates. In this company teams do exist but they are not formally designated. They form in a style that is now being referred to as swarming. This is when the people form themselves in functional and cross-functional teams as needed. In this case the entire company is an empowered team where everyone is self-managing. This context leverages the strengths of personal self-management and self-managing teams together. There is no hierarchy, but instead everyone is an Associate that relates directly with one another. It is an organization without bosses and hinges on self-initiated teamwork.

W.L. Gore & Associates functions by having some simple rules that allow the system to self-regulate and develop around the passion and interest of Associates. These guiding principles are:

- Try to be fair
- Use your freedom to grow
- Make your own commitments and keep them
- Consult with other Associates prior to any action that may adversely affect the reputation or financial stability of the company

Their strategy is to get big by staying small and they regulate one another through sponsorship instead of supervision. Bill Gore developed what he called the lattice organization structure that allows the company to remain unmanaged and unstructured. The principle characteristics of the structure are:

- Lines of communication are direct – person to person – with no intermediary
- There is no fixed or assigned authority

- There are sponsors not bosses
- Natural leadership is defined by followership
- Objectives are set by those who must make them happen
- Tasks and functions are organized through commitments

At first glance this system would seem impossible to manage and would appear to be out of control. It is exactly that. It has grown and developed without an authoritarian pattern and has a focus on respecting peoples' life and inherent value. It appears to be an environment where the community of Associates carefully considers the world they are creating and everyone takes the opportunity to choose what they will contribute to the company and the customer. Quantum physicist David Bohm said that the universe is whole but we mistakenly see it as a fragmented, as if we are looking in a cracked mirror. It would seem that Bill Gore did not see the world as fragmented but instead as holistic with its own purpose. It would seem that he trusts that there is a purpose already present, waiting to be discovered and that doing anything else but creating the space for it to unfold would be a waste to time and energy.

When a company is considering self-management, self-managing teams or a self-managing environment it is important that they understand and think about their perceived outcome. There are very different philosophies and worldviews that underpin each version or style. It would be wise for the transitioning organization to ask the questions, "What is the purpose of this change?" and "What will the workplace function like when we have made the transition?", and "What are the problems we are trying to solve." These three questions may help some scenario planning and contingency planning for the company, and can help lay out a strategic implementation plan. This process is very important so as to explore the mindsets and underlying beliefs among the stakeholders in the transition. This will necessitate some dialogue to discover what is unfolding otherwise leadership will drive their own agenda and try to create and control a self-managing system. As much as this seems oxymoronic it happens on a regular basis.

Out of all this has come the first clear recognition of an inescapable fact: we cannot successfully force people to work for management's objectives. The ancient conception that people do the work of the world only if they are forced to do so by threats or intimidation, or by the camouflaged au-

thoritarian methods of paternalism, has been suffering from a lingering fatal illness for a quarter of a century. I venture to guess that it will be dead in another decade. (Douglas McGregor)

Conclusion:

The rise of self-management within teams and organizations is a move towards a new democracy at work. This transition is systemic and connected to the world we live in. New understandings of living companies, self-regulating systems, evolving and emerging patterns, swarming, and attractors are filling business magazines and books. Leaders and employees alike are beginning to look for something more, something beyond the rigid boundaries of the modern hierarchy, and something that leads towards a better quality of work life and contribution to the world at large. Douglas McGregor may have been ambitious about his timeline however the spirit behind his philosophy may become more pervasive with every passing day. The lifestyles in 2005 have progressed from lifestyles of 1965. More people are beginning to take charge of their lives and are less tolerant towards anything that will rob the quality of life they desire. Organizations today would do well to consider their current stance and congruence with society to spur a transformation that goes beyond management control and puts the company in the hands of the people who work within it.

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About Creationstep

Creationstep is a company committed to drawing out the best of people and the world around us.

We are a collaborative group of professionals who enjoy working together and supporting companies through chaotic and unpredictable times. We come from diverse cultural and experiential backgrounds bringing a unique perspective and creative view on the projects we accept. We have a team of experienced project managers who can lead a task force efficiently within each of the industries we service. We take the time to listen to our client's needs and requirements and then build the team necessary to deliver the results on time within the

given boundaries. We have a strong emphasis on the development and emotional engagement of our employees. It is our ambition to help each person be connected in a role that best suits their gifts and plans for their future. We draw out the best in our people through hands on experience and by investing in their education and life skills. It is our intention to connect the right people in the right places for the right reasons. Then everyone is happy and the job gets done.