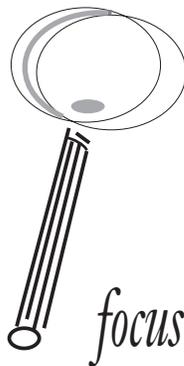# 1

Introduction to Shared-Leadership Teams

Learning Objectives

By the end of this chapter, you should be able to:

- Provide a practical definition of shared-leadership teams.
- Apply the concept of shared leadership.
- Know how to determine the appropriate degree of shared leadership.

focus

Many organizations today are attempting to reorganize their traditional management hierarchies into a team-based structure. Teams can help your organization achieve greater productivity and flexibility, but first you need to understand the characteristics of a team and the concept of shared leadership. It is also important to know that there are degrees of shared leadership and ways to determine the appropriate level for your organization.

CASE STUDY: MARIANVILLE BRAKE MANUFACTURING

"Say, Joan, I've been reading this article on shared-leadership teams. It seems to me we could save a lot of money by creating shared-leadership teams and eliminating all our first-line supervisors. What do you think?"

"I don't know, Sam. I've read some of that stuff too. I don't think it's as easy as it sounds."

"Well, I don't know that it's easy, but the cost savings would be dramatic. And you know as well as I do, we've got to cut 20% out of our expense budget this year. Eliminating supervisor jobs would be a good start."

Joan Voss is the plant manager and Sam the operations superintendent at the Marianville Brake Manufacturing Plant. The Marianville plant has been making auto and truck brake parts for over 60 years and had been an extremely profitable operation up until five years ago. Five years ago the plant was acquired by a global company that told the Marianville plant management they had to do three things:

- Cut costs by 20% each year for the next four years;
- Improve quality so that rejected parts were less than 2%; and
- Increase overall production by 5% each year for the next four years.

Plant management had been told in no uncertain terms that if they didn't achieve these goals, the plant would be closed.

Joan and Sam led the rest of the management team in instituting new quality management techniques. They spent a significant amount of money and time providing training to supervisors and the engineering staff in quality methods, including statistical process control. This greatly improved quality, but it also increased training and downtime costs. And it hadn't done anything for productivity.

One of the plant managers at a sister plant seemed to have a lot of success by implementing a team-style production process and getting workers more involved in quality management. The teams found ways to reduce waste and increase production. Joan and Sam have already decided that a team approach would make sense, but Sam isn't convinced that teams alone will get the results they needed.

THE TEAM

Before defining what we mean by shared-leadership teams, we need to define what we mean by teams. What makes a team different from groups of people who work together? All teams have certain elements, whether they are shared-leadership teams or "leader-led" teams. These elements are:

- *Mutual accountability.* Members of a team are mutually accountable for achieving the team's results. That is, if the team achieves the results, all members of the team have succeeded; if the team fails to achieve the results, then all members of the team have failed. Groups that are not teams do not have this characteristic.
- *Interdependence.* Members of a team work together to achieve results that cannot be achieved if members work entirely independently.

A group of people working interdependently to achieve common goals for which they are mutually accountable can rightfully be called a team.

This definition of a team is important to the situation facing Joan and Sam because their first challenge is fostering a team-based culture in their organization. This means they must determine how best to use teams to achieve their important organizational goals. For example, they could establish project teams as a way to reduce costs. Project teams are short-term teams devoted to improving a specific aspect of the organization's performance or business. Or Joan and Sam could create problem-solving teams, a form of project team that focuses on identifying and solving business problems. Such teams are an effective way of improving quality and streamlining business processes. What Joan and Sam actually choose to do is to create work teams around definable work processes. Work teams are a way of establishing mutual accountability and interdependence for identifiable work processes.

In addition to establishing work teams to perform the manufacturing tasks, Joan and Sam also decide to eliminate first-line supervisors and create shared-leadership teams. First they demote supervisors to production jobs. Joan and Sam reason that this alone will reduce overall costs by 20%. Next they hire a consulting firm to provide training in conflict resolution and communication, thinking that this will help team members be effective in shared-leadership teams.

By the end of the first year of this new approach, costs have increased 25%, productivity has dropped by 40%, and overall quality has seriously declined by 65%. Joan and Sam now have less than three years to achieve the original goals. They have been put on notice by the company owners that unless significant progress is made this year, the owners will probably close the plant in the next 18 months.

What went wrong? Why didn't the actions Joan and Sam took achieve the results they set out to create?

Creating shared-leadership teams does have the potential to achieve significant positive business results. It's not enough, however, to simply eliminate supervisors or team leaders, call a team self-managed or shared-leadership, and hope that the desired results will materialize.

This course is designed to help people who want to establish shared-leadership teams in their organizations do so successfully. We believe that regardless of your position in the organization—team member, team leader, sponsor, or executive—there's information in every chapter you need.

In Chapter 1 we introduce the concept of shared-leadership teams and explain why we believe this is a more appropriate term than *self-managed teams*. In Chapters 2 and 3 we provide a business case for shared-leadership teams and describe the role of organizational leaders in ensuring that shared-leadership teams are successful. Whether you are an organization decision maker or responsible for influencing decision makers, understanding the business case for teams is the place to start. Establishing shared-leadership teams is a significant decision that demands a significant commitment from organizational leaders.

In Chapters 4 and 5 we present what team members need to do for themselves to ensure they are successful. If you are an organizational leader

or a consultant to teams, you will want to provide resources that ensure team members develop a proper foundation for success along with the skills they need to be successful. If you are a team member you will see that you and your colleagues can take responsibility for laying a solid foundation and acquiring the necessary skills.

Chapters 6, 7, and 8 show how shared-leadership teams manage their own performance. Chapter 6 focuses on identifying key performance areas and measures. It also describes how members of shared-leadership teams can manage day-to-day performance to ensure they achieve team goals. Chapter 7 tackles the topic most people are concerned about when they first think about shared-leadership teams: managing team member performance. In this chapter we discuss the role of leaders and team members in this challenging aspect of shared-leadership team performance. Chapter 8 provides ways for members of a shared-leadership team to manage the problems that inevitably occur. It also recommends ways team members can get management support when required.

Finally, Chapter 9 presents a unique type of shared-leadership team known as a virtual team. As businesses become more global and more connected through technology, they will rely more and more on teams of people in multiple time zones and geographic locations. In this chapter we provide ways virtual shared-leadership teams can ensure their success.

THE SHARED-LEADERSHIP TEAM

This course uses the term "shared leadership" instead of "self-managed" because "shared leadership" describes more accurately what a team must be if it is going to be successful. When many people think of self-managed teams, they think of teams without any management. They often envision people "doing their own thing," out of control, whether what they are doing has any bearing on the organization's purposes and goals or not. At its worst, they envision a completely dysfunctional organization where nothing gets done and that will soon be out of business.

Properly designed self-managed teams are really shared-leadership teams. In a shared-leadership team every team member is accountable for achieving the team's results as well as for fulfilling the responsibilities of leadership of the team. The term "shared leadership" indicates that such teams are more disciplined than other types of teams because every team member is expected to act as a leader. These leadership roles are explained in more detail in later chapters.

Shared-leadership teams are not unmanaged teams. They are teams managed in a nontraditional way. Because all team members share equal responsibility for the final product or outcome of the team's work, it makes sense that they also share in the decision making. Recognized authority within the team exists, but it is based on whatever expertise is needed at the time, not on someone's position in the organization.

The Benefits of Shared-Leadership Teams

In the case study at the beginning of this chapter, Sam stated that he thought creating shared-leadership teams would be a good way to reduce expenses. His plan was to eliminate first-line supervisors and meet lower budget targets. Is this a legitimate reason for creating shared-leadership teams? Why do organizations go this route?

Effective teams, whether they are work teams, problem-solving teams, or project teams have the potential to increase overall productivity and business results significantly. But shared-leadership teams perform at a level that is superior to these teams. That's because every team member takes personal responsibility for improving service quality, lowering unit costs, and increasing cycle times. This happens because each team member views himself or herself as a leader and takes personal responsibility for the team's success.

Another reason organizations create shared-leadership teams is that such teams create a competitive advantage. Some people have said that the only sustainable competitive advantage an organization has is its people. This is the only organizational characteristic that another business cannot easily duplicate. Shared-leadership teams leverage the sense of responsibility and leadership among the people in the organization. Many organizations have realized that when nearly all of its members come to see themselves as leaders, they invest more of themselves in the business's ongoing success. Imagine an organization in which every employee is continuously acting to ensure the business's success. This would create a genuine competitive advantage that would be difficult to duplicate. This is the advantage that organizations utilizing the shared-leadership team concept are able to create and sustain.

Organizations that have created successful shared-leadership teams also have higher levels of involvement and commitment from every employee. This in turn results in better decision making because all employees are making decisions based on what's good for the business overall.

Finally, organizations create shared-leadership teams because they foster higher levels of employee development. It's not entirely clear which comes first, shared-leadership teams or higher development, because it requires a greater investment in employee development to ensure that shared-leadership teams are successful. At the same time, members of shared-leadership teams are increasing their own capabilities as they accept and fulfill their responsibilities for team leadership. Consequently, one of the greatest organizational benefits of shared-leadership teams is that they rapidly accelerate employee development. This results in significantly increasing the organization's bench strength.

But what about Sam's reason for creating shared-leadership teams? Is the desire or need to reduce staff a legitimate reason? Well, certainly shared-leadership teams can result in lower overall payroll costs and reduced staffing levels. On the other hand, the increase in commitment to necessary staff development may offset potential gains from reduced headcount. In addition, the organization must carefully manage the impact on morale. If headcount can be reduced through normal attrition, this may be an effective way of

using shared-leadership teams to reduce staff headcount while minimizing negative impact to morale.

THE REQUIREMENTS OF SHARED-LEADERSHIP TEAMS

If shared-leadership teams offer so many benefits, why don't all organization have them?

There are two main excuses organizations give for not creating shared-leadership teams:

1. Management's fear that employees can't or won't accept responsibility
2. Management's fear of employees running amok without tight management control

The authors of this course do not believe these are legitimate reasons for failing to create shared-leadership teams.

First, most employees are responsible and are ready to accept greater responsibility than most organizations are willing to give them. Most employees live responsible personal lives. Many of them get involved in community-building activities outside the workplace, such as taking leadership roles in their church and school, civic organizations, and charitable organizations. If employees do not act responsibly in the workplace, it is nearly always because the organization has not clearly defined the organization's goals or provided adequate communication so that employees can make responsible decisions.

Second, shared-leadership teams increase leadership in the organization by definition, they don't reduce it. Furthermore, as part of creating shared-leadership teams, the organization must invest in helping teams clearly define their goals and ensure these goals are aligned with those of the organization. When implemented according to the concepts in this course, shared-leadership teams actually increase organizational discipline.

There are some valid reasons, however, why some organizations don't implement shared-leadership teams. The most important one is that management is not willing to make the commitment to communication that shared-leadership teams require. More than any other organization structure, shared-leadership teams increase the necessity of effective communication to all members of the workforce. If team members are going to step up and share the responsibility for leading, they have to have the information necessary to make good decisions.

Management also has to make a commitment to team and employee development. Team members need decision-making, problem-solving, and conflict-management skills in order to be effective. Members of shared-leadership teams need additional guidance in how to distribute leadership roles among members of the team. They also need information about the organization's goals, strategies, and technology. The organization must provide team members with opportunities to acquire these skills and knowledge if the shared-leadership team is to succeed.

A third reason why an organization may not want to create shared-leadership teams is that its employees are not yet mature enough in terms of their business acumen and judgment to accept shared-leadership team responsibilities. This, however, is only a temporary reason for not heading down the shared-leadership team path. Effective development and organizational communication can quickly raise employee business literacy to the point where they are ready to be members of shared-leadership teams.

A pply What You Learn . . .

Now that you've read the reasons why organizations do and do not have shared-leadership teams, think about your organization. What are the arguments for and against creating shared-leadership teams in your organization?

FOR	*AGAINST*

How could your organization benefit from shared-leadership teams?

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Based on what you've just read, what do you see as potential barriers to establishing shared-leadership teams in your organization?

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How could your work unit benefit from creating a shared-leadership team?

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CHARACTERISTICS OF SHARED-LEADERSHIP TEAMS

To clarify the concept of shared-leadership teams, let's look at some of their characteristics.

Common Characteristics of Effective Teams

All effective teams, including shared-leadership teams, have the following characteristics:

1. A commitment to a common purpose and future
2. A focus on meeting customer needs
3. Open and honest communication among team members
4. Collaborative relationships of trust and respect among team members
5. A commitment to each other's success
6. Clear roles and expectations for all team members
7. Competent members
8. A commitment to excellence[1]

？ Think About It . . .

Evaluate the teams in your organization. Which of the eight characteristics accurately describe the teams in your organization? Circle those that apply.

1. A commitment to a common purpose and future
2. A focus on meeting customer needs
3. Open and honest communication among team members
4. Collaborative relationships of trust and respect among team members
5. A commitment to each other's success
6. Clear roles and expectations for all team members
7. Competent members
8. A commitment to excellence

A pply What You Learn . . .

Do any of the eight characteristics *not* describe the teams in your organization?

Which statements do not?

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[1] Adapted from *Teamwork: What Must Go Right, What Can Go Wrong* (Series in Interpersonal Communication Vol. 10), by Carl E. Larson, Frank M. LaFasto. Newbury Park, CA: Sage Publications, 1989.

Choose one or more of the eight characteristics that does not describe your teams and identify what would need to change in order for the characteristic to become applicable. Compare your response with the example.

Example: Teams in my organization do not have clear roles and expectations.

What would need to change? Teams need to define membership roles and responsibilities. Teams also need to develop goals and action plans to define what's expected of every team member.

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In addition to these general team characteristics, shared-leadership teams share some or all of the following leadership responsibilities and tasks:

- *Setting goals*: In shared-leadership teams, all members are responsible for identifying and establishing the team's performance goals.
- *Assigning work*: In shared-leadership teams, all team members participate in determining how work is assigned among the members of the team.
- *Coordinating with customers and/or suppliers*: All members share the responsibility for working with customers and/or suppliers and take the initiative to keep other team members informed concerning what they've done.
- *Managing quality*: Every team member is responsible for setting quality standards, understanding customers' quality requirements, and ensuring that the products or services they produce meet these standards.
- *Hiring contractors*: Some teams hire contractors to complete certain aspects of the team's project or work; in a shared-leadership team, team members share responsibility for evaluating which contractor can fulfill the team's requirements and for establishing the terms under which the contractor will perform the work. Members of a shared-leadership team typically designate one or two team members to act on behalf of the entire team in negotiating contracts with contractors.
- *Scheduling work*: Establishing work schedules is often one of the very first responsibilities of team members.
- *Scheduling nonwork times*: Scheduling nonwork time is also one of the basic responsibilities of all team members.

- *Managing and redesigning work processes*: All team members take responsibility for managing and redesigning their work processes.
- *Providing coaching*: One of the more challenging aspects of shared-leadership team membership is team member performance management. Coaching is the ideal starting point for performance management.
- *Conducting performance reviews*: In advanced shared-leadership teams, all the members of the team review the performance of each individual member.
- *Making hiring decisions*: Making the right hiring decision is one of the most challenging jobs of leadership. Shared-leadership teams often excel in this because, done properly, every team member has a say in the selection decision as new members are added to the team.
- *Managing discipline*: Advanced shared-leadership teams manage discipline among all team members after laying the proper foundation.
- *Managing compensation*: Only the most advanced and skilled of shared-leadership teams are prepared to manage salary administration for the members of the team. This takes place only when the organization's policies support it and when team members have firm grounding in how to handle this challenging responsibility.
- *Handling deselection decisions*: Perhaps the single most difficult leadership responsibility is ending someone's membership in the organization. This may be an appropriate responsibility for the most advanced and mature shared-leadership teams.

Shared-leadership team members also share certain roles that are typically handled by a team supervisor. These roles include safety, facilitating team meetings, and serving as liaison between the team and organizational management.

The Shared-Leadership Team Continuum

One of the questions that arises when people think about shared-leadership teams is whether it's necessary for a team to deal with all the responsibilities of supervision. The shared-leadership continuum shown in Exhibit 1–1 suggests that leadership responsibilities vary and that a team does not have to take on all of them in order to be a true shared-leadership team.

Typically, at a minimum, shared-leadership teams have responsibility for items 1 through 4 or 5 on the continuum. More mature shared-leadership teams take on items 1 through 11, and a few will handle all 14 items on the continuum.

An organization may legitimately decide that teams will not share several of the items on the right end of the continuum. When an organization makes this decision, it must create some means for handling leadership responsibilities that are not delegated to the team. Typically the team sponsor handles these responsibilities, sometimes in collaboration with the team.
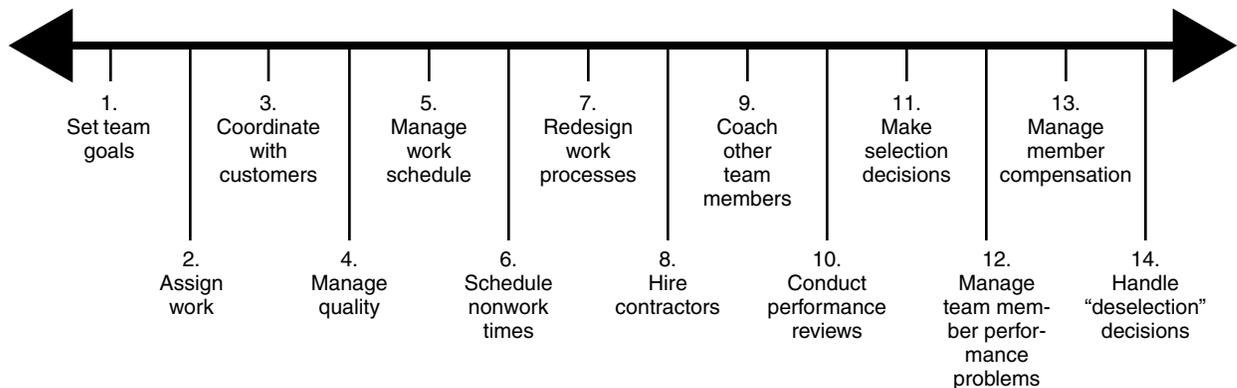
A pply What You Learn . . .

1. What are potential opportunities for creating shared-leadership teams in your organization?

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_____

2. What are the *strengths* of these teams that make them suited for becoming shared-leadership teams?

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3. What are the *weaknesses* of these teams that may prevent them from being successful as shared-leadership teams?

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4. What are the *opportunities* in the organization that could help these teams become successful shared-leadership teams?

_____

E xhibit 1–1

Shared-Leadership Team Continuum

1. Set team goals	3. Coordinate with customers	5. Manage work schedule	7. Redesign work processes	9. Coach other team members	11. Make selection decisions	13. Manage member compensation
2. Assign work	4. Manage quality	6. Schedule nonwork times	8. Hire contractors	10. Conduct performance reviews	12. Manage team member performance problems	14. Handle "deselection" decisions

5. What are the *threats* in the organization that could stand in the way of these teams becoming successful shared-leadership teams?

recap

A better name for self-managed teams is *shared-leadership teams*, because this reflects the fact that every team member shares responsibility for required leadership roles. Shared-leadership teams are characterized not by the absence of management, but by the presence of shared leadership.

Shared-leadership teams can provide numerous benefits to their organizations. These include increased productivity, a sustainable competitive advantage, and high levels of employee commitment. Shared-leadership teams also increase the organization's overall bench strength.

Shared-leadership teams require higher levels of organization commitment to employee and team development because these teams require higher levels of team skills, leadership skills, and technical skills. Having shared-leadership teams does not, however, require that all the traditional roles of supervision be fulfilled by the team.

❓ Review Questions

INSTRUCTIONS: *Here is the first set of review questions in this course. Answering the questions following each chapter will give you a chance to check your comprehension of the concepts as they are presented and will reinforce your understanding of them.*

As you can see below, the answer to each numbered question is printed to the side of the question. Before beginning, you should conceal the answer in some way, either by folding the page vertically or by placing a sheet of paper over the answers. Then read and answer each question. Compare your answers with those given, For any question you answer incorrectly, make an effort to understand why the answer given is the correct one. You may find it helpful to turn back to the appropriate section of the chapter and review the material of which you were unsure. At any rate, be sure you understand all the review questions before going on to the next chapter.

1. Which of the following best defines a shared-leadership team?
   - (a) All the traditional roles of supervisors have been delegated to the entire team.
   - (b) Every team member has received leadership training.
   - (c) Every team member is mutually accountable for fulfilling leadership roles as well as for achieving the team's results.
   - (d) Team members are expected to hire, fire, and discipline other team members.

   1. (c)

2. Which of the following are the benefits of shared-leadership teams?
   - (a) They save money through reduced headcount, improved quality, and increased innovation.
   - (b) They increase productivity, create a competitive advantage, increase employee commitment, and increase bench strength.
   - (c) They increase employee commitment, increase customer focus, and reduce supply chain problems.
   - (d) They improve the flow of information, improve decision-making, and increase innovation.

   2. (b)

3. Which of the following are legitimate reasons not to have shared-leadership teams?   3. (a)
   (a) Management is unwilling to make a commitment to development and employees are not mature enough to accept shared-leadership responsibility.
   (b) Shared-leadership teams will increase development costs and could result in an undisciplined organization.
   (c) Shared-leadership teams may experience excessive conflict and have difficulty making decisions.
   (d) Most organizations do not have enough employees capable of shared-leadership and the organization's results would suffer.

4. Which of the following statements about shared-leadership teams is correct?   4. (d)
   (a) A true shared-leadership team is fully responsible for all of the roles traditionally handled by supervisors or team leaders.
   (b) A true shared-leadership team has to be trained to handle staff selection, performance reviews, and salary administration.
   (c) Shared-leadership teams increase the organization's exposure to costly litigation.
   (d) A true shared-leadership team should be responsible for certain traditional supervisory roles such as setting team goals, assigning work, coordinating with customers, and managing quality, but it doesn't have to be responsible for all supervisory tasks.

5. Which of the following describes characteristics of shared-leadership teams?   5. (a)
   (a) Commitment to a common purpose, customer focus, and commitment to each other's success
   (b) Self-awareness, motivation, creativity, and high-level technical skills
   (c) Excellent leadership skills, staff selection skills, quality management skills, and good team skills
   (d) Conflict resolution skills, decision-making skills, and supervisory skills