**Assessment 2**

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Word Count**: 3489 (Including In-text references)**

Section**: Cohort B**

Subject**: Research and Enquiry 24-AIC-04**

Title**: The impact of Rotating Leadership on Employee Performance and Career Development in Self-Managing teams**

**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). This quote speaks to the idea that employees can manage their own work. In recent times, self-managing teams has gained popularity in different work industries and disciplines, including healthcare, manufacturing, retail, IT, etc. Self-managing teams are not limited remote work but have also been found in hybrid and in-office work situations. Self-managing teams have been linked to many positive work outcomes, such as higher productivity, cost savings, and better employee satisfaction (Cohen & Ledford, 1994; Cohen et al., 1996, as cited in Doblinger, 2022). However, the effectiveness and efficiency of self-managing teams highly depends on the ability individual employees to function well within a self-managing framework (Doblinger, 2022). We can say that self-managing teams are a not always the fix to management problems for organizations. The success depends on many factors, such as skillsets of each member, team composition, and many other key variables. Eseryel et al., (2021) argued that self-managing virtual teams have structures which may include permanent leaders, rotating leaders, managing partners, structures in which facilitators or coordinators assist teams in completing their work, as well as leaderless (self-managing) structures (Beyerlein, Nemiro, & Beyerlein, 2008; as cited in Eseryel et al., 2021). Relating to the topic of rotating leadership, Eichenberger and Frey argued that the Rotating CEO model is better suited to the dynamic, diverse, and innovative environment of international business compared to the traditional single CEO or collective top management team models, the authors also illustrated that rotating leadership has been successful and sustainable in different environments over long periods (Eichenberger & Frey, 2024).

Relevant papers on leadership styles on self-managing teams, exists, as well as impacts of rotating leadership. However, these tend to focus on the other aspects, such as team composition, impacts, etc., (Davis & Eisenhardt, 2011; Eichenberger & Frey, 2024; Olaisen & Revang, 2018; Sheard et al., 2009). While valuable, the theoretical perspectives covered in these reviews do not explicitly address the differences of leadership styles in self-managing teams. Despite these new emerging styles, there is still a lack of detailed information on how each leadership style performs. This raises the question of how rotating leadership specifically affects self-managing teams, particularly regarding employee performance and career growth opportunities.

This research paper aims to explore the effects of rotating leadership within self-managing teams, with a more focus in how it affects employee performance and career development. This research paper will first find the impact of rotating leadership itself, followed by an analysis of its specific effects on self-managing teams. The insights from the analysis will be based on the arguments and findings presented in twelve articles. We believe that this will be beneficial in applied management when deciding what is the best type of leadership model and capability framework to use.

# **2. Methods**

In this paper, we designed our methodological approach based on insights from the stages of a systematic review suggested by Tranfield et al., (2003) and from literature reviews published in peer reviewed journals by studying different articles related to rotating leadership and self-managing teams, employee performance, and career development. The thematic analysis was conducted. All articles were coded, alternating between inductive and deductive coding. The general deductive codes included: level of analysis, contribution to what literature, empirical or conceptual, methods used, and sources of data. The theoretical deductive codes derived from the literature included rotating leadership, rotating leaders’ tacit knowledge and self-managing teams to build a good understanding of the title of this paper. We conducted an extensive search using Google Scholar and ProQuest as our main search platforms. The articles found contains one of the following keywords: tacit knowledge, rotating leaders, rotating leadership, and self-managing teams. Using the following keywords, around 80 related articles are retrieved initially, then it was slimmed down to twelve articles to supply what was needed. For the primary article, ABDC Journal Quality List A or A\* rated peer reviewed article was used, and made sure it was published within 5 years. For the three articles that contains quantitative, qualitative, and mixed-methods study, one article that was most related to rotating leadership and tacit knowledge was selected for each methodology. For the remaining articles, the articles with most relevance to rotating leadership were selected.

Inclusion and exclusion criteria to decide which articles would be accepted in the review were also developed in this step in discussion between the authors. For the quantitative research article, one study (Allen et al., 2016), measured the impact of different leadership styles with specific team dynamic aspects. To achieve this, they designed their research around quantifiable variables and did not rely on nuances of individual experiences, such as survey to gather numerical data on factors like workload balance and the present of conflict within their teams. This allowed statistical analysis and identification of patterns and relationships within the data gathered. For the sampling methods and participants, the authors selected students currently enrolled in three sections in an organizational behaviours class during one semester. Within these three sections, a total of 77 students participated in the study. The researchers created 6 student teams in each section, making it to 18 teams in total. These teams were assigned a complex project that lasted the entire semester. This article was selected due to the size of the teams which can be considered large enough even though we can question their tasks since all the teams are doing similar tasks. For the data analysis methods, the authors used Analysis of Variance (ANOVA) to determine if the different team leadership modes such as emerging, rotating, and designated had any remarkable impact in team performance and team dynamics. The team performance was measured using the final grades that the student teams received in their projects, and the team dynamics was measured using student responses to survey questions. The authors also used Chi-square test to analyse student responses from the survey questions sent. The survey questions focused on whether business schools have a responsibility to train students for leadership roles, and whether all students should have the chance to lead a group. The reason for this survey is to gauge the student opinions on leadership in the classroom context.

For the qualitative research article, one study (Davis & Eisenhardt, 2011), examined the processes by which some technology collaborations generate innovation, while others do not. The authors did a multiple-case, inductive study on the processes by which some technology collaborations generate innovation, while others fail to do so. The authors preferred case study approach than ethnography because the authors were interested in understanding the processes done, as well as identify patterns across different collaborations to identify a general theory. The authors also wanted to focus on impact of collaborative process on innovation by selecting cases with similar parameters. The authors used three methods, case selection, data collection and data analysis. Case selection was done by studying eight technology collaborations between ten organizations in the computing and communications industries, by selecting collaborations that were likely to be successful based on past studies, the authors were able to determine the effects of collaborative process on innovation. Data collection was done using semi-structured interviews which were conducted over 24 months. Data analysis was done by studying the detailed chronological case histories of the collaborations, analysing the phases of each collaboration, and comparing the eight cases to identify similar patterns in how they collaborate to develop a theory on rotating leadership. For the sampling methods and participants, the authors used a purposive sampling method, focusing on categories to select samples that would provide insights into their research problem. The authors used purposive sampling instead of comparative study since they need to focus on a specific concern, and the authors used semi-structured interviews and archival data to create detailed case histories, it is more beneficial to use purposive sampling approach. The authors studied 72 participants across eight collaborations. The participants came from multiple levels within each organization to reflect diverse roles. For the data analysis methods, the authors used many different methods such as writing detailed chronological case histories for each of the eight collaborations, studied the processes and patterns within each individual case, and used cross-case analysis techniques to compare and contrast the chronological cases, studying the data repeatedly as they study more cases to find the pattern within these cases.

For the mixed-methods, one study (Ma et al., 2016), used qualitative method by analysing the top 5 cases of leadership for each class, with a total of 15 cases analysed. Content analysis was done on the notes connected to the leader’s notes in the note network, in order to analyse the student’s influential contribution and their ideas within the wider context of the class discussion. This helped identify specific leadership behaviours and create leadership profiles. The study also used quantitative method by using social and temporal network analyses to study group network patterns and determine the number of leaders over time. The authors looked at how centralized the student network was and whether a few students held most of the influence. The authors also used Knowledge Building Discourse Explorer (KBDeX) to see the connection between learners based on shared words used to identify sharing of ideas among learners.

The analysis of this paper included identifying key themes that emerged from the literature and categorizing articles according to the understanding of the effects of rotating leadership. This review is limited to English-language articles, which may have excluded relevant studies published in other languages, potentially affecting the comprehensiveness of the review. This review is also limited to articles that can be accessed free using the Internet.

# **3. Literature Review**

The main concept that this paper will analyse is the impact of self-managing-teams. First, we present narrative review methodology. Second, we provide a descriptive analysis of the articles found in the review. Third, we give an overview of the core concepts and research themes. Fourth, we present an integrated framework of rotating leadership. Finally, we discuss the implications for management research and provide directions for future research.

## **3.1 What are the impacts of Self-Managing Teams?**

A self-managing team is a group of individuals with different skills and expertise, granted collective autonomy and responsibility to plan, organise, and carry out tasks collaboratively in order to achieve a shared objective (Magpili & Pasoz, 2018, as cited in Eseryel et al., 2021). While this definition might suggest that self-managing teams operate without formal leadership, this isn’t always the case. Self-managing teams can exist within formal organizational structures, where a leader is appointed by upper management, or they can be more loosely organized groups that come together to address specific issues or challenges (Eseryel et al., 2021). Eseryel et al. proposed that self-managing teams can have two types of leadership: “Functional” and “Visionary.” Functional leaders uphold and reinforce existing structures and norms, while visionary leaders seek to challenge and change them. Both types of leadership can be embodied by different team members, depending on whether they adopt a functional or visionary approach (Eseryel et al., 2021). Furthermore, Doblinger emphasized that for self-managing teams to succeed, team members must possess certain knowledge, skills, abilities, and other characteristics (KSAOs). These include capabilities in areas such as decision-making, collaboration, communication, analysis, creativity, organizing, adaptability, and performance (Doblinger, 2022).

## **3.2 What are the impacts of Rotating Leadership?**

Rotating leadership can also be described as rotating specific professional roles within an organization, focusing on leadership roles and tasks. In a study conducted by Olaisen & Revang (2018), two teams experimented with role rotation, where designers became production engineers, marketing personnel acted as designers, and production engineers took on marketing roles. After four months, they found that this approach enhanced knowledge sharing. The teams decided to continue rotating roles for another four months, with leaders changing every two months to ensure everyone gained leadership experience. After 18 months, the teams reverted to their original structure, but continued experimenting with role splits for three months, with the professional leader taking on the group leader taking on the group leader for the final three months. Ultimately, the teams developed a strong understanding of the entire process-from design to production to marketing-and shared their experiences every two months. No major differences were found between the two teams, and strong relationships within the teams helped facilitate knowledge transfer (Olaisen & Revang, 2018). A study by Davis & Eisenhardt, (2011), which was conducted in eight technology collaborations, shows that rotating leadership can be beneficial for collaborative innovation, especially for relationships where partners have complementary capabilities. This is because it allows partners to leverage each other’s strengths at different phases of the collaboration. A similar study by Karlsson & Åhlström, (1996), which was conducted in different multi-functional teams showed increased flexibility on the tasks and reduces the vulnerability of the production system. A study by Ma et al., (2016), which was conducted in a grade 4 classroom showed that students were actively involved in knowledge building activities. The rotating leadership facilitated the creation and sharing of knowledge within the student community. A study by Thompson & Wallace, (1996), which was conducted at the Volvo Truck Corporation, showed promising impacts of rotating leadership such as empowering employees, fostering a more collaborative environment, and increased efficiency and were better able to solve problems collectively. A study by Sharif, (2020), which conducted rotating leadership among leaders with similar trait and different traits, showed that rotating leaders with similar traits promoted more convergent thinking and rapid development, while rotating leaders with different traits promoted more divergent thinking and originality. A study by Bienefeld & Grote, (2014), which conducted on real-world aircrews in a simulated emergency, showed that in successful multiteam systems, flight attendants would proactively step up and take on leadership behaviours when pursers were occupied, which indicates rotating leadership as the responsibilities shifted depending on the immediate demands of the situation. A study by Allen et al., (2016), which conducted rotating leadership in Boston biotech firms, showed that frequent exchange of leadership roles, promoted a more dynamic and engaging communication style, and reflected a collaborative environment where different individuals contribute their unique perspective and expertise on leadership. A study by Eichenberger & Frey, (2024), theorized that rotating-CEO is more advantageous than traditional CEO because it mitigates decision making by a single individual, fosters more collaborative leadership culture, better performance evaluation for CEOs, and improved CEO training and development.

The studies shows that by having distinct roles, such as skills in different disciplines (leadership, design, marketing, and production, etc.), each partnership gained valuable experience across disciplines, which could be beneficial for all parties or individual career advancement and role changes. This approach fosters collaboration and knowledge sharing, enhancing critical thinking and overall performance. It offers a valuable strategy for managers to use in employee training and career development.

The first study relied on only two teams, so using a larger sample could have provided more concrete and convincing findings. While the research highlights the potential benefits of rotating leadership, it often mentions collaboration and knowledge sharing without full addressing them. These tasks require allotted time and resources, such as scheduling meetings or allocating time for discussions. As a result, this approach may not be successful unless carefully planned. Effective teamwork needs to be designed, managed, and overseen by senior management to ensure its success (Olaisen & Revang, 2018). In the context of multifunctional teams, Karlsson & Åhlström, (1996), mentions that rotation requires additional efforts in staff training. Without proper planning, it is unlikely to achieve the desired result.

In contrast, one study found no evidence of a significant difference in outcomes between fixed and rotating leadership roles (Güth et al., 2007, as cited in Müller, 2020). The study also revealed that the method of appointing leaders has notable behavioral implications. Leaders who are externally imposed tend to have minimal or no impact compared to having no leadership at all. In contrast, leadership that evolves from within the group can encourage contributions to public goods (Rivas and Sutter, 2011, as cited in Müller, 2020), especially in groups where leadership is chosen through a voting process (Guth et al., 2007; Chiang & Hsu, 2017, as cited in Müller, 2020). It has been suggested that the way leaders are selected creates a sense of legitimacy (Grossman and Baldasarri 2012, as cited in Müller, 2020). A study by Markulis et al., (2010) found no significant impact between team leadership mode and team performance. The study revealed that among the groups of undergraduate students taking Management Classes, all three leadership modes (emerging, rotating, and designated) resulted in similar levels of team performance. The study conducted by Thompson & Wallace, (1996), the subjects had difficulty implementing rotating leadership as they had issues such as team leader being appointed instead of rotated and difficulty in job rotation for specialist roles, including the production leader. A study by Sheard et al., (2009), which conducted a shared leadership approach by having four different leadership roles/specialties within the team, showed that team members can collectively achieve what individuals alone cannot, and the dynamics of role adoption and the stages of group development is crucial for implementing successful leadership rotation. This shows that rotating leadership is not always the silver bullet. Therefore, while rotating leadership has potential, it may not always be effective in every situation.

## **3.3 Impact of Rotating Leadership on Self-Managing Teams**

In theory, introducing rotating leadership in self-managing teams would differ from the traditional model. Upper management would need to work closely with team members, as each individual would have the chance to take on a leadership role. This setup allows each team member showcase their KSAOs and demonstrate either a “functional” or “visionary” leadership approach (Eseryel et al., 2021). Similarly, team members would have the opportunity to observe and evaluate these KSAOs in action, learning from one another and refining their skills based on which approaches prove most effective (Doblinger, 2022).

In practice, however, there is limited research on the use of rotating leadership within self-managing teams. Future studies could explore how rotating leadership functions within real self-managing teams and examine its effects compared to other leadership models. Research could also investigate the typical structure of self-managing teams that adopt rotating leadership, as well as the roles and characteristics of individual members. These insights would be very valuable for organizations looking to implement rotating leadership in their own self-managing teams.

# **4. Conclusion**

This report aimed to explore the question: *What are the impacts of rotating leadership on employee performance and career development in self-managing teams?* The review highlighted that rotating leadership enhances individual skills and performance by promoting knowledge sharing and role rotation (Olaisen & Revang, 2018), self-managing teams require specific competencies to operate effectively (Doblinger, 2022; Eseryel et al., 2021), rotating leadership allows partners to leverage each other’s strengths (Davis & Eisenhardt, 2011), multi-functional teams showed increased flexibility and reduces vulnerabilities (Karlsson & Åhlström, 1996), rotating leadership facilitated the creation and sharing of knowledge (Ma et al., 2016), rotating leadership empowered employees, better collaborative environment, increased efficiency and were better at solving problems collectively (Thompson & Wallace, 1996), leaders with similar traits promoted convergent thinking and rapid development, leaders with different traits promoted divergent thinking and originality in rotating leadership (Sharif, 2020), successful multiteam systems showed rotating leadership behaviours (Bienefeld & Grote, 2014), frequent exchange of leadership roles promoted a collaborative environment (Allen et al., 2016), and rotating CEOs promoted more collaborative leadership culture than traditional CEO leadership (Eichenberger & Frey, 2024). The findings from the studies reviewed suggest that rotating leadership can positively influence both employee performance and career growth. However, the report acknowledges that certain limitations, such as the lack of sufficient evidence that proves that self-managing teams specifically implemented the rotating leadership model.

The findings of this report offer valuable insight for both researchers and practitioners. For researchers, the review underscores the effects of rotating leadership and explores the factors that contribute to the effectiveness of self-managing teams. For practitioners, the report provides guidance for managers considering the feasibility of implementing rotating leadership and self-managing teams within their organization. Additionally, it offers recruiters insight into the key skills needed when building effective self-managing teams. Future research could expand on this by examining the application of rotating leadership in different team structures and organizational contexts. Future studies could also expand more on the different types of leadership and its intricacies in self-managing teams. Addressing these future research and study suggestions could help managers in knowing the pros and cons of each different leadership styles in self-managing teams.

We hope that the conceptual foundations identified in this review will encourage more scholars in the field of management to explore the potential of self-managing teams and rotating leadership.

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