**The impact of rotating leadership on employee performance and career development in self-managing teams**

**1. Introduction**

*“A leader is best when people barely know he exists, when his work is done, his aim fulfilled, they will say: we did it ourselves.”* This is a famous quote from Lao Tzu (604 BC – 531 BC). Self-managing teams have become more popular recently, as they do perform well in contemporary settings, it has worked in remote, hybrid, and in-office setups. It also works in different industries, including IT, manufacturing, etc... Self-managing teams are popular, but they can only benefit team performance if their members are competent to navigate within self-managing systems (Doblinger, 2022). Thus, a self-managing team is not a silver bullet for companies as skillsets, team dynamics, and many other variables determine its performance.

Self-managing teams setups have been proven to benefit team performance, for example, productivity improvement or cost savings, and higher employee satisfaction (Cohen & Ledford, 1994; Cohen et al., 1996, as cited in Doblinger, 2022). Already in 1996, 17% of non-managerial employees worked, according to the American National Employer Survey, in teams that decided by themselves how to complete their tasks (Cappeli & Neumark, 2001, as cited in Doblinger, 2022). As a result of these developments, self-managing teams have been implemented with different types of leadership models, like permanent leaders, shared leadership, and rotating leadership (Eseryel et al., 2021). However, there is lacking information regarding how a specific model performs. This begs the question of how the rotating leadership model performs in self-managing teams and what is the potential of it in terms of employee performance and career development.

In this research paper, we aim to find the impact of rotating leadership in self-managing teams, focusing more on the effects on employee performance and career development by first analysing the impact of rotating leadership and then analysing its impact on self-managing teams. The analysis will be based on the arguments and findings found in the four articles. We believe that this will help in applied management when deciding what is the best type of leadership model and capability framework to use.

**2. Literature Review**

**2.1 What are the impacts of Rotating Leadership?**

The managerial concepts discussed in this section are rotating leadership and self-managing teams. Rotating leadership can be best described as rotating professional roles within an organisation. A study was performed where two teams decided to switch roles and allowed their designers to become production engineers, allowed their marketing personnel to act as designers, and allowed their production engineers to act as marketing personnel. They worked like this for four months and found that they were sharing knowledge much more effectively. They decided to rotate functions for another four months, with team leaders rotating every four months for each task. Leadership roles were changed every two months to afford each professional leadership experience. The group had returned to its initial arrangement after 18 months. Split roles (e.g., designing/production, designer/marketing, marketing/production) were then adopted for three months, with the professional leader acting as the group leader for the last three months before the team decided to conclude its work based on initial team roles. As a result, each team experienced an exceptional means of sharing knowledge and developed an excellent understanding of the process from design to production for the market. The two teams shared their experiences every second month, and no significant differences were observed between the two teams. Ties within the teams were strong, which eased the transformation of expertise, working familiarity, and nodding knowledge (Olaisen & Revang, 2018). Based on the study, we can say that since every member of the team was given distinct roles such as leadership, designing, marketing, and production, each member gained valuable experience in each discipline. The experiences gained by each employee will be helpful when they move up in position or switch career roles. Since knowledge sharing and collaboration are key factors, it will help improve each employee’s ways of thinking, which in turn improves performance. This approach is a wonderful idea that managers can use for employee training and career development.

Since it only used two teams for the research, the study could have used more sample teams to strengthen its research, and while this study shows the valuable potential of rotating leadership, a few of the things that were always mentioned but not addressed are collaboration and knowledge sharing. These two require time and resources as you must schedule meetings or allocate time for them. So, this approach will not work successfully if not planned correctly. Teamwork should be designed, planned, and monitored by upper management personnel (Olaisen & Revang, 2018). If it is not planned correctly, likely, it will not work.

In contrast, there was a study showing that there is no evidence of an effect arising between fixed or rotating leadership roles (Güth et al., 2007, as cited in Müller, 2020). More importantly, this study has shown that how leaders are installed has important behavioral consequences. Exogenously installed leaders have only a small or no effect vis-à-vis no leadership. Endogenously evolving leadership prompts contributions to public goods (Rivas and Sutter, 2011, as cited in Müller, 2020), particularly in groups that successfully installed a leader through voting (Guth et al., 2007; Chiang & Hsu, 2017, as cited in Müller, 2020). It has been argued that the mechanism by which leaders are selected causes a legitimacy effect (Grossman and Baldasarri 2012, as cited in Müller, 2020). We can say that rotating leadership has the potential but does not always work in certain instances.

**2.2 Impact of Rotating Leadership on Self-Managing Teams**

A self-managing team is a group of individuals with diverse skills and knowledge, given the collective autonomy and responsibility to plan, manage, and execute tasks interdependently to attain a common goal (Magpili & Pasoz, 2018, as cited in Eseryel et al., 2021). Although this definition may appear to suggest that self-managing teams are “leaderless,” that is, that formal leadership is absent, this is not necessarily the case. Self-managing teams range from teams embedded within formal organisational hierarchies in which a formal leader is appointed by upper-level management to loosely configured groups of individuals who come together to discuss or solve some issue or problem (Eseryel et al., 2021). Eseryel et al. theorized that in self-managing teams, there are two types of leadership, “Functional” and “Visionary” leadership. Functional leaders are those who reinforce existing structures and norms. While visionary leaders challenge existing structures and norms. These can be individuals of the team that have the principle of either “functional” or “visionary.” (Eseryel et al., 2021). Additionally, Doblinger argued that for self-managing teams to function effectively, the individuals must have these knowledge, skills, abilities, and other characteristic (KSAOs). These are enumerated as the following: leading and deciding, supporting and cooperating, interacting and presenting, analysing and interpreting, creating and conceptualizing, organising and executing, adapting and coping, and enterprising and performing (Doblinger, 2022).

In theory, implementing rotating leadership in self-managing teams would be a bit different based on the traditional approach. The upper management would need to collaborate with the members, and since each member of the team will get the opportunity to lead, each member will get the opportunity to display their KSAOs and their “functional” or “visionary” principle. This is the same for the members as they get to witness and monitor these KSAOs, and each member can learn and improve accordingly based on what KSAOs are effective.

However, this is only in theory as there is not much study conducted on rotating teams on self-managing teams. Future research studies could focus on actual self-managing teams implementing rotating leadership and what are its impact in comparison to other leadership models. The study could also focus on what is the usual structure of self-managing teams implementing rotating leadership, as well as the composition of each individual. As these can help with future organisations in implementing rotating leadership in self-managing teams.

**3. Conclusion**

This report set out to answer the research question: *what are the impacts of rotating leadership on employee performance and career development in self-managing teams?*The review has shown that rotating leadership improves individual skills and performance through knowledge sharing and role rotation (Olaisen & Revang, 2018)., and that self-managing teams require certain skills to function effectively (Doblinger, 2022; Eseryel et al., 2021). The research and findings from the reviewed studies in this report showed that rotating leadership can improve employee performance and career development. This report does have some limitations, particularly due to a lack of data supporting the idea that self-managing teams consistently use a rotating leadership model.

Nonetheless, the findings are significant for both researchers and practitioners. For researchers, this review sheds light on the effects of rotating leadership and how self-managing teams can operate successfully. For practitioners, our paper offers valuable insights for managers considering whether to adopt rotating leadership and self-managing teams. It can also guide recruiters in identifying the right skills to build effective self-managing teams. Looking ahead, future research could explore the implementation of rotating leadership in different team structures and organizations.

References:

Doblinger, M. (2022). Individual Competencies for Self-Managing Team Performance: A Systematic Literature Review. *Small Group Research*, *53*(1), 128–180. Research Library. https://doi.org/10.1177/10464964211041114

Eseryel, U. ORGANIS., Crowston, K., & Heckman, R. (2021). Functional and Visionary Leadership in Self-Managing Virtual Teams. *Group & Organization Management*, *46*(2), 424–460. https://doi.org/10.1177/1059601120955034

Müller, M. (2020). Leadership in agricultural machinery circles: Experimental evidence from Tajikistan†. *Australian Journal of Agricultural and Resource Economics*, *64*(2), 553–554. https://doi.org/10.1111/1467-8489.12376

Olaisen, J., & Revang, O. (2018). Exploring the performance of tacit knowledge: How to make ordinary people deliver extraordinary results in teams. *International Journal of Information Management*, *43*(1), 295–304. https://doi.org/10.1016/j.ijinfomgt.2018.08.016