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Improving productivity with self-organised teams and agile leadership

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Abstract

Purpose – Many organisations remain adverse to self-organised teams. The reasons are non-trivial and complex, but it is suspected that not willing to let go to direct control by senior management is at the root cause. There is a perceived security in following traditional, hierarchical chains of command under the guise of reducing risks and maintaining efficiency. The purpose of this paper is to describe the development of a research agenda that will empirically test in the field a range of widely held assumptions around leadership of self-organised teams. In total, 23 companies have agreed to participate in the proposed longitudinal research.

Design/methodology/approach – An extensive literature review has identified extant theories, frameworks, and methodologies adopted by researchers to gain greater understanding of self-organised teams. This knowledge will be used as the basis for generating hypotheses for subsequent testing in the field.

Findings – There is a considerable knowledge base established for self-organised teams. However, there is limited understanding of the benefits or detrimental effects of self-organised teams on organisational productivity and the appropriate style of leadership. This initial research has identified several hypotheses that will be used to develop questionnaires and instruments for information collection.

Research limitations/implications – The tools and techniques presented in this article need to be adapted to the organisation's specificities as well as to the contextual situation.

Practical implications – The work is of significant practical use. The research will be completed in a number of companies. There will be continuous input from operational and executive management. The findings from the work will be disseminated through various channels including workshops and conferences. Companies implementing and using self-organised teams will benefit from the knowledge generated.

Social implications – Self-organised teams are used in a variety of settings – commercial businesses, not-for-profit, NGOs. The work will explore issues around behavioural networks and inter- intra-team relationships.

Originality/value – There is much rhetoric around the adoption and uses of self-organised teams, yet there appears to be little understanding of the effect of leadership style of these teams and effect on productivity. This work will therefore contribute to the understanding of self-organised teams. While prior research has been conducted in the motivational and behavioural implications of self-organised teams, the knowledge is at best scant when leadership models for self-organised teams and operational factors are explored.

Keywords Dynamics, Empowerment, Human resource strategies, Design of work

Paper type Research paper



Introduction

A self-organised team is recognised as a self-regulated, semi-autonomous small group of employees whose members determine, plan and manage their day-to-day activities and duties under reduced or no supervision. The concept of self-organised, self-directed, or

self-managed work teams (the terms are often used interchangeably) has now been used for several decades and is popular as a means to make work organisations more effective and to improve productivity (Polley and Ribbens, 1998). Recent literature has begun to suggest that there are problems associated with team efforts and that not all team change efforts are successful. Team development has an historical development from socio-technical systems and quality of work life that provided a variety of specific ideas for application to organisations (Emery and Trist, 1960). The autonomous work group was the form that evolved from this.

However, organisations find it difficult to switch from a hierarchical structure to an environment where work units assume responsibility for their own decisions (Moravec, 1999). Invariably obstacles arise whenever self-organised teams are introduced; first, there is resistance and second, misunderstanding. Moravec (1999) argues that to overcome these barriers, teams must be introduced in a way that builds mutual understanding and allows all team members to develop leadership skills. He argues, “Well-planned teams develop in three phases: 1. discovery and agitation, 2. proliferation and dissemination, and 3. integration and institutionalization” (p. 18).

Evidence suggests, however, organisations remain sceptical and even dismissive of self-organised teams (Parker, 2012). The reasons, it is suspected, is that handing away responsibility for much of the decision-making to team members is perceived as a high risk. Arguably, there is greater perceived security in following traditional, hierarchical chains of command under the guise of reducing mistakes and maintaining efficiency.

In identifying gaps in current research, and flagging the need for future work, Ferreira *et al.* (2012) have suggested that more understanding is required of lean and flexible team competences. In a similar tone, Jagoda *et al.* (2013) assert that a far more dynamic approach to organisational performance monitoring and setting of targets is required. To ensure a less skeptical view of team working by senior management (leading to less fear of losing control), Moravec (1999) argues that more research is needed in why self-managed teams have better productivity than non-team working. Consequently, this research will address many of these opportunities.

This paper describes the development of a research agenda that will empirically test in the field a range of widely held assumptions around self-organised teams and their leadership.

The paper progresses as follows: first, we review the extant literature on self-organised teams and leadership styles associated with teams. Next, a discussion is developed that explores the key issues that remain around team leadership and productivity. We then develop a conceptual framework that will be adopted for the proposed research. We conclude with the limitations of the research anticipated outcomes and opportunities for future work.

Method for initial literature for review

A conventional sequential-step process was adopted to select and retrieve papers for the analysis of appropriate descriptors (Thomé *et al.*, 2012):

- (1) online database selection;
- (2) identification of keywords;
- (3) criteria for exclusion of studies;
- (4) manual review of selected abstracts (by all authors); and

- (5) full text review of selected papers emphasising affect self-organised teams and leadership models firm performance.

Three databases were selected for the search because they contain papers published in the large majority of scientific journals pertaining to performance management, operations, organisational management research: Emerald, Science Direct, and Web of Science. The keywords selected were sufficiently broad to both avoid artificially limiting the results and still provide limitations to avoid undesirable results. Keywords used were: productivity; performance; self-organised teams; teams; leadership; agile-leadership.

The initial search returned 167 papers. Based on the reading of the abstracts and then the full text review, those papers that did not correspond to our selection criteria were excluded, specifically, only papers dealing with teams and leadership as an organisational process were included in the analysis. Next, papers were excluded if they provided few or no explanations about the quality of primary research which conclusions were drawn.

The first two criteria excluded 117 papers, resulting in 52 papers being included in the study identification and study descriptors. These papers were reviewed and cross-examined by the authors.

Several papers addressed the relationship between teams and output performance but did not include leadership considerations. The 52 papers selected for the analysis were classified in broad categories by the focus on performance measures, team selection and development (cultural aspects) and leadership factors.

This paper provides an initial systematic review of the extant literature on self-organised teams and leadership in an effort to identify and measure the effects on output performance. This early work represents a first pass in developing a far more rigorous research agenda in the coming months.

Self-organised teams

Teams operate on three levels: team task level; team maintenance level; and individual needs level (Senior and Swailes, 2004).

Moreover, it has been stated that work groups and teams function on three levels (Mendibil and MacBryde, 2006):

- dependent level;
- independent level; and
- interdependent level.

Extant literature has identified that teamwork is a key feature of work in organisations and a central question concerns the ways that team players' actions and team performance can be measured (Senior and Swailes, 2004) and the influential effect of different styles of leadership have on team performance Nixon *et al.*, 2012). The work of Senior and Swailes (2004) is particularly pertinent to our work, as they identified several factors that team performance tend to be measured by, namely: team purpose; team organisation; team leadership; team climate; interpersonal relations; team communications; team composition and team interaction with the wider organisation.

Team performance measurement systems are intrinsically complex to maintain due to the various inter-personal dynamics operating within teams (Mendibil and MacBryde, 2006). Often, as identified by Jagoda *et al.* (2013), organisations seem to

lack the innovative capacity to seek non-traditional solutions to manufacture or service delivery processes – in particular, taking a far lighter touch to management and transferring the setting of targets and organising work to teams.

Self-organised teams and agile leadership is addressed by Ferreira *et al.* (2012) who argue that contemporary measures of team performance and team management lack the insight to team members' perceptions of goals and performance requirements. It might be said that team working methods do not lend themselves easily to conventional performance models and, therefore, a new perspective might be advanced, namely that of self-organised teams and agile leadership.

Social network analysis conducted by Morton *et al.* (2004) analysed the implementation of multi-disciplinary teams as a means of rapidly improving the way product development activities are managed. The benefits of self-organised teams was framed within the notion of "core knowledge communities" that enabled visualisation of, generating discussion, and supplying focus for individuals and teams to manage relationships more effectively and hence improve product development performance.

While in the context of undertaking capital projects, Scott-Young and Samson (2009) argue that critical team factors are associated with the fast implementation of capital projects and, importantly, particular team practices are pivotal to success. Using a model-based quantitative research design, the impact of team management variables on the speed of two different phases of capital project implementation was examined. They concluded that empirical analysis revealed that only some of the variables predicted from other literatures – project management, cross-functional team integration, and incentives – were significantly linked to fast schedule outcomes. Interestingly, recent project management literature is now addressing lean and agile project management in an attempt to raise awareness of alternative project execution models in an attempt to improve performance (Collyer and Warren, 2009).

Clearly, effective teams are groups that achieve high levels of both task performance and human resource maintenance. Obstacles to effective teams include: lack of direction; infighting; shirking responsibility; and lack of trust (Gabris *et al.*, 1998; Hersey and Blanchard, 1977).

It can be seen from Table I that well established self-organised teams also can be recognised by how the team uses effective decision-making strategies; the team implements and evaluates its solutions and decisions; task-related deviance is tolerated; team norms encourage high performance, quality, success, and innovation; subgroups are integrated into the team as a whole; the team contains smallest number of members to achieve its goals; team have sufficient time together to develop a mature working group; the team is highly cohesive and cooperative; periods of conflict are frequent but brief, and has effective conflict management strategies (Spreitzer *et al.*, 1999; Parker, 2012; Goffee and Jones, 2006).

However, many organisations advocate "rigidity" to leadership and management of staff – particularly to support innovation and change (Greenleaf, 1970). The position taken is that problems are solved primarily through structural, reductionist task-breakdown and allocation – often using projects (Friedman, 2008), and risks are managed through complex, iterative up-front planning (Juarrero, 2000).

However, the ever increasing speed of change of market conditions and the associated organisational flexibility that is now needed, suggest that we need self-organised teams and agile leadership (Lipman-Blumen, 2000). However, a widely held view based on traditional management theory assumes that leadership, and operational management, needs to take tight control in times of market volatility.

Table I.
Summarises a comparative evaluation drawn from the literature that shows the marked differences between conventional teams, conventional teams that are recognised as being high-performing and self-organising teams

Principal characteristics Conventional teams (Ereyy and Turner, 2007; Spreitzer <i>et al.</i> , 1999; Parker, 2012)	Conventional high-performing teams (Herre, 2010; Humphrey <i>et al.</i> , 2011; Spreitzer <i>et al.</i> , 1999)	Self-organising teams (Bass and Bass, 2008; Erez <i>et al.</i> , 2002; Ereyy and Turner, 2007; Goncalves, 2006)
Detailed instructions conveyed (normally in writing)	Members are clear about and agree on team goals	Sense of urgency and direction
Job descriptions matched with skills	Tasks are appropriate to team (vs individual) solution	Hard work upfront – sets expectations and norms
Targets used to set outputs	Members are clear about and accept their roles	Shares responsibility and mutual accountability
Encouraged to support one another and multi-task	Role assignments match members' abilities	Effective in recognising problems and making decisions
Regular involvement with leadership/management	Leadership style matches the team's development level	Commitment and trust amongst members
Performance appraisal used as means of feedback	The team gets, gives and utilises feedback	Balances individual and group needs
Quality circles used to problem solve	The team spends time defining discussing problems and decisions	Cohesive without stifling individuality
Targets and budgets used to establish needs	Members spend time planning how they will solve problems and make decisions	Confronts differences and deals with conflicts
Team activities used to encourage bonding	Group culture is continually reinforced	Deals with minority opinions effectively
Regular meetings used to convey information	Regular meetings are used to inform	Effective communication methods

Historical leadership has inherited a deterministic, reductionist approach that relies on task-breakdown, and is predicated on establishing stability – i.e., stable requirements, detailed analysis and restricting non-conformance. This rigidity is also marked by a tendency towards slavish process compliance as a means of control (Leithwood, 1992; Kirby *et al.*, 1992). Such a view is characterised by the sentiments depicted in list below.

Characteristics of traditional management (Errey and Turner, 2007; Spreitzer *et al.*, 1999):

- tight control procedures are needed to regulate change and uncertainty;
- hierarchical organisational structures are means of establishing order;
- increased control results in increased order and reduction of risks;
- organisations must be rigid, static hierarchies for stability and planning;
- employees are an interchangeable resource;
- problems are solved primarily through reductionist task-breakdown and allocation to a specific accountable person; and
- risks are adequately predictable to be managed through complex (time-consuming) up-front planning.

It is small wonder, therefore, that alternative team-based models appear to be regarded as informal and chaotic; even egalitarian to the point of actively fostering insubordination and being overly casual in their approach to problem solving and adopting change (Juarrero, 2000).

An example of traditional leadership failure applied to self-organised teams is described in a study by Kainen *et al.* (2008) on Morton Electronics' customer service department. The study describes the transition from a hierarchal organisational structure to a flat organisational structure in an attempt to reduce costs and enable employees to be flexible and responsive. For all team members to be responsible for themselves, they required training in technical skills, which was costly. The process presented a strain to human resources, with longer than expected adjustment periods and training time inhibiting productivity. Also, some employees were resistant to change and therefore did not have the correct attitude to thrive in the new environment – thus affecting team morale. The result was that customers received their orders slower and it became costly to process back-orders, while demand remained high (Kainen *et al.*, 2008).

The Centre for Effective Organisation's study of Fortune 1,000 companies, identified 27 per cent of firms in 1987 had implemented a form of self-organised team; and this increased to 47 per cent in 1990 and to 69 per cent in 1993 (Spreitzer *et al.*, 1999). Today, while there is some industry sectors and work activities that are more aligned to the benefits of self-organised teams; generally there is a reluctance to adopt (Parker, 2012).

Early leadership theories were heavily based on the concept of domination, then later personal traits and characteristics of the ideal leader were thought of having importance (Northouse, 2012; Bass and Bass, 2008). Behavioural theories became prominent throughout the 1950s and 1960s, followed by contingency theories, which take a contextual approach to leaders and their followers (Brownell, 1999). Research on emergent theory has gained prominence in recent years, discussing teamwork, total quality management (TQM) and employee empowerment (Bass and Bass, 2008). The study of control theory (Benson *et al.*, 2013), encouraged the implementation of self-organised teams as an organisational strategy.

Therefore, it is proposed that a hypothesis for testing is:

H1. Does task complexity influence the success of self-managed teams?

Agile leadership

Traditional leadership and management, as characterised in list above, intuitively we suspect does not lend itself to the autonomous underlying principles of self-organising teams. Our research will take a comparative view of alternative leadership styles, but we suspect the agile leadership concepts (discussed below) are more akin to the needs of these types of teams.

In search for a new framework to meet the demands of contemporary market demands, there has been an awareness of emerging management principles based on overcoming the problems of “operational rigidity” (Friedman, 2008). Such techniques exploit our understanding of autonomous human behaviour, described as self-organised teams (Parker, 2012). While the individuals within the team possess only local strategic rules and capacity, their collective behaviour is characterised by an overlaying order, self-organisation, and a collective intelligence that is greater than the sum of the parts (Zarraga and Bonache, 2005).

As Moravec (1999), perhaps somewhat cynically suggests, the function of operations management is for the most part redundant. Their role in self-organised team arrangements is more of facilitation – or as Polley and Ribbens (1998) suggest, managing for outcomes and removing obstacles that may hinder the team from performing.

The concept of self-organised teams might suggest that leaders and managers also need a set of simple guiding practices that provide a framework within which to manage, rather than a set of rigid instructions (Spreitzer *et al.*, 1999). Following flexible and agile practices, the manager becomes an adaptive leader – setting the direction, establishing the simple, generative rules of the system, and encouraging constant feedback, adaptation, and collaboration. This authentic leadership framework (Gardner *et al.*, 2005) provides teams implementing agile methodologies with guiding principles and direction (as shown in the list below). Guiding principles of agile leadership are as follows:

- an intrinsic ability to deal with change;
- a view of organisations as fluid, adaptive systems composed of intelligent people;
- a recognition of the limits of external control in establishing order; and of the role of intelligent control that employs self-organisation;
- an overall problem solving approach that is humanistic in that it regards people as skilled and valuable stakeholders in the management of a team;
- it relies on the collective ability of autonomous teams as the basic problem solving mechanism;
- it limits up-front planning to a minimum based on an assumption of unpredictability; and instead, lays stress on adaptability to changing conditions;
- reacts accordingly to emergent outcomes from the self-organised team; and
- manages for outcomes, i.e., removes obstacles that prevent the team achieving their goals.

While these techniques may have worked for organisations in the past, and may still work in some circumstances, for many companies these approaches only add cost and

complexity while providing a false sense of security by exhaustively planning, measuring, and controlling. A self-organised team operates under six agile leadership concepts: guiding vision, teamwork, and collaboration (Kouzes and Posner, 1995), simple rules, open information, light touch (Sergio and Thomas, 1990), and agile vigilance (George, 2003; Avolio and Gardner, 2005).

Guiding vision is recognisable when strategy is translated into a declaration of the greater purpose of the organisation, and communicated to all members of the team; it serves as a mechanism that has a powerful effect on their behaviour. It can permeate the work environment and influence team behaviour in extremely positive ways, much more so than a simple task can. The vision needs to become a guiding force that helps the team make consistent choices.

The agile leader can guide the team and continuously influence team behaviour by defining, disseminating and sustaining a guiding vision. To promote team ownership of the vision, there must be continuous group discussions with the team to build on the vision's sentiments. A strong grasp of the vision will help the team through difficult decisions about business value and priority and keep them focused on and inspired by the ultimate goal.

Self-organisation and emergent order are due in part to rich interactions between people in a self-organised team. These phenomena are explained by describing the sum of the interactions of a team as connectivity with each person working in alignment with others. It is this connectivity that can be manifested through support and collaboration.

A good relationship among team members starts with the leader's relationship with the team members. The leader sets the standard and is the role model for others. The leader needs to take steps to get to know each team member as a person – know what makes each tick outside of work and what motivates each of them at work. In addition, by treating each person with respect one is able to establish a robust working relationship.

Therefore, it is proposed that a hypothesis for testing is:

H2. Does agile leadership result in improved team performance when compared with conventional leadership?

Light touch requires just enough control to foster emergent order. In traditional leadership, everything is seen through the prism of control: change control, risk control, and most importantly, people control. Elaborate methodologies, tools and practices have been evolved to try and manage an unpredictable world. But tools fail when neat linear task-breakdowns cannot easily accommodate cyclical processes; and neat schedules require frequent updating to reflect the reality of changing dates and circumstances. Complex start-to-finish plans laid out in advance carry a certain naïve optimism that the future will not stray too far from what has been laid out.

In the zealotry of imposing more and more control, leaders seem to have forgotten the original purpose of control, namely to improve productivity. Traditional leaders believe that more control results in more order. Unfortunately, this conventional view does not really help in the uncertain real world because life is characterised by probabilities, not certainties. As experience teaches, all unforeseen events can befall the best of plans in an instant. Skilled professionals do not take well to micromanagement. Tools and techniques reach their limitations quickly when used inappropriately. We argue therefore that self-organised teams need agile leadership.

Without any control at all, there exists a certain level of order due to self-organisation, depending on the team skills and dynamics (Zarraga and Bonache, 2005). Initially, as control increases, order increases somewhat linearly, and reaches a narrow plateau quickly, decreasing very rapidly afterwards. Of course, the conventional view holds that the initial condition of no control starts off without any order at all, with an increasing linear relationship (Erez and Earley, 1993). Visionary control is a delicate mix of emergent and imposed order. To impose order, you must direct some control, but with a “light touch”.

Teamwork is synonymous with excellent leadership. Good leaders devote an inordinate amount of time and effort to getting the team thing right (Coleman and LaRoque, 1990). This means setting up and ensuring regular team meetings take place to focus on the continual challenges. The success in building highly effective self-organised teams is as a result synergy between team development and the quality of the leader. List below shows typical emergent properties of a successful self-organised team (Parker, 2012; Goffee and Jones, 2006):

- team members support one another;
- commonly shared goals;
- shared obsession with delighting customers;
- no demarcation between jobs;
- extensive mutual support, mutual trust and mutual respect;
- thirst for feedback and personal learning;
- absence of defensiveness;
- strong visionary leadership;
- clear code of conduct – behaviour towards others as well as customers;
- shared beliefs and values;
- celebrate success as a team;
- excellent team spirit;
- always finding time for each other;
- preparedness to make decisions; and
- camaraderie and friendship.

Lengthy job descriptions play little part in the successful self-organised team. In fact, jobs are loosely defined and everyone is prepared to do the jobs of others if the situation dictates. This places a high priority on multi-skilling and training (Saphir, 1995). The elimination of demarcation requires the ongoing development of team expertise and a high degree of trust (Russell, 2001, Herre, 2010).

For leadership of self-organised teams, an important requirement is building skills. The principles of servant leadership are of benefit here, defined as a leader that is “motivated by a desire to serve and empower followers [...] influence is achieved through the act of service itself” with a focus on “developing his or her followers as an end in itself” (Brownell, 1999, p. 19), or in other words, “leaders lead other people to the point of self-actualisation” (Hannay, 2009, p. 89). Indeed, the notion of empowerment is a characteristic that receives great attention in the broader leadership literature

(Hannay, 2009). Brownell (1999) applied this theory to the hospitality industry, noting that the philosophy is very fitting for such service-oriented teams; therefore it is reasonable to expect this approach to be equally appropriate for other high-intensity-contact settings.

Northouse (2012), asserts that previous researchers have identified leadership as a trait, behaviour, or a relational standpoint and can be studied in many different contexts; making it a complex field. Whilst there is no consensus among researchers regarding the exact definition, it can generally be agreed that modern leadership theories share themes of influence in a reciprocal process of achieving shared goals (Northouse, 2012; Parker, 2012); and empowerment is a central element in excellent leadership Russell (2001).

In another example of the role of leadership in this context, Spreitzer *et al.* (1999) conducted research on self-organised teams in a telecommunications company. Using the metrics of customer satisfaction and loyalty, and quality of work life of employees, it was found that self-organised teams can be more effective over unstructured groups. They found, however, that of significance to success were a number of factors that include recognition of team dynamics so work teams have a range of complementary skills, ensure the work is perceived as significant and provide regular feedback. There is a significant literature to support team member selection (see, e.g. Goncalves, 2006).

Team values and performance

How team members behave towards each other is critical in determining the success or otherwise of the team. Such behaviour covers humour, punctuality, work cover, issues of confidentiality, supportive action as well as who does what (Parker, 2012). Successful teams and leaders evolve a clear code of conduct which is well understood.

Workplace values that are the guiding principles that can be recognised in individuals' and team behaviour are important in maintaining an appropriate culture. Polley and Ribbens (1998, p. 9) suggest that the following values should be evident in self-organised teams:

- being accountable;
- making a difference;
- focusing on detail;
- delivering quality;
- being completely honest;
- keeping promises;
- being reliable;
- being positive;
- meeting deadlines;
- helping others;
- being a team member;
- respecting company policy and rules;
- respecting others; and
- showing tolerance.

Teams that have no beliefs and values tend to be fragmented and become reactionary Kirkman *et al.*, 1999). The better teams have a strong set of principles and values which define what is important to them. For example putting the customer first is a value that, if subscribed to by the team, will determine much of their everyday practice. Again it is important to establish and articulate the beliefs and values of the team (Lok and Crawford, 2003).

It is important to recognise and celebrate success, whether it is an individual or a team collectively. The more a team focuses on success (with customers) the more likely success is to come. Part of that focusing process is the environment of success Northouse, 2012). The team leader has a vital role here for it is he or she who can take the lead in declaring success and celebrating it (Bennis and Nanus, 1985). Such success can be relatively minor (a dissatisfied customer goes away satisfied) or major (consistently high ratings in a customer service research programme). Similarly the celebrations can be small (a few words of praise) or major (a celebratory lunch).

Many performance measures and key performance indices focus on an individual's performance. Such performance indices allow individuals to hide behind the excuse of "doing self-important things", of "being too busy", and of "not having time for other people". Self-organised teams instinctively know that they have to put time into team work. This means creating time for regular team meetings as well as finding time for colleagues who are in need of help and support. The better team members put themselves out by finding time for colleagues (Batt, 1999). Team bonding and the collective spirit, as described by Polley and Ribbens (1998), is recognised from the instinctive behaviour witnessed in self-organised teams in times of crises. For example, Moravec (1999) describes the problem solving approaches undertaken to solve a particular technical issue effecting quality.

The positive impact of self-organised teamwork can be measured in terms of increased productivity and the benefits of shared learning (Humphrey *et al.*, 2011). It is the degree of shared learning that reveals the true spirit of a team. Some of the most subtle yet significant learning comes from the casual exchange of information among individuals who perceive a common need or interest (Heskett and Sasser, 2008). Conversely, when the spirit of competition prevails, one person may withhold information from another to reserve the power of knowledge for personal advantage.

The question is, therefore, how do we encourage team effort without diminishing the competitive spirit of the individual? The response to this issue is that we must simply redirect this competitiveness away from pitting individual against individual and toward challenging each individual to compete against standards of excellence (Blake and Mouton, 1985).

Therefore, it is proposed that a hypothesis for testing is:

- H3. Do high-performance teams have better output under self-management when compared with conventional leadership?

Applicability and design of self-organised teams

Self-organised teams are not suited for all organisations; and they have produced mixed results in respect to employee behaviour – such as higher turnover and absenteeism (Kirkman *et al.*, 1999; Benson *et al.*, 2013). Such mixed outcomes might be associated with organisations that have limited resources do not devote sufficient time to training, coaching, and supervision of a newly formed self-organised teams.

Employees whose tasks are centred on low-level routine activities or tasks of a repetitive nature may achieve higher productivity under a traditional leadership model (Batt, 1999); and that time spent in training and quality circles (group problem-solving) decreases productivity, at least in the short term (Benson *et al.*, 2013; Goncalves, 2006). Research by Erez *et al.* (2002) showed that self-organised teams have resulted in mixed effectiveness depending on environmental circumstances (Herre, 2010); and indicated that use of peer evaluations and rotating leadership roles promoted better workload sharing and cooperation.

Self-organised teams are well suited to high-quality service delivery, as team members are better suited to customise products, build customer relationships and develop new ideas to maximise sales (Batt, 1999). This concept has been described as the service profit chain (Heskett and Sasser, 2008) – the notion that “profit and growth results from customer loyalty generated by customer satisfaction” (Hefley and Murphy, 2008, p. 20). Empowering service employees to make decisions and resolve issues, particularly those in the front-line, is an important part of the service-recovery strategy – a must for service operations management to build customer satisfaction and in turn, profitability (Parker, 2012); where there is a clear link between excellent leadership in a self-organised team model and strong financial outcomes.

In a case study of call centre activity (Holdsworth and Cartright, 2003), an area of notoriously demanding and interactive service occupation utilised by many industries such as finance, airlines, telecommunications and sales, a clear relationship between job empowerment (self-organised teams) and job satisfaction of call centre workers was identified. This resulted in improved and faster communication with customers.

Batt (1999, p. 87) showed that in a study of 68 work groups in the USA in service or sales roles, “participation in self-organised teams was associated with a statistically significant improvement in self-reported service quality and a 9.3 per cent increase in sales per employee.” Saphir (1995) conducted research on using self-organised teams in hospitals, including areas such as linen supply, equipment and general operations. The results indicated that teams were an effective cost-reduction strategy; and there was also improved morale and increased productivity.

Self-organised teams draw on principles of TQM and internal service quality that empower employees to enact individual discretion and encourage autonomy, leading to increased job satisfaction (Batt, 1999; Holdsworth and Cartright, 2003; Saphir, 1995; Grönfeldt and Strother, 2006; Humphrey *et al.*, 2011).

Therefore, it is proposed that a hypothesis for testing is:

- H4.* Do low-performance teams have better output under self-management when compared with conventional leadership?

Cultural mix of self-organised teams

Globalisation and international marketplaces greatly influence delivery systems, organisation structures and value-chains – and therefore applicability of self-organised teams. The effectiveness of self-organised teams in a cross-cultural context may be challenged where cultural norms and values do not lend themselves to self-determination. Research by Hannay (2009) used Hofstede’s (1984) five cultural dimensions to determine the best cultural fit for different approaches to team organisation. Interestingly, it was found that relationship-oriented workplaces that empower employees and foster teamwork are best suited to the following countries: USA, Germany, Japan, France, the Netherlands, Hong Kong, Indonesia, West Africa, Russia, and China. The dimensions of

power distance and uncertainty avoidance were identified as most important – that is, the ability and willingness of people to take an egalitarian approach (rather than a traditional hierarchical) and high tolerance for uncertainty and ambiguity.

The proposition that leadership behaviours are influenced by culture is supported by other's research (Sendjaya *et al.*, 2008). Most recently research has identified collaborative and inclusive leadership within teams is highly regarded in Australia and Indonesia (Pekerti and Sendjaya, 2010).

As workplaces are increasingly employing a culturally diverse range of employees, particularly across multinational organisations, designing effective self-organised teams can be challenging due to cultural diversity (House *et al.*, 1999). In the case of Australia, for example, we know that over a quarter of the population were born overseas; and a further 20 per cent had at least one parent born overseas (Australian Bureau of Statistics, 2012). As such, although Australians are generally highly individualistic and have low power distance values (Brain and Lewis, 2004); a modern workforce is likely to be made up of a range of cultures with conflicting values (Grönfeldt and Strother, 2006).

Whilst some leadership traits are universally endorsed, such as integrity and charisma (House *et al.*, 1999), other traits are valued differently. For example, the Dutch value egalitarianism, whereas Americans attribute status and respect to bold and confident individuals (House *et al.*, 1999). Similarly, Australian employees have been found to prefer innovative and supportive organisational cultures more than their counterparts from Hong Kong (Lok and Crawford, 2003).

Therefore, it is proposed that a hypothesis for testing is:

H5. Does cultural mix influence the success of the self-managed teams?

Developing conceptual framework

A limitation noted in the literature on self-organised teams is their benefits or otherwise over a long time period – there is a lack of longitudinal studies (Errey and Turner, 2007). Moreover, whilst there are numerous definitions of self-organised teams, the operational framework of a self-organised team is still ambiguous. Thus, additional research over an extended period would be required to present significant conclusions. In-turn, this information would inform the selection of appropriate leadership models.

A research question applicable to support further research is:

What are the important attributes associated with successful self-organised teams?

To address this overall research question it is proposed the series of hypotheses be used, drawn from the literature review, and then tested using primary data from a panel of (23) organisations. Closed and open-ended questionnaires will be initially pilot-tested with two companies and further developed to quantitatively and qualitatively test the hypotheses with all panel companies.

A conceptual schematic model (Figure 1) has been developed to synthesise the relationships between the five hypotheses and the research question.

Conclusions

A limitation of much of the literature reviewed was that the research generally only explored the period that the self-organised team was first introduced or shortly thereafter. Thus, our understanding of self-organised teams, team members, and leadership, covers a relatively short time period in the life of a company. Consequently, it has been suggested that the promise of benefits from self-organised teams may be oversold in the literature; and that the majority of literature is based on manufacturing

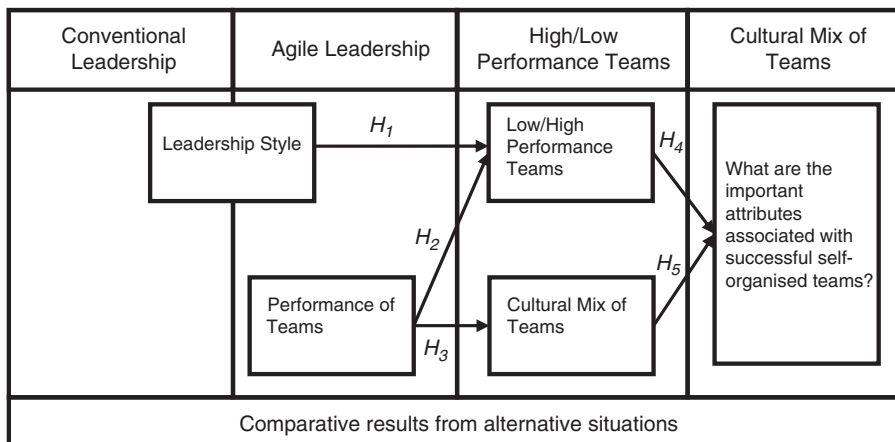


Figure 1.
Conceptual model: self-organised teams, agile leadership and cultural mix

operations with little attention given to service organisations (Spreitzer *et al.*, 1999). There is clearly, therefore, a need for longitudinal studies on self-organised teams.

Research in self-organised teams present a burgeoning wealth of insight into contemporary organisations, behaviour of people in teams and of leadership – within the context of a manufacturing or service process. Factors influencing the success of the self-organised team encompass types and complexities of tasks, dynamics, and performance of the team, explicit definition of a self-organised team, and appropriate leadership models. Multi-cultural influence is an increasing factor in international organisations – and has been given scant appraisal in extant research.

This work will involve a longitudinal study to address these factors; and will endeavour to test the research hypotheses using structured instruments. However, the limitations of the work includes the relatively small number of companies (23) in the study, the lack of a clear definition of self-organised teams, and the limited range of different types of companies – 14 service (of which five banks), one not-for-profit, and eight equipment manufacturers. Future research opportunities include sector specific self-organised teams, influence of gender-mix, and lean self-organised teams.

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