Successful Self-Directed Teams and Planned Change

Robert A. Zawacki
Carol A. Norman

Payoff

By using self-directed teams (SDTs), organizations are poised to respond to random, rapid change resulting from technology, market, competition, or profit realities. This article highlights the key issues IS managers must plan around as they transfer control of work and processes to individual team members.

Problems Addressed

Organization development is relatively well defined and circumscribed in terms of its technologies, theory, and research. Organization transformation, on the other hand, is ill-defined, highly experimental, and itself rapidly changing. There are certain human technologies, such as Self-directed Team (SDTs), that when implemented as a planned change strategy are very supportive of organization transformation. The purpose of this article is to explain how to design and implement successful Self-directed Team so the organization of the future can better adapt to random change yet maintain some degree of order, stability, and internal equity.

Adaptive, Rapid, and Random Change

In the 1950s and 1960s, during the birth of organization development theory, organizational change was incremental; people adapted to the change and were rewarded for their new behavior and generally they perceived those rewards as reinforcing successful behavior. During the 1970s and 1980s, change became more rapid and individual contributors responded by working harder and smarter. The organization's managers helped their people stay ahead of the increasing rate of change by introducing more and better technologies, such as personal computers, networks, and some general movement toward empowering employees.

What is happening now is that change is becoming more rapid and random and seems to lack cause and effect for people. This decade can be labeled one of continuous/discontinuous change.

The key variable as organizations and people move from adaptive and rapid change to random change is time. In first-generation organization development, change agents and organizations had time to respond to change. Numerous planned change programs were designed over a period of three or more years. Faced with extremely rapid (random) change, business leaders do not have the luxury of three or more years. Out of this extreme need for more timely change was born second-generation organization transformation with its self-designing emphasis. Self-directed Team, Total Quality Management, business process reengineering, organizational architecture, self-designing organizations, and employee empowerment are strategies designed to cope with random change.

---

History of Self-Directed Teams

Self-directed teams are an outcome of the research of Kurt Lewin at the Research Center for Group Dynamics (RCGD) and at the Tavistock Institute of Human Relations, whose members conceptualized sociotechnical systems theory as an approach to designing organizations. Under the direction of Lewin, the RCGD was founded in 1945 at MIT. This initial group dynamics effort at RCGD evolved into the National Training Laboratory in Group Development, which introduced the idea of feedback to group members and the effect of feedback on individual and group behavior. 8

At about the same time that the RCGD was experimenting with the effect of feedback on attitudes and performance, the Tavistock group began to study the interdependence between technology and the human interface. A concrete outcome of this theoretical perspective is development of self-regulating work groups. 9 Various authors have named these groups differently for example, autonomous, self-managed, self-regulating, composite, self-directed, or work teams. A common pattern in all this research is the goal to transfer control of work and process from the traditional control manager to the individual members in the work unit over time.

The key to successful Self-directed Team is that the change program must be planned and implemented over time with managers who have the ability to become coaches. Many managers, coaches, and organization development consultants view self-directed teams as binary; an organization either does or does not have them. In fact, successful SDTS evolve through five stages. Exhibit 1 shows the evolution from a control model to a self-directed model, with the corresponding organizational structure drawn at the bottom of the exhibit.

From Management Control to Self-Control Model

Stages from Management Control to Self-Control Model

Stage 1 is the typical hierarchical organization. Stage 2 introduces the group manager, whose role is to transition (through Stage 3) into a team coordinator/coach. In Stage 4, the team assumes most of the duties of the previous manager, who now becomes a boundary interface. Finally, in Stage 5, the manager is a resource for the self-directed teams. Thus a typical organization has self-directed teams in all five stages at various times. Furthermore, an self-directed teams can be at Stage 4 and, when a key technical member of the self-directed teams is transferred, may revert back to Stage 3 while the team leader assumes more control until the team can again assume more of the leadership tasks.

In his article “Self-Regulating Work Groups: A Socio-Technical Synthesis,” Thomas G. Cummings states that the design of self-regulating work groups depends on at least three conditions that enhance cooperation and employees' capacity to control variance from goal attainment:

- **Task differentiation.** Refers to the autonomous nature of the team’s work. This permits the self-directed teams to develop an identity, and technical specialists emerge within the team to solve technical problems.

---

· **Boundary control.** Defined as the ability of the individual contributors to control quality decisions, staffing, and performance appraisal issues, rather than relying on outside resources. A well-defined work area increases the boundary control of the self-directed teams.

· **Task control.** The degree of control that the team members have over input into a completed product or service.  

Many organizations that profess to having self-directed teams in fact do not. A further examination of their teams reveals that they violated one or usually all three of these conditions. Thus, what some organizations claim are self-directed teams are really only people going to staff meetings.

Based on the authors' research and experience with successful self-directed teams, a fourth condition can be added to Cummings’ list: the ability of the control manager to transition into a coach. Early experience indicates that only about 50% of control managers can make this transition, because of the need to unlearn old behavior and learn new negotiation and conflict resolution skills.

Combined with a lack of understanding of the dimensions of successful self-directed teams is the impatience of top management. Top managers are generally looking for the next quick-fix, because they usually are rewarded on a quarterly basis and are unwilling to stay the course for a long-term planned change program, such as the use of self-directed teams. Cummings recognizes the need to plan for self-directed teams and implement them over time. He refers to this process as *developmental system design.*

**Developmental System Design**

In organizations from small manufacturing firms to large service companies, Self-directed Team can succeed or fail, regardless of the core technology. The key is to have people who believe they are valued and empowered, managers who can become coaches over time, and a well-designed plan. Although they are rare, there are managers who have the ability to sense the timing and training required before individual contributors share in some of the leadership tasks. In other words, a group of leadership competencies must be performed within an SDT: the key to a successful self-directed teams is to transfer those competencies with a plan over time. **Exhibit 2** illustrates this transfer of competencies.

**Checklist for Self-Directed Work Teams**

---

10 Cummings, “Self-Regulating Work Groups.”
## Transferring the Manager's Job to the Team

The critical activities are transferred from the leader to the individual contributors over a period of 30 months. Experience suggests that 30 months is an optimum goal; managers and organization development consultants should experiment with reducing this time even more if they are to be perceived as adding value to the organization. A good plan and checklist can load the experiment for success.
Using a Steering Committee.

The first activity recommended is to establish a steering committee that consists of a few top organizational leaders, some middle managers, some technical people, and some individual contributors. Usually this steering committee includes no more than 12 people and reports directly to the president or CEO. In some organizations, this steering committee even becomes a self-directed team, because the members want to function as a role model for the rest of the organization.

If the senior officer of the company or a senior vice-president is not willing to chair this committee, this is a signal to the change agent that there may be a lack of top-level support. The primary purpose of the steering committee is to demonstrate top-level support but also to provide linkages to other parts of the organization. Therefore a steering committee should meet every three to six months, and even have the self-directed teams brief the steering committee on their successes.

Training for the Team.

The other activities on the checklist in Exhibit 2 are all extremely important. However, training activities are critical to successful self-directed teams. Training costs usually increase by a factor of four, and the money is usually targeted for the softer area of people skills.

Many leaders of technical organizations may attempt to save money by not committing to sufficient training before and during the evolution of self-directed teams. Top leaders who attempt to save money may later find that the company has to play catch-up when the team grows without any planned way to deal with conflict.

After the decision to implement self-directed teams, the first training program must be a course on problem solving. The content of this course should become the basis for making decisions within the self-directed teams. Next, there must be a focus on team building, followed up with courses on how to conduct team meetings and how to make presentations. As the group matures, the need will arise for training on interviewing skills, performance appraisal, and feedback.

At the 12-month point, the interviewing and hiring process should be ready to transfer from the leader/coach to a subteam of approximately six team members. This transfer must not happen, however, until the team members have been trained.

Another example is performance appraisal. Traditional managers tend to resist performance appraisal and usually are late doing the performance appraisals of their subordinates. Furthermore, in the traditional hierarchical organization, individual contributors report that they do not receive sufficient feedback. After training, the performance appraisal process can be transferred from the leader/coach to the team members at about the 18-month point in the evolution of self-directed teams. (Other sources describe the process for a peer evaluation system within self-directed teams.\(^{11}\)) Although the coach may at best be hesitant to turn this process over to the team, once the new process is in place the coach usually becomes a strong advocate, because it relieves the coach of a burden getting those performance appraisals into personnel on time.

---

Measuring Effectiveness.

Internal and external measures of performance are critical to the success of self-directed teams. Those things that get measured get done. If the leaders of an organization support a pilot self-directed teams, invariably someone will ask sooner or later for measures of effectiveness or value added. There are many good measures of customer service, and one of those measures should be administered every six months. Furthermore, the measures should be simple so the customer is not burdened with bureaucracy.

Internal measures of team satisfaction usually are administered every week during the early stages of the self-directed teams; as the self-directed teams matures, the team should measure and feedback the results to the team every two weeks and, at about the sixth month, go to a three- or four-month cycle.

Teams and the Law

In December 1992, the National Labor Relations Board (NLRB) issued a decision in the case of Electromation, Inc., that raised the issue of whether employee committees are labor organizations as defined in the 1935 National Labor Relations Act. The decision of the NLRB was that Electromation violated the 1935 act against setting up a company union by establishing and dominating five employee representation committees. As another example, recently the NLRB, in a case involving DuPont's Chamber Works plant in New Jersey and the plant's Chemical Workers Association, ordered DuPont to disband seven committees that had been formed to deal with recreation and safety issues.

The problem is that the National Labor Relations Act of 1935, as a statute “largely written in the days of wrenches and blast furnaces, can be read as outlawing these groups.” Organization development and organization transformation consultants should continue to help organizations design Self-directed Team to increase motivation and productivity; however, they must be aware of this outdated law.

Recommended Course of Action

Guidelines for Implementing Successful SDTs

Successful organization transformation programs and Self-directed Team have a lot in common. For example, both require long-range effort, top-management support, emphasis on teams, the assistance of a facilitator, and the use of theory to guide the change agents. According to these key words in the definition of organization development, successful self-directed teams require:

- Setting up a steering committee with top management support and planning a long-range effort with a pilot SDT. The organization must select a natural work group committed to employee empowerment and whose members are involved in a technology, product, or service with task interdependencies.

- Establishing baseline measures of internal team satisfaction and customer service.

- Visiting other organizations with self-directed teams to determine best practices.

Making certain that the pilot SDT is congruent with organizational values and goals. Designing and implementing self-directed teams is a Theory Y philosophy [in which management gives individuals responsibility and freedom to attain corporate objectives on their own], and this may be a cultural shift for the organization.

**Thinking beyond cutting costs.** There usually is an actual drop in productivity during the early stages of self-directed teams development, because the team members are learning new skills, conducting staff meetings, and so on. Patience is required as the team grows and the individual members feel they are truly empowered, the gains are greater productivity, lower costs, higher-quality products, greater customer service, and more adaptability. It may be 18 to 24 months before the organization begins to see the positive results of the change program.

**Recognizing that managers must become coaches and problem solvers or facilitators.** Many managers are threatened by even the mention of self-directed teams. Only about one-half of existing managers can make the transition, even after training in the new competencies. Organization leaders must clearly state expectations up front: that good performers who cannot make the transition to coaches will be retained as individual contributors as long as they add value to the bottom line.

**Reviewing the reward system.** Considerations include greater employee participation into reward decisions and designing gainsharing plans or profit-sharing schemes that encourage horizontal organizational structures based on process, rather than function. At about the 18-month point, the organization should consider changing the reward from one based on individual to part group, part individual contributions, with a bonus for the volunteers in the first pilot Self-directed Team.

**Establishing feedback systems to inform all members of the organization on the progress of the pilot and future SDTs.** SDT members can, for example, brief top leaders on their progress. Feedback permits the program to adjust, grow, and remain viable over time.

**Author Biographies**

Robert A. Zawacki
Robert A. Zawacki is professor emeritus of management and international business, University of Colorado, and KPMG Peat Marwick Distinguished Scholar in Residence. He can be contacted at (719) 599-0849.

Carol A. Norman
Carol A. Norman is manager of customer support, Telephone Express, Colorado Springs CO.

---
