**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 are becoming more popular recently, as they do perform well in contemporary setting, it has worked in remote, hybrid, and in-office setup. It does also work 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, M., 2021). Thus, 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, M., 2021). 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, M., 2021). 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., 2020). However, there is lacking information regarding how a specific model performs. This begs the question how 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, more focusing on the effects on employee performance and career development by first analyzing the impact of rotating leadership, and then analyzing its impact on self-managing teams. The analysis well be based on the arguments and findings found in the 4 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 organization. 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 rotated 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 expert, working familiarity and nodding knowledge (Olaisen and 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. And since knowledge sharing and collaboration is a key factor, 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, few of the things that were always mentioned but not addressed is 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 on by upper management personnel (Olaisen and Revang, 2018). If it is not planned correctly, it is highly likely that 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 Muller, M., 2020). More importantly for this study, it has shown that the way in which 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 Muller, M., 2020), particularly in groups that successfully installed a leader through voting (Guth et al., 2007; Chiang and Hsu, 2017, as cited in Muller, M., 2020). It has been argued that the mechanism by which leaders are selected causes a legitimacy effect (Grossman and Baldasarri 2012, as cited in Muller, M., 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 organizational 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 that reinforces existing structures and norms. While the 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, analyzing and interpreting, creating and conceptualizing, organizing and executing, adapting and coping, and enterprising and performing (Doblinger, M., 2020).

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 study 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 organizations in implementing rotating leadership in self-managing teams.

**3. Conclusion**

This report is 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 do improve skills and performance through knowledge sharing and role rotation (Olaisen and Revang, 2018)., and that self-managing teams require certain skills to function effectively (Doblinger, M., 2021; Eseryel et al., 2021). The research and findings from the reviewed studies in this report showed that rotating leadership has great potential in improving employee performance and career development. However, this review has limitation as there is no data that self-managing teams explicitly used rotating leadership model.

The findings have important implications for both researchers and practitioners. For researchers, the review highlights the impact of rotating leadership and self-managing teams. For practitioners, our review could help in searching for what is a good leadership model for an organization to implement. It could also help practitioners on what type of skills should they hire to build an effective self-managing team. Future research could benefit from implementing rotating leadership in other types of teams and organizations.

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**(Restate the research gap)**

**(Discuss implications)**

**(Suggest future research directions)**

**(Conclude with a strong statement)**

**3. Conclusion**

With self-managing teams becoming more and more popular these days, it is important to note that self-managing teams take time to be successful as it requires competent individuals to have good performance. The existing literature on self-managing teams have proven it to be successful however there is little data on what leadership models were practiced. It is important to note as well that rotating leadership is not mutually exclusive leadership approach; it can co-exist with other forms of leadership.

The impact of rotating leadership has been discussed and analyzed critically in the research articles reviewed in this paper. However, this review has limitation as there is no data that it was explicitly used in self-managing teams. In general, the study conducted by Hiatt, G (2021), discussed that rotating leadership has been successful in training individuals to be future leaders. We may safely conclude that rotating leadership shows promise and has the potential to be a successful leadership model in self-managing teams.

Doblinger, (2021), through systematic review of the empirical literature on self-managing teams of the last four decades, have created a comprehensive picture of the individual competencies related to different performance and success indicators of self-managing teams. The review shows that individual knowledge, skills, abilities, and other characteristics (KSAOs) in self-managing teams differ from those of teams in general and are significant for team performance in various ways. The current review advances theory by offering starting points to identify interdependencies of single factors or white spots, and by providing a starting point for studying team composition regarding individual KSAOs. Also, the results can serve to enhance the quality of personnel and organizational development and personnel selection in self-managing teams. The study approach focused on the types of KSAOs and traits that every individual has in relation to team performance in self-managing teams. Doblinger argued that these KSAOs strongly correlates to performance, the KSAOs listed are leading and deciding, supporting and cooperating, interacting and presenting, analyzing and interpreting, creating and conceptualizing, organizing and executing, and enterprising and performing.

However, it is important to know that there are other factors that affect team performance, according to Tan, C. et al. (2019), coordination, relationship building, cohesion, communication, trust, culture, and diversity are most of the factors that affect team performance. It is important to also know that these skills can be taught, and managers/leaders can emphasize this through career and development. KSAOs is a tool for assessing and developing talent. Learning and development teams can use KSAOs to structure effective learning environments and promote a culture of continuous improvement in all fairness. By strategically applying KSAOs, learning and development professionals can drive tech teams toward higher efficiency, better compliance, and more successful career development outcomes (Haider, A., 2024). Self-managing virtual teams might more explicitly recruit or select members who ware particularly skilled at these functions and pay more attention to the ongoing process of developing shared mental models and rules and norms. Since virtual work is increasingly common, educational programs for all kinds of workers might incorporate these ideas. For example, distance education classes that use technology support for instruction should provide instruction for students on the nature of leadership in self-managing virtual teams and thus set expectations for how the work can best be accomplished, as well as requiring team projects to provide an opportunity to practice these skills. They further suggest that it is important for self-managing virtual teams to develop shared mental models and norms early in their interaction (Eseryel, Y., et. al. (2021).

According to Ng, S., & Tan, B (2021), self-managed teams are also commonly known as self-directed teams or autonomous teams. They refer to teams with diverse knowledge and skills, and who collectively take actions to decide how to achieve team goals (Magpili & Pazos, 2018; Hoch & Dullebohn, 2017, as cited in Ng & Tan, 2021). At first glance, it might be assumed that self-managed teams are leaderless; however, various literature has pointed out otherwise. A self-managed team does not have a formally appointed leader and as stated by Solansky (2008, cited by Ng & Tan, 2021), it is “allowed to designate its own leader”; Taggar, Hacketh, and Saha (1999, as cited in Ng & Tan, 2021) pointed to the organic emergence of a leader in autonomous teams. Literature had also posit that leadership is even more important in a self-managed team due to task related issues and team development issues (Barry, 1991, as cited in Ng & Tan, 2021).

**2.2 Leadership models in self-managing teams**

Klasmeier, K., (2020), through field study, found that their study highlights team trust and transformational leadership of shared leadership at the individual and team level. In contrast, perceived organizational support affected only the individual perceptions of shared leadership, whereas the results did not indicate a relationship at the team level. Regarding the consequences of shared leadership, they found that shared leadership was positively related to team performance and team creativity. Teams in which the members influence each other towards a common goal may be better able to accomplish their goals and meet performance expectations. Moreover, teams with high level of shared leadership can develop more novel ideas and suitable solutions for complex problems. Furthermore, shared leadership fully mediated the team-level relationships of trust and transformational leadership with team performance and team creativity. This highlights shared leadership as an important team state. Thus, shared leadership has been proven to be an effective leadership model in self-managing teams. Exposing the team members to certain responsibilities will help them have a feel on how a manager thinks and works in day-to-day operations.

**2.3 Rotating Leadership**

Hiatt, G. (2021), using semi-structured interviews, concluded that the learning was accelerated through rotating to various business units to take on projects for which the subjects felt unprepared. These experiences accelerated the learning process through developing a tolerance for change, receiving focused mentoring, coaching, and advocacy from executive sponsors and program management staff, and facing projects which were described as large, complex, and important. Classroom training and workshops, personal assessments, and networking with peers augmented on the job training. Study participants provided numerous examples of how confidence was bolstered each time a project was confronted and successfully completed, and that confidence was reinforced each time an executive sponsor was impressed by successful performance. Thus, rotational leadership might look daunting as the employee being exposed to a leadership role might feel unprepared. With the help of a mentor, it will help the employee in the long term as they will get accustomed to how leadership role thinks and performs daily. In relation to self-managing team, this model will be helpful in empowering individuals as they will get exposed to manager tasks and duties early in their career.

**3. Conclusion**

With self-managing teams becoming more and more popular these days, it is important to note that self-managing teams take time to be successful as it requires competent individuals to have good performance. The existing literature on self-managing teams have proven it to be successful however there is little data on what leadership models were practiced. It is important to note as well that rotating leadership is not mutually exclusive leadership approach; it can co-exist with other forms of leadership.

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This research aims to identify how rotating leadership model, in terms of performance, works against other leadership models in self-managing teams in contemporary companies.

The alliance process literature offers several insights into how partners might activate their relevant capabilities (Hamel, 1991; Larson, 1992; Doz, 1996; Uzzi, 1997; Arino and de la Torre, 1998, as cited in Davis, J. P., & Eisenhardt, K. M., 2011). This work suggests that mutual learning, frequent interaction, and trusting relationships are likely to do so.

This study aims to find the impact of rotating leadership in self-managing teams, more focusing on the effects on employee performance and career development.

(**Key Concept**) Reducing hierarchy implies transferring decision-making authority from upper toward lower organizational levels and thus decentralizing decision authority. Although most organizations develop their customized model of flat hierarchies, one common essential element among them is teams with responsibility for specific issues, high autonomy in their decisions, and high self-management (Doblinger, M., 2021). (**Key Paper Study**) 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, M., 2021).

(**Key Concept**) Technology collaborations are interorganizational relationships focused on joint development of technological innovations (Powell, Koput, and Smith-Doerr, 1996; Ahuja, 2000; Stuart, 2000, as cited in Davis, J. P., & Eisenhardt, K. M., 2011). These relationships use a collaborative approach to innovation that involves combining knowledge, technologies, and other resources across organizational boundaries (Davis, J. P. & Eisenhardt, K. M, 2011). (**Key Paper Study**) Examples include firms like Intel and Microsoft, which produce different products (i.e., microprocessors and software) that are both needed for a complete solution (i.e., the personal computer). To develop innovations together, these partners need to access their complementary capabilities (Davis, J. P., & Eisenhardt, K. M., 2011). As a result of success of self-managing teams,