

# SELECTED REFERENCES

INDUSTRIAL RELATIONS SECTION

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## SELF-DIRECTED AND SELF-MANAGED WORK TEAMS\*\*

Boyet, Joseph H. and Henry P. Conn. *Workplace 2000: the revolution reshaping American business*. Bergenfield, NJ 07621. Penguin USA (120 Woodbine St.). 1991. 367pp. \$24.95.

Among other changes, the authors predict that in the near future the American workplace will be organized around teams. In Chapter Eight, "Employees take charge," they delineate the transformation of the traditional, hierarchical company first into work-unit teams, in which supervisory responsibility is divided between the managers and the team members, and then into fully self-managed teams that perform without direct external supervision. The authors describe in detail what it is like to be part of a self-managed team.

Dumaine, Brian. "Who needs a boss?" *Fortune* (Fortune Single Copy Desk, P.O. Box 60001, Tampa, FL 33660), May 7, 1990. pp. 52-60. \$5.00, prepaid.

This article describes the success of self-managed teams in several well-known companies. The dramatic rise in productivity usually experienced explains why, in a recent survey of 476 Fortune 1000 companies, half the companies responded that they will be relying more on these teams in the future. Since teams draw together people with different jobs and perspectives, problems can be solved more quickly. The more complex a process, the more suited it is for teams since they foster a high level of dependency among people. Caveats are: it is easier to introduce teams in a new setting than to convert an old office or factory hierarchy to a team structure; teams must be given real authority to act if productivity gains are to be achieved; raises based on what an employee learns rather than on seniority can cause dissension. The most common problem encountered is the failure of team members to understand the feelings and needs of their co-workers. With fewer middle manager positions and, therefore, less opportunity for advancement, workers need to be satisfied that their work with the team is adequately satisfying and challenging. In a related *Fortune* article by the same author ("The bureaucracy busters," June 17, 1991, pp. 36-50, \$5.00, prepaid), Dumaine describes decentralized companies that use teams to achieve a more fluid and flexible organization. In this new model he calls the adaptive organization, companies officially recognize the informal work alliances people create for themselves over time, sanction their operation, and provide them with the resources they need. This results in a flatter hierarchy where instead of career paths climbing vertically up the company ladder, people make more lateral moves, learn new skills, and rotate from team to team as their talents are needed.

\*Prepared by Linda Oppenheim, Social Science Reference Librarian.

\*\*Items on this list should be ordered directly from the publisher. Addresses are given in connection with each reference.

Guest, Robert H. "Team management under stress." *Across the Board* (Conference Board, 845 Third Ave., New York, NY 10022, Attn: Orders Dept., 4th Flr.), May, 1989. pp. 30-35. \$3.00, members; \$5.00, nonmembers.

This article reviews the ten-year team management experience at the Cummins Engine Company. The company found that the original idea of total self-management by work teams was unrealistic. The introduction of new work processes (computer-integrated manufacturing, just-in-time, and total quality control systems) in response to a major recession in an already volatile industry and increased competition from abroad forced a modification of pure team self-management. The team manager had to shift from an advisory to a stronger leadership role. The just-in-time system reduced the teams' discretion in setting work schedules. Introducing the new systems took time away from team-related activities. However, the changes did not affect the commitment of workers and management to leaving more decision-making responsibility with the work teams.

Lawler, Edward E., III, Gerald E. Ledford, Jr., and Susan Albers Mohrman. *Employee involvement in America: a study of contemporary practice*. Houston, TX 77024. American Productivity & Quality Center (123 North Post Oak La.). 1989. 80pp. \$27.50, members and academic; \$44.00, nonmembers.

This report, based on a survey of 476 Fortune 1000 corporations, examines the degree to which companies are using participative management practices, their reasons for implementing them, the supports and obstacles within the organizations, and the results these efforts achieve. Of the over 380 companies with some employee involvement activity, only twenty-eight percent have adopted self-managing teams, although twenty-three percent indicate that they are planning to implement them in the next two years. The most common involvement programs use problem-solving groups and do not change the basic way in which corporations are managed. Of more general interest is Lawler's earlier book, *High-involvement management* (Jossey-Bass, 350 Sansome St., San Francisco, CA 94104, Attn: Customer Service, 1986, 252pp. \$27.95; \$16.95, paper), which details major participative management approaches.

Manz, Charles C. and Henry P. Sims, Jr. "Leading workers to lead themselves: the external leadership of self-managing work teams." *Administrative Science Quarterly* (425 Caldwell Hall, Cornell University, Ithaca, NY 14853-2602), March, 1987. pp. 106-129. \$10.00.

The purpose of this research conducted at a small parts plant of a large corporation was to study the questions: What do external leaders of self-managed teams do and how does their behavior compare to leaders in other contexts? The authors differentiate between the external coordinator, who is responsible for getting the group to manage itself, and the elected team leader, who facilitates the group's organizing itself and coordinates its job assignments, and makes sure materials are available. The authors found that the commitment of the external leader to the philosophy of self-management established the unique leader-behavior variable of leading others to lead themselves. Productivity gains at this site were greater than twenty percent compared to other plants using the same technology but more traditional management methods. Positive comparisons were also observed for quality, turnover, and satisfaction.

Musselwhite, W. Christopher. "Knowledge, pay, and performance." *Training and Development Journal* (American Society for Training and

Development, 1640 King St., Box 1443, Alexandria, VA 22313), January, 1988. pp. 62–65. \$6.00, prepaid.

Self-managed teams require careful integration of training and compensation. The author identifies three levels of administering incentive pay—individual, team, and organization-wide—and two skill classifications—technical and management. Three techniques for providing incentive pay are: pay for acquiring new technical skills, which often uses team-established criteria for evaluation; group-incentive pay, which involves bonuses to the team for the group's acquisition of managerial skills; and gainsharing for the entire organization, which rewards overall performance and encourages identity with the larger organization. Musselwhite recommends that companies: create flexible compensation systems that are appropriate to the size and type of team, work and organization; avoid competitive pay schemes or give the team the authority to determine pay distribution; develop learning plans for individual employees that reflect the team's needs rather than the employee's learning goals; and reward depth as well as breadth of learning.

Parker, Mike and Jane Slaughter. *Choosing sides: unions and the team concept*. Edison, NJ 08818. (300 Raritan Center Pkwy.). 1988. 229pp. \$16.00, paper.

The authors challenge the positive view of work teams found throughout the literature. They state that the concept is largely a rhetorical reworking of what is essentially the old reality on the plant floor and may mask changes that unionists need to guard against. An examination of the history of the team concept reveals that: teams are linked with union busting; in Japan they are associated with company unions; and in most cases, teams are a management proposal implemented in spite of the opposition from workers. The book analyzes the team concept in the automobile industry and describes the experiences of fifteen companies organized by teams.

*Self-directed teams: a study of current practice*. Bridgeville, PA 15017. Development Dimensions International (1225 Washington Pike). 1990. 62pp. \$48.00.

To gather hard data on the success of self-directed teams (SDTs), Development Dimensions International (DDI), a consulting firm, the Association for Quality and Participation (AQP), and *Industry Week* surveyed people directly involved with team activities and senior-level managers. Twenty-seven percent of the more than 800 responding executives indicated that there are now SDTs in their organizations and that more than half their workforce will probably be organized in teams in the next five years. Benefits reported included improved quality, productivity, morale, commitment and reduced labor costs. Barriers to the success of the teams were insufficient training, resistance from first-line supervisors, lack of planning, lack of supervisory support for the process, and unrealistic expectations. The report includes a very useful bibliography of additional readings related to SDTs.

*Self-directed work teams: the new American challenge*. Edited by Jack D. Orsburn and others. Homewood, IL 60430. Business One Irwin (1818 Ridge Rd.). 1990. 353pp. \$39.95.

The editors of this comprehensive exploration of self-directed teams (SDTs) discuss the five transition stages in the development of teams, from implementation to full autonomy, complete with detailed descriptions and “real-life” examples for those trying to put their ideas into practice. They also look at special issues organizations may need to address: white collar

self-directed teams; gain-sharing and pay-for-skill compensation systems; working with unions; the differences between organizing SDTs at start-up as opposed to existing facilities; and the experiences and needs of middle managers during the transitional period. They also describe nineteen critical tools and techniques needed to implement SDTs, including: the feasibility study; team member training; manager and supervisor transition training; peer disciplinary review committee; recognition and reward techniques; peer performance appraisal; and the cluster meeting.

Sims, Henry P., Jr. and James W. Dean, Jr. "Beyond quality circles: self-managing teams." *Personnel* (American Management Association, Box 319, Saranac Lake, NY 10020), January, 1985. pp. 25-32. op.

In comparing quality circles to self-managed teams, the authors find four distinguishing characteristics: membership; frequency and type of problems handled; authority to implement solutions; and relationship to the overall organization. A quality circle is a subset of a work group, while the self-managing team comprises all the members of the work group. Quality circles are very limited in the amount of time they can spend on a problem. The problems they focus on initially tend to be management's low-priority, long-standing problems. By contrast, self-management teams undertake problem-solving on a daily basis as well as at a weekly meeting, since they must resolve problems that interfere with their immediate tasks. Quality circles may or may not have the authority to implement their solutions. Problem-solving by self-managed teams is an expected part of their work. Quality circles exist along side traditional management, while self-managed teams make up the entire organization. Quality circles can be seen as a step in the evolution from a traditional, hierarchical management to a self-managed team environment in the areas of problem-solving, manager-worker cooperation, and teamwork.

Transactions from the . . . annual spring conference (Association for Quality and Participation, 801-B W. 8th St., Suite 501, Cincinnati, OH 45203). \$15.00, members; \$25.00, nonmembers.

The papers presented at the AQP's annual conference cover a variety of topics relevant to self-directed work groups including: methodology; group process skills; program and training design; organization support and recognition; program evaluation and research; and team presentations that report on employee involvement at various companies.

Wellins, Richard and Jill George. "The key to self-directed teams." *Training & Development Journal* (American Society for Training and Development, 1640 King St., Box 1443, Alexandria, VA 22313), April, 1991. pp. 26-31. \$6.00, prepaid.

Respondents to a survey of 862 executives listed insufficient training as the largest barrier to effective team implementations. Training employees who are members of self-directed teams involves teaching not only a wider range of technical skills to more people but social and leadership skills as well. The three categories of training are: job skills or technical knowledge and skills, including budgeting and management information systems, that were previously reserved for supervisors; team and interactive skills, including interpersonal, communication and social skills; and quality or action skills, that allow team members to perform their own quality control and require them to learn problem solving, statistical process control, quality tools and techniques, and the particular quality orientation of their organization.