Payoff

Self-directed work teams, a reaction to organizational downsizing and the exodus of scores of middle managers, are increasingly being replaced by more traditional teams. Yet, the self-directed experience has helped create the empowered and motivated professionals who implement today's redesigned business processes and holds valuable lessons for effective team functioning.

Introduction

Self-directed (or self-managed) work teams became popular a few years ago, as human downsizing (or rightsizing) occurred in numerous organizations. Self-directed work teams were often viewed as the magic bullet by which organizations could survive the exodus of scores of middle managers. The theory was that since the work still had to be done, and the managers were no longer around to manage it, the remaining employees could manage it themselves.

It is now time to assess progress toward self-direction and determine if the reality matches the rhetoric. Are self-directed work teams living up to their promise, or are they merely a passing fad? As organizations continue to restructure and begin to benefit from process reengineering, will self-direction wind up on the scrap heap of good but forgotten ideas? Or, have Self-directed Team found their place in organizational strategy, modified perhaps, but still effective?

Self-Direction: Promise and Reality

Self-direction began as a response to the challenge of designing a tactical strategy to enable work groups and teams to survive the outflow of middle managers and prepare to thrive in what were predicted to be fundamentally different organizational structures. Self-directed work teams, with little planning and less training, were thrust into corporate and departmental cultures as a knee-jerk reaction to the loss of middle-management infrastructure. It soon became apparent that lack of preparation, training, and support could doom this promising innovation to failure.

It also became apparent that the organizational axiom of structure follows strategy (or, alternatively, form follows function) was being violated. Little thought was given to the strategic consideration of how—or even if—self-direction would benefit the organization or department, what it might cost to organize and train self-managing teams, and what would be required for self-management to succeed. Instead, businesses focused on the seemingly swollen ranks of middle managers and how they were becoming a drag on the organization.

Middle management was an inviting target for cost-cutting not only because of the sometimes bloated numbers of middle managers but also because of the excitement generated by process reengineering and the enabling power of new technologies. As companies began to transform themselves from functionally-oriented, hierarchical organizations with clearly defined departmental boundaries to process-oriented, flatter organizations with process owners instead of departmental managers, axes began to fall.
Core business processes were identified, departmental boundaries blurred, and cross-functional teams took over responsibilities for process management.

Middle managers, who had been respected for years as the glue that held organizations together, discovered they were now an endangered species. Managers who were deemed to have requisite people skills were either invited to become team members (without a managerial portfolio), given special assignments, or offered early retirement. Early retirement packages tended to be generous and many managers accepted them. Many organizations seriously underestimated the number of people who would leave and the effects of the loss of organizational memory they took with them.

The move to self-management has been accompanied by boundless expectations. The assumption that self-managed work teams could take up the slack left by laid-off middle managers is seductive to the extreme, deluding those who survive rightsizing into believing that the same amount of work (or even more) could be accomplished by fewer people. For self-management to work, however, people have to understand they are self-managing and therefore able to be more productive because they are free of the constraints imposed by additional layers of management.

Usually, though, it does not take long for those doing the work to recognize that a certain amount of work takes a certain amount of time, and that self-management is not necessarily the critical variable. (As a matter of fact, it might take a self-managed team even longer if its members receive little or no training, as frequently has been the case.) The pointed question, What did those managers do, anyway? is then replaced by more appropriate questions, including, What is the real problem here, and why? and How might the team secure the resources it is going to need to accomplish this project? The importance of training in soft skills (e.g., interpersonal communication, influencing without authority, negotiation, group dynamics, facilitating, conflict management, and presentation skills) becomes increasingly apparent as Self-directed Team wrestle with the ever-present organizational politics.

One of the most significant lessons self-managed teams have learned is how much time it takes to manage a task, in addition to doing it. Members of self-managing teams frequently find themselves arriving early and staying late to handle the planning and coordinating aspects of their responsibilities. Although some team members perceive these as career-enhancing opportunities, others see them as encroachments on their personal time. The social contracts had been rewritten, and not everyone was pleased.

Who's In Charge Here?

As self-managing teams struggle with the managerial issues of planning, coordinating, controlling, and evaluating, they frequently ask that most difficult question, Why? Why is this work being done this way? Why is it being done at all? The “why” soon leads to the “what.” What is the purpose of this activity/task/step? What does it accomplish? What is its contribution?

Reengineering the Flattened Organization

The asking of such questions is part of the Great Reengineering Revolution, that wave of enterprise restructuring that is reaching into almost every enterprise. In some cases, reengineering is being attempted through the blank-slate approach of completely reinventing the enterprise—of reconceiving it not in terms of separate, departmental, vertical functions but in terms of horizontal, integrated, cross-functional processes. In other cases, reengineering is being approached more cautiously, in terms of incremental
improvement to individual tasks and activities and not necessarily the complete obliteration of entire functions and departments.

Each of these fundamental approaches to reengineering has its own cadre of committed—even fervent—devotees, and the merits of each approach can be argued persuasively. It is important to note that both approaches encompass reviewing, revising, and often expanding the parameters of individual jobs and scopes of responsibility, and the ability to be self-directed in managing these new accountabilities is crucial for team—and personal—success. As organizations and departments restructure themselves, there is often little (if any) relevant history or prior experience to fall back on. The mental models that explain how hierarchical organizations work have limited application in flatter organizations. A high value is placed, therefore, on the willingness and ability of people—enhanced by training and supported by recognition and rewards—to think outside the box: to be proactive and to initiate, innovate, and improve all aspects of tasks and processes.

**Nature Abhors a Managerial Vacuum**

As Self-directed Team have attempted to gain acceptance, two other natural laws assert themselves: “Every action has an equal and opposite reaction,” and “Nature abhors a vacuum.” The move to self-direction (i.e., the action), in part a reaction to what was perceived to be an overreliance on command-and-control hierarchies, in turn has spawned its own reaction. This response is a distrust of situations in which no one is perceived to be in charge, for they smack of lack of leadership, an uncomfortable scenario for those weaned on the more familiar command-and-control hierarchies.

In one IS organization, the CIO expected to enhance productivity and motivation by enriching the content of IS jobs through opportunities for self-direction. The CIO created a pilot team and challenged its members with real-work opportunities. The CIO also provided them with training and coaching as appropriate and was a visible champion for their efforts and accomplishments. Predictable problems occurred, including the surfacing of a we/they dichotomy and speculation as to the CIO's long-term objectives regarding the IS management structure. Soon after the team began to experience some successes, the CIO was recruited by another company and replaced by a manager with more traditional views. The pilot team was reorganized, team development discouraged, and business as usual resumed. Several people left the organization, and some were replaced. Self-direction has never been tried again.

This example is not atypical. Experiments with self-directed teams sometimes last only as long as their champions or sponsors remain in their jobs. When these individuals move on, frequently their replacements easily find reasons to distance themselves from the concept of self-direction. New brooms sweep clean, and incoming senior managers uncomfortable with this different mental model often justify cutbacks in pilot programs with innocuous statements referring to the need to focus resources or tighten controls. On other occasions, the work that the self-directed teams were doing is called into question—either by new senior management or by external consultants hired as part of corporate transformation efforts. The issue of focus again comes into play, and as projects being worked on by Self-directed Team are canceled, people are reassigned to conventional teams.

There exists in most organizations a bias toward hierarchy and control, and as rightsized organizations regain their economic equilibrium, control-minded people often begin to assert themselves to regain the control they perceived had been lost. The concept of self-direction thus is called into question.
The situations just described, although not universal, are also not unusual. Recently published figures by the Bureau of Labor Statistics indicate that contrary to popular belief, the number of managers, executives, and administrators not only did not decline during the 1980s and early 1990s, it actually increased—by more than 50%. This figure is even more surprising because the work force as a whole grew by only 19% during the same period.

Why did the increase in the number of managerial personnel so outdistance the number of employees being managed? Largely because titles are less expensive than raises; it is generally easier and cheaper to reward deserving employees with so-called promotions to manager, director, and administrative coordinator than to sweeten paychecks. Decoupling promotions and raises also enables organizations to reorganize work loads and reassign responsibilities. Do more with less takes on added meaning in relation to the shifts in the work force.

**What About Employee Empowerment?**

As hierarchies reassert themselves, resistance is sure to arise. People who have tasted self-direction in the workplace may be reluctant to return to command-and-control models. They may not have qualms about giving up the self-directed terminology (sometimes this makes it easier to get things done), but they may have reservations about giving up their newfound opportunities for growth. Self-directing is self-motivating, at least in those organizations where the Three T's are practiced: training, trust, and teamwork.

The notion of empowerment, which surfaced as a replacement for self-management, has also run into trouble. Consider, for instance, an IS professional who was reprimanded for ordering personalized coffee mugs for team members as a thank you for successfully completing an important project. He neglected to get permission from his manager—the same manager who had empowered him to take risks and do what needed to be done. It took only this one rebuff to stop empowerment dead in its tracks in this IS department.

This is known as malicious compliance. It is hardly a success formula for an organization trying to survive in times of rapid change, intensifying competition, and customers who demand products and services faster, cheaper, and better.

**CSFs for Effective Teams**

What are the lessons learned from these few years of experience with self-management and empowerment? What do the case studies indicate is required for successful teams?

**Selecting Appropriate Personnel.**

There is no one-size-fits-all formula for self-direction. Self-management is a worthy strategy for self-motivation, but not everyone welcomes its time-consuming challenges and increased accountabilities. For some, self-management is an energizing experience. For others, it is an unwelcome burden. Proper selection of personnel is, therefore, a critical success factor for productive teams.

**Tailoring Self-Direction to Today’s Environment.**

Experience has also shown that the issue is not whether self-direction should be adopted as a managerial strategy. The real question is how to encourage increasing levels of commitment and accountability among employees, in working environments that are faster-paced and more demanding but that offer fewer personal rewards and ever-decreasing levels of job security.
Adopting self-direction need not be an all-or-nothing decision. IS professionals and their customers will be better served if those responsible for providing information systems and services understand the potential strengths and weaknesses of self-management and adapt the best self-management attributes to the situations at hand.

**Clarifying Strategies and Expectations.**
Individuals working on teams—self-directed or otherwise—must understand explicitly why a team structure is more appropriate for the task at hand than a group of individuals working alone but cooperating as necessary. In other words, the strategy that a team structure is supposed to help implement should be clear, as should the expectations of the team and its members.

Finally, team members must have clear answers to the following questions, which concern the most critical of all critical success factors for effective teams:

- What are our/my specific performance goals?
- How will we/I be rewarded if performance goals are achieved?
- Will I and how will I be rewarded if the team fails to achieve its performance goals but I am successful in achieving my goals?

IS managers who provide clear answers to these questions add immeasurably to the effectiveness of a team's development training. Failing to answer them dooms this training at the outset.

**Lessons for Cross-Functional Teams**
Attributes of self-direction are making their way into today's increasingly team-based IS environments as cross-functional teams rethink business functions, identify core processes, and look to IS professionals to provide technologies that will allow reengineered business processes to enhance competitive strategies. The trust and collaboration that characterize well-trained Self-directed Team can release the human energy necessary to implement redesigned business processes and their enabling technologies.

**Self-Direction as a Motivational Force**
The invitation to exercise self-management can be a powerful energizer for IS professionals who are already highly self-motivated. The opportunity to expand and enhance one's influence and contribution can increase commitment and personal accountability, while providing learning opportunities that help ensure employability. Self-management, however, is not for everyone. Individuals who lack significant self-motivation may not welcome the increased time demands and added learning requirements.

**Continuous Learning**
Fully-functioning self-managed teams are made up of highly skilled professionals who invest extensive amounts of time in continuous learning and who leverage this learning across their teams. Some learning happens individually, as people gain new knowledge and transmit this information to others, through coaching. Other learning happens in subteams,
as two or three people learn together and then constitute a Center Of Excellence within the team. (This knowledge can also be leveraged beyond the team through coaching and mentoring.) The power of team learning is also becoming apparent, as entire teams participate in learning experiences and, working together, begin to apply their new knowledge.

Examples of team learning include:

- Focusing on a specific topic or issue, such as Total Quality Management, and determining together (with a minimum of supervision) how the team can improve its delivery of quality service.

- Deciding to learn how to improve intrateam communication and conflict management, and practicing (usually with the assistance of a coach or consultant) new skills and techniques.

- Periodic scheduling of off-site meetings for in-depth discussion of what works and what does not, and why; then, concentrating how the team can improve its performance.

Continuous learning becomes a part of everyday life for high-performing teams, whether or not they are self-directing. High-performing teams become mini-learning organizations. Continuous learning, however, requires a major time commitment, and not everyone is willing to make that commitment. As teams begin to incorporate individual and team learning into their schedules, they should not be surprised to experience resistance from members who do not wish to make such commitments.

**Clear and Shared Expectations**

The failures of self-directed teams frequently originate with the central issue of expectations and how openly and honestly expectations are developed, shared, and reinforced. If performance and behavioral expectations are not clear at the beginning, the team will probably get off on the wrong foot. Clarifying vague expectations at a later stage is often time-consuming and frustrating. The constant aggravation caused by unclear expectations is one of the main reasons why self-directed teams self-destruct.

The importance of shared expectations has not been lost on savvy team leaders, and a key characteristic of high-performing teams is a clear understanding of roles, responsibilities, and accountabilities. Nothing is left to chance or assumption. Time is invested up front in clarifying expectations, and these are reinforced during the life of the team by the team members themselves.

**Cross-Training**

Another attribute of self-directed teams increasingly adopted by more traditional teams is cross-training: having individuals develop an in-depth understanding of the contribution of others on the team and learn how, when, and where they can make the same contributions, when necessary. This understanding is especially important on cross-functional teams, for cross-training links directly to the issue of interdependency. High-performing teams—regardless of whether they are self-directed—understand and practice intrateam interdependency.
In working groups or project teams, it is usually sufficient for team members to know enough of what one another does to be able to cooperate. Such surface knowledge, however, is insufficient for self-directed teams, whose team members must become continual learners and teachers. The team learning goals include knowing enough about each team member's responsibilities and contributions to become a seamless performing unit. This does not mean that all team members need possess the same level of skill in relevant areas of expertise. What it does mean is that all team members understand why particular levels of skills are necessary for the team to accomplish its goals, and where these skills can be obtained if the team's subject matter experts are assigned other responsibilities. This breadth of organizational awareness is a key competency for self-managed teams and a critical success factor for high-performing teams.

**Performance Reviews and Rewards**

Self-managed teams learn, usually through a painful lesson, the importance of frequent team evaluations and performance reviews. As with any evaluation process, team-based performance reviews must begin with team-based performance goals. This process, which is tough enough when done one on one, manager to subordinate, can quickly become conflict-ridden when attempted among peers. In addition, self-managed teams must add to the mix the aforementioned shared expectations regarding roles, responsibilities, accountabilities, and interdependencies. Finally, performance reviews lead to the question of recognition and rewards. How will teams—and individuals on teams—be recognized and compensated?

The performance management process has been a stumbling block for self-directed teams, with the issue of reconciling individual and team recognition and rewards the most difficult hurdle to clear. The issue of how people get rewarded is deeply woven into most enterprise cultures and is among the last cultural aspect to change. This lesson has not been lost on would-be high-performing teams and has helped to give birth to emerging 360-degree performance reviews.

Essentially, a 360-degree review includes direct input from representatives of all groups with whom the person being reviewed and appraised comes into contact. Although the theory says that a traditional manager-to-subordinate review will include feedback from a variety of sources, it not infrequently turns out to be a “what have you done for me, lately” session. A true 360-degree review, however, can result in a more-balanced and objective review process. The worker's teammates, customers, and peers—as well as manager—have the opportunity to provide input. The downside is that the process becomes labor-intensive and time-consuming; done well, however, those being reviewed emerge with a more complete picture of their contributions as well as of areas that need improvement.

**Conclusion**

Traditional teams looking for ever-increasing levels of performance are beginning to learn from the problems and successes of self-directed work teams. The net result of the past several years of experience is the growth of more self-motivated professionals, willing and able to assume greater personal responsibility and accountability. The timing could not be better, for personal survival within any enterprise today depends on increased levels of proactivity and self-direction. The new social contracts emphasize employability, not employment—that is, they emphasize what a person needs to learn and do to remain employable instead of what a person needs to do to hold on to his or her job.
This new focus on employability requires a changed mind-set and a new approach to personal professional development. Much of that development will be done in teams. Although these teams may not be entirely self-directed, they will have imported the best that can be learned from the self-directed experience. The challenge for the future is to recognize the bias of organizations toward hierarchy and learn to leverage the benefits of self-management.

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