Increased Productivity through Self-Managed Work Groups

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Historically, organizations have teamed individual employees to increase collaboration in order to produce products or deliverables. Although this process may result in mutual accountability, this traditional model often inhibits creativity, participation, and places greater restraints on the productivity level for the organization.

Self-managed work groups (also referred to as “self-directed,” “self-regulating,” and/or “semi-autonomous”) differ from the traditional team approach by involving employees in the process from beginning to end. Employees are encouraged to speak openly, think outside of the box, tap into their creative energy, and apply their expertise. If established correctly, the work group functions without fear of retribution by management or other group members, and a sense of ownership by the employees prevails.

Although a traditional team approach may appear to be functioning well, in reality it may not be designed to best meet the needs of the organization. Self-managed work groups, on the other hand, are specifically designed to evolve and transform as the organizational environment changes. As we will see, however, integration of the self-managed work groups into an organization requires consideration of several critical variables in order for implementation to be successful.

“What’s in it for the organization?”

Since the concept of self-managed work groups may be a cultural shift for many organizations, the introduction of their use may be met with resistance. Rather than discuss the obvious benefit of increased Return on Investment (ROI) through improved employee performance, it may be more advantageous for us to review recent case studies involving both Liberty Mutual and Chevron’s use of self-managed work groups.

In 1992 Liberty Mutual, a Boston based insurance and financial services company, was faced with a dilemma resulting from the lengthy turn-around time it took to provide customers with their contracts. Each department was responsible for entering data independently. A decision was made to restructure the process by using a cross-functional team representing each of the contributing departments who were responsible for the contract process. The end result was a decrease in the contract issuance time by 50%, which in turn freed up more time for obtaining new clients. The ROI on integrating this self-managed work group was determined to be $50 million per year (Attaran and Nguyen, 2000).
In a similar fashion, Chevron desired to produce more oil from its Kern River Field facility than it was currently producing. The organizational structure for this division was a traditional hierarchal structure. There were conflicting philosophies on both teamwork and the role of the employees, and there were no clearly defined roles for management in support of the hierarchical structure. This ultimately hindered both production and efficiency.

In 1995 the Kern River Team was downsized, and the decision was made by Chevron to use this as an opportunity to restructure into smaller teams that represented a cross-functional group of employees from various departments. More emphasis was placed on team members making decisions, rather than management making decisions. Accountability was measured through customer satisfaction. No information was made available on the actual ROI, but Chevron has since incorporated this model into other aspects of their organization due to the reported success of the Kern River Team (Attaran and Nguyen, 2000).

**Work Group Design**

Although it is evidenced that the use of self-managed work groups can provide benefits to both the employee and organization, introducing the model to an organization in the most effective manner requires consideration of several critical variables:

- **Individual Learning**

  While there are numerous debates on how adults learn, the point of this section is to acknowledge that individuals do learn differently and, as a result, come to the table with a variety of personalities, perceptions and beliefs. This fact must be considered when selecting members for the work group. For instance, since work groups are “self-managed” and participation is key to their success, it may not be in the best interest of the group to select a member that is easily intimidated or has difficulty taking on a leadership role. Having some degree of knowledge of each individual team member’s personality, strengths, and expertise is crucial in the selection process.

- **Work Group Learning**

  Once the individuals have been identified to serve on the work group, an analysis of the work group characteristics should be performed so that performance can be optimized. A seven step strategic model is listed below to serve as a guide in work group building to ensure that a climate of learning is established (Mealiea and Baltazar, 2005).
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<th>TEAM BUILDING STEPS</th>
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| 1. Identify team characteristics to predict team success. | • Define the following:  
  - Clarity of purpose  
  - Tasks to be performed  
  - Temporary versus permanent role  
  - Ease of substitution of members  
  - Work group level in organization |
| 2. Produce a team profile. Measure team climate characteristics. | • Obtain data from a variety of methods to assess and observe employee behavior for those being considered for the work-group  
  - Interviews  
  - Questionnaires  
  - Direct observation |
| 3. Identify deficient team characteristics. | • Using the data collected, compile a list of those employees that do not demonstrate characteristics of shared leadership, networking, and desire to learn. |
| 4. Establish decision making criteria for interventions.* | • Since interventions will be needed due to organizational, work group, or other factors, establish a priority list that determines how interventions are made. |
| 5. Identify team building strategies | • Since cohesion must be ongoing for the work group, team building opportunities are needed. |
| 6. Use established decision making criteria for interventions for improvement.* | • This step serves as a continuation of Step 4, as interventions may be necessary to move the work group forward. A greater emphasis here is placed on meeting organizational objectives. |
| 7. Implement and assess improvements. | • To ensure that the work group is functioning properly, a review of the interventions* needed is performed to ensure all items have been addressed. |

*Interventions in most cases are made by a member of management through the following course of action:  
A. Communication with the work group member(s) takes place. Expectations are clarified.  
B. A measurement/observation is taken of the member’s behavior to draw accurate conclusions.  
C. Coaching takes place to promote a change in behavior.  
D. Monitoring of the situation takes place.  

Once the work group has been designed and consideration has been given to the variables, the stages of group development must be monitored to ensure they are demonstrating optimal performance. As with all groups, there are five stages of development that occur as the members learn to interact with each other. The Five Stage Group Development Model (Robbins, 2003, p. 202) indicates that all groups form, storm, norm, perform, and adjourn. The process takes into consideration the conflict that may come into play due to personalities, lack of role clarity, and the emotions that naturally develop as the group defines itself. Though all members serve in equal roles in the self-managed work groups, they are not immune to the five stages.
• **Organizational Learning**

As was mentioned above, the introduction of a self-managed work group is a shift in culture for many organizations. In spite of the evidence of the benefit gained from this approach, changing a culture of an organization to accept the self-managed concept is not an easy task. Organizations that have not learned the benefits of empowering employees may be reluctant to step away from their traditional management approach. However, if management is supportive, there are tactics that can be used to initiate the change effectively.

For employees to be effective self-managed work group members, they must first be “engaged” in the organization. Employees that are “disengaged” do not contribute beyond what they are required to do and will have little interest in self-managing. The question must then be asked, “How does management assist employees in becoming engaged?” One approach would be for the organization to promote change by implementing the following four strategic practices (Treahearne and Oman, 2005):

1. Values and Goals – Establish and support values and goals that serve as a guide in times of confusion and conflict. These must be supported by all levels of the organization and communicated clearly.
2. Ideas, Opinions, and Perspectives – All opinions are valued, regardless of the level of hierarchy. Employees are encouraged to generate ideas.
3. People – Respect is given to all employees. Adequate resources are given to do their job well. Trust becomes the expectation.
4. Authority – Employees are encouraged to appropriately question those in authority and organizational policies with the intent to offer new insight.

• **Integration of the Work Group**

As suggested throughout, it is essential that both the members of self-managed work groups and the organization itself have similar and aligned objectives, and that there is mutual support. *Ten Steps to Deploying Self-Directed Teams* (Phelps, 2005), outlines a suitable plan of action:

1. Determine the individual, team, and organizational goals and discuss the short-term and long-term objectives of all three parties.
2. Confirm alignment and ensure there is support by all.
3. Confirm the commitment of members and create a time line for the deliverables. The timeline will also ensure accountability.
4. Determine how evaluations, compensation, and rewards will take place. Designate times for celebration of achieving milestones.
5. Establish an agreement where work group members hold themselves accountable for goals and commitments.
6. Minimize rules and agree to be honorable and perform with dignity.
7. Agree to gather feedback for guidance.
8. Train members in giving and receiving feedback. Create a positive, comfortable environment in which to perform.
9. Provide a full-feedback environment by accepting feedback from those outside of the work group. This increases problem solving skills and teaches to learn from mistakes.
10. Empower the work group in selecting new members, since they can more easily identify who they can work with.

Conclusion

A review of the literature on self-managed or self-directed work groups lends itself to the fact that more and more organizations are changing as a more competitive global society emerges. As a result, individual, team, and organizational roles are much different now than they were even twenty years ago. In order to stay competitive, organizations must allow themselves to evolve. By tapping into an ever present resource, their employees, the organization gains a wealth of expertise, enabling them to transform externally and, as a result, transforms internally to a healthier work environment. In spite of the challenges, self-managed work groups are an obvious win-win solution in our ever changing environment.
References


