

*If the transition to self-managed work teams is to be successful, managers need to be trained for their new roles as facilitators. In fact, care and effort during the transition period help prepare everyone involved.*

# Preparing for an Organizational Change to Employee Self-Management: The Managerial Transition

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Recent years have brought many challenges for American organizations. Intense international competition, a workforce that now demands more from work than simply a means for making a living, the increasing complexity of technical knowledge and information flows, and other forces have pressured companies to explore innovative work designs. Among the more noteworthy of these organizational innovations is the self-managed work team.

Work designs based on self-managed

teams tend to give workers a high degree of autonomy and control over their immediate behavior. Typically, the workers are organized into teams on the basis of relatively complete task functions. They make decisions on a wide range of issues, often including such traditional management prerogatives as who will work on what machine or work operation, how to address interpersonal difficulties within the group, how to resolve quality problems, and so forth.

Estimates of the number of companies that have tried self-managed teams run as high as 300. The Procter & Gamble Company, which began its work in this area in the early 1960s, is perhaps the leader in seriously applying the self-managed team approach in the United States. Other corporations that have used the team approach include Cummins Engine Company, General Motors Corporation, Digital Equipment Corporation, Ford Motor Com-

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One dilemma frequently encountered in making an organizational change to self-managed teams arises because of the transition needed in management thinking and philosophy. The decision to adopt a self-managed team approach requires some very significant adjustments for managers within the organization. Passing power and control to lower levels in the organization can be a very uncomfortable process for managers, stemming largely from perceived threats to their own status and power. In addition, managing self-managed workers calls for new perspectives and strategies that often do not seem to come naturally to those involved. Indeed, the transition to employee self-management can be a troubling process for the managers of the self-managed.

This factor, which significantly influences the self-managing process, and which is often overlooked in the research and literature on self-managing teams, will be addressed here in some detail. We will discuss the transition difficulties of managers making such an organizational change and, especially, their struggles with the concept of having their workers manage themselves. In particular, we will feature the transition of the management design team of a professional supplies distribution company as it struggled with the planned change to self-managing teams in a warehouse operation.

## AN ORGANIZATION MAKING A CHANGE TO SELF-MANAGED TEAMS

Located in the northeastern United States, the company is a non-union wholesale distributor and retailer of architectural, engineering, and commercial art supplies and furnishings with a current annual sales volume exceeding \$50,000,000. It was co-founded in 1964 by the current chairman and president who, together, own 100% of the company. We focused on the

pany, Tektronix, General Electric Company, LTV Steel Company, Caterpillar Inc., IDS, Boeing Company, and many others. These work design innovations have been adopted in many types of organizations, including various

organization's warehouse distribution center operation, which is broken into four basic parts: receiving/stocking, order filling, order packing, and shipping. We centered the study on seven managers (the core management team) directly involved with the workforce of approximately 65 people who fill and pack orders: one director of operations, one day and one night manager, and two day and two night order-packing and order-filling supervisors. The director of operations coordinates all aspects of the distribution center's four basic parts. The day/night managers oversee all day-to-day operational details of order filling and order packing. The four supervisors, who report directly to those two managers, handle all minute-to-minute concerns regarding the workforce and production flow. Because of heavy order volume, they themselves often fill and pack orders.

Most of the core management group had been with the company for at least four years — about five times longer than the average worker — and most had “come up through the ranks” of order filling and order packing. The standard management style had been a traditional autocratic approach with a punitive emphasis. In the past, the organization typically perceived a good manager/leader as one who did whatever it took to get the job done, with a heavy emphasis on exerting tight control over the workforce. This, of course, represented a direct conflict in management philosophy with the new self-management system that was to be adopted, and it required significant unlearning on the part of the managers.

In addition to the need for significant unlearning of past management styles, there were several workforce characteristics that made this an especially interesting organization to study in terms of the transition of management thinking. First, the average age of the employees involved in the change was 19, significantly younger than most other self-managed team applications. A majority of the workers were recent high school graduates or drop-outs.



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Coupled with the relatively young age of the workforce were several other sources of tension and personal difficulties for the workers. There was, for example, some covert tension within the racially mixed workforce that consisted of approximately 73% white, 12.5% black, and 14.5% Hispanic employees. This tension showed up in hostile written exchanges



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on the bathroom walls and some non-cooperative behavior during normal work operations. Often, white male employees would mock the speech and behavior patterns of their minority counterparts. Rarely would a group of white males be seen working or socializing with a group of black males. In addition, several employees had been arrested for possessing and dealing drugs.

The operation's efficiency and productivity levels also were problematic. Current operating statistics on an annualized basis estimated absenteeism at about 10%, turnover at 250%, productivity utilization at 60%, and errors at about 1.8% of all orders. The average cost of inefficiencies was estimated to be about 30% of earnings.

change to the concept of worker self-managing teams particularly challenging for members of management. It was apparent to them that some kind of organizational change was needed to improve employee productivity and morale, but the question of whether this young and troubled workforce could handle a self-managed environment was indeed uncertain. Clearly, the managers' role in the transition and functioning of these teams would be pivotal and critical to achieving a successful implementation.

## HOW WE GATHERED OUR INFORMATION ABOUT THE TRANSITION OF MANAGERS

We used several methods for gathering information to study the managers' transition. First, as a consultant to the company for a little more than two months, one of the authors served as the primary change agent by proposing and paving the way for implementing the self-managed team approach. During this period he analyzed the existing operating approach, proposed a self-managed work team design, and then worked directly with the core management team to facilitate their preparation for the change. This enabled very rich, firsthand observation and interaction with the management team during the transition toward an employee self-management philosophy. Detailed documentation was kept as a kind of journal on an ongoing basis during this process.

In addition, multiple interviews and discussions were conducted with individual members of the management team from the time the proposed change approach was accepted until implementation began. Also, some of the key interactions of managers concerning managing in an employee self-managed environment were videotaped. The taping focused primarily on manager role-plays as they began to practice and converse about managing workers who are being encouraged and helped to become increasingly self-managed. The tapes

provided an especially detailed source of insight into the managers' thoughts, feelings, and behavior during the transition.

In summary, data were collected from several sources. Taken together, this information provided a particularly informative and detailed view of the subjective experiences and struggles of managers during their transition toward having their workers manage themselves.

## **PRIMARY THEMES OF THE MANAGERIAL TRANSITION**

We found several interesting patterns in our study of the management team's struggle with the pending organizational change. To organize our comments we will present our findings according to some primary themes that emerged from our analysis. We will illustrate these themes by providing examples of the interactions that occurred between members of management during the transition. Indeed, it was these episodes that not only revealed the process, but seemed to provide the raw material for the construction and evolution of the change in management philosophy and action.

### **Theme 1: Initial Suspicion, Uncertainty, and Resistance**

The first significant theme we identified during the managers' transition was a feeling of threat and resentment toward the change. Three sources of these apparently dysfunctional manager reactions were: (1) concern over having what might be viewed as past personal performance failings come to the attention of upper management; (2) the tendency for the change plan to be credited to the consultant; and (3) belief that the new system would fail.

In other words, it appeared that some of the managers initially perceived that any analysis of the system revealing a need for change

threatened to make them look bad. Furthermore, they suspected that the new work design plan, even if successful, would serve only to enhance the image of the consultant, not the managers.

Initial resistance was led by the day manager. He stated that the existing system had "evolved over time" and was "designed for maximum flexibility" (that is, his flexibility in assigning orders to and maintaining control over the workers). He believed that the self-managed approach would cause orders not to be filled and shipped since more of the decisions and responsibilities would be out of his control and left to the employees. He feared that missed shipments would cost him his job.

In addition, gaining approval from senior management for the new system would require exposing the distribution center's inefficiencies. Again, he feared that this would cost him his job. (This manager had a wife, a child, and a baby "on the way.") To overcome this resistance, the consultant had to ensure that this manager was insulated from senior management.

Senior management approved the new approach without firing the day manager. However, he continued to resist the change. When given the news that senior management had approved the change, he threw his cigarette lighter across his desk in disgust. Throughout the first several days of meetings he displayed closed body language and offered little to group discussions.

At the end of one of the first days, this manager directly confronted the consultant with the argument that the design would benefit the consultant. After the consultant pointed to the potential benefits for the organization, the manager again accused the consultant of personal gain, which the consultant then acknowledged. It should be noted, however, that this manager "came on board" shortly after the incident as he began to realize the positive potential of the new system. (See Theme 2.) He then publicly apologized to the consultant and began making excellent contributions to

the change. He was often instrumental in helping the core group develop a new language for their new roles as facilitators (see Theme 4) and was thus given the nickname "Wordman."

A variety of spoken comments made during these early stages of the transition indicated an attachment to the company's traditional style of management. One manager, for example, in emphasizing the inadequacies of the

after hours of struggle and discussion about the possibilities and challenges of the employee self-management approach. More specifically, a belief that the workers were competent and responsible enough to handle the new system emerged over time as the managers began to grasp the potential advantages of the new system. In addition, the core managers began to recognize their need to assume a new role as

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workers, pointed out, "We have to step in and solve the problem for them." Another manager, revealing his impatience with shortcomings of the workforce, commented, "We can't be bothered by people who don't work." In general, the core group's behaviors suggested a belief that their workers were too immature and irresponsible to handle the change.

In summary, our analysis revealed initial suspicion, uncertainty, and resistance. Conversations during the early core management meetings placed significant emphasis on these concerns. These conversations appeared to serve as a venting process for the internal pressure felt by some of the core management group members. In addition, the early conversations seemed to be symptomatic of a last-ditch effort to stop the change, if that were still possible.

## **Theme 2: Gradual Realization of the Positive Possibilities Inherent in the New Work System**

The second theme that emerged from the managers' conversations was their managers' growing belief that the new system could, in fact, work. This realization gradually emerged

facilitators, thus moving away from traditional thinking about management.

As the core managers went through their transition, they questioned and tested the boundaries of the new system. Questions ranged from "Can groups really facilitate themselves?" to such basic operational questions as "Can groups train new people (a task previously assigned only to managers)?" These managers gradually switched from questioning their employees' competence to exploring ways of empowering them with the authority to perform management tasks.

In addition, the core group discussed a plan to have workers call customers for feedback on orders for which their group was responsible. The managers recognized that this could be dangerous since the company's success depends on courteous employees and accurate orders. They voiced their concern that workers might be vulgar or unable to handle a customer's anger. However, they decided that it was an idea worth pursuing as workers developed, because it helped build worker identification with and empathy for the customer. This represented a radical shift away from the previous norm characterized by the belief that, as one manager put it, management should

"keep the animals in the warehouse as far away from customers as possible!"

The core managers also developed an understanding that the program's success depended on workers placing significant value on group membership — i.e., peer acceptance. This belief grew out of the managers' frustration over their inability to control absenteeism and unprofessional behavior. As the core group, with the help of the consultant, probed these issues, they realized that "line authority" over a worker does not necessarily equate with behavioral control. The managers subsequently reached the conclusion that simple peer pressure often is more effective than managerial threats — that, in fact, workers would be less likely to call in sick if they had to face team members the next morning.

As the core group developed and pushed further, they realized that the new system might change some enjoyable aspects of their old roles, such as identifying and developing rising stars in the organization. At first the managers were concerned that the role of facilitator was too indirect to be effective, but eventually they came to accept that, as workers became self-managing, the managers actually would have more time to develop key people, albeit in a different manner than before.

Finally, core group members developed an understanding of their new roles as "resources" to their groups and as part of a support group among themselves. When workers previously had been unsure about what to do, these managers would either tell them or step in and solve the problem themselves. As the core group developed, it used role playing (see Themes 3 and 4) to create and practice techniques for facilitating worker problem solving. The accent was on asking questions rather than giving answers and allowed workers to make mistakes without reprimand as they struggled to solve problems on their own.

Throughout the process the core group became a resource unto itself. In the beginning members of the group doubted the value of

spending so much of their time in discussion. "Well, I'm off to group therapy," one manager would quip as he left for the meetings. By the end of the process, however, they were pleased with their ability to wrestle with complicated issues. Most group members attributed their success in solving problems that had stumped the department for years to the group process.

The group also developed its own informal leaders and inside jokes. One member could always be counted on to supply candy during the three- to four-hour meetings. Other members used humor to break frequent tension. One member became known as "The Tower of Compassion," because he made such statements as, "We can't be bothered by people who don't fit in [to the new program]." The group also occasionally engaged in story telling about past important accomplishments.

Officially they named themselves "The Advisory Board." Their charter was to create policy and serve as informal judicial review for worker grievances. As a group, they took on increasingly difficult tasks, including a multimedia presentation of their proposal for the new self-managed system to the company's chairman and senior management. Conversations and interactions within the management team revealed a gradual realization of the new system's potential benefits. During this shift in their beliefs and attitudes the managers learned from and supported each other in ways generally felt to be more effective than any previous management training.

The final two themes, below, reveal our findings from detailed analysis of some of these conversations, particularly those captured on videotape. We will show how the managers' interaction produced the new roles and behavior required for managing the self-managed.

### **Theme 3: Wrestling with a New Role**

Throughout the process, the core group wrestled with the question of what, exactly,

a facilitator is. How is being a facilitator different from or better than being a manager? In other words, how does the philosophy of self-management influence managerial behavior? Frequent references to using the self-management philosophy as a guide to communication behavior were mentioned by the managers of the core group, the consultant, and occasionally the managers participating in role-playing. Whether the managers would grasp the full meaning of this philosophy and alter their image of their role accordingly would ultimately determine how effective they would be in managing the self-managed.

For example, in a role-playing exercise about a team seeking to remove one of its members, one manager proposed to meet with each of the team members individually to determine the reasons for the request and the degree to which each person supported it. Recognizing this behavior as a violation of the team philosophy, one of his colleagues asked him to consider "what that would do to the group mentality."

While practicing his new role as a facilitator, another manager was reminded that "the facilitator's role is to work not with the individual but with the group." These managers did not overlook the challenge of managing both the individual and the group, as one manager indicated in his question: "What do we do if a person whose teammates want him out wants to stay in the group?" After much discussion of alternative responses, he stated the philosophy that was to guide all such communication with the teams: "So what we all agreed is that, no matter what we do, we're gonna do everything on our part to keep the group intact."

To deal with team complaints about a poor performer, another manager proposed, "Maybe we say, 'Hey, somebody's gotta baby-sit him; we'll do that on a rotating basis.' " He was quickly reminded that the facilitator role did not include "baby-sitting."

The group openly explored the motiva-

tion for adopting the philosophy of being a facilitator. One manager proposed, "The facilitator has a vested interest in making the group work." Other managers supported this argument by pointing out that the manager's motivation was more than monetary: "This group is his; if they fail, he fails. There's the psychological thing of 'I failed, I wasn't able to pull this group together.' "

Perhaps the most compelling evidence that the managers recognized and were consciously grappling with their new role was in the following statement:

They know you're in an uncomfortable role and they're gonna push and push and push, and when you slip, they're gonna say, "There he goes acting like a son of a bitch again," and that's gonna undermine the whole effort. They're gonna look at the whole thing as a manipulative effort.

This manager clearly understood the challenge of the new role, and he implies that effectively performing it would depend on the manager's genuine acceptance of the self-management philosophy.

Acting in their new roles as facilitators of self-managed teams, managers must be aware of what the new philosophy logically entails. In the conversations we observed, two sub-themes were discussed: One was the argument that the self-managing teams "can solve anything." The other dealt with appropriate styles of communicating within the team.

In scenarios that dealt with self-managing teams as potential sources of interpersonal conflict and coordination problems, these managers occasionally had to remind one another of an important aspect of the self-management philosophy: that the teams were formed to be problem-solving groups. They proposed language that would remind the teams of this aspect of the new structure. During role-playing, for example, the manager acting as "facilitator" gave his group affirmation by saying, "We can solve it." When a member of the group apologized, the facilitator reminded him, "Apologies don't solve problems." Thus they



coached one another in the underlying philosophy of their new role and, at the same time, identified effective behavior.

The subtheme dealing with appropriate styles of communication in the teams appeared to be more of a problem for this group, particularly when it came to selecting and role-playing effective behavior. On a number of occasions, the consultant responded to a role play by asking the managers to critique and correct the language used by a team member. A manager responded to one role-playing situation in this way:

He just said he "snorted his paycheck"... but that's not relevant. It doesn't matter why he's out; his absenteeism is the problem. You can't let anyone attack him; you've got to let just enough negative energy out to make him realize he's done something wrong that he needs to correct. And anything else is unnecessary and destructive. Insults are unacceptable.

The consultant argued that constructive communication is the goal of facilitation—the implication being that the facilitator should counter destructive behavior and instruct team members in how to express themselves constructively. However, one manager expressed concern about the potential for altering the language without solving the problem: "I don't think that was an insult, and I know he's got a drug problem. I've seen him and it affects his work."

Such interactions indicated the tension managers felt between working to foster open, honest communication of thoughts and feelings and working to block communication which could degenerate into emotional outbursts. The consultant put the problem on the table as a policy issue: "Is it going to be the role of the facilitator to say that we're not going to use language that's inflammatory in this room, or do you feel that such language is simply the way they express themselves and you shouldn't inhibit that?"

The question of how to act when team members communicated negative emotion honestly was not directly posed or resolved

by the consultant or the managers. However, alternative guides to action were articulated, and the managers were left to find their own motivation and produce their own responses: "That might be something to apply down the road." "It would be unwise to inhibit them initially; they need to be able to swear to get loosened up."

#### Theme 4: Learning a New Language

The purpose of the role plays during the managers' transition to the concept of self-managing teams was to provide opportunities for the managers to rehearse appropriate behaviors for their new roles. The consultant described the process as follows:

We want you to have as many possible scenarios as could come up. We want you to be as equipped as possible so you don't sit there and say "Good grief! I'm in this new role and I have anarchy on my hands" and react by putting up your fists and going back to being a supervisor again. When that happens, we've lost.

Preparing as a group, the managers were able to experiment with the new ways of speaking and to test the effectiveness of this new speech with one another. For example, after one role play a manager offered the following critique to his colleague: "But doesn't that put me on the defensive again?" Another responded with the comment, "That sounds kinda hokey to me."

In discussions of possible conversations with their teams, the managers, along with the consultant, in effect produced action plans for dealing with various contingencies. These discussions dealt with physical arrangements, word choices, sequences of dialogue, and even audience expectations and reactions.

In addressing team concerns about a member whose absenteeism was affecting their bonuses, one manager began his plan of action by specifying that he would not have the accused person sit next to him "just to make this individual not feel separated. If he's next to me,

they'll be looking at me, and he'll feel their stares."

In the role play of this interaction, another participant responded to the question of whether a person was entitled to a leave of absence by saying he would need to appeal to the "Judicial Board," a group created to deal with special issues such as this. This discussion caused one of the managers to react negatively to the

inviting them to be peers with us, and they're not gonna buy that right away." Obviously, he was concerned with the audience's expectations. These expectations, as he pointed out, are based on previous experience and understanding of the roles each party typically plays. His words served as a sober reminder to his colleagues of the magnitude of change that self-management represented in this company and

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group's name: "Judicial Board's kinda strong; doesn't that sound kinda scary?" Several other possible names for the body were proposed, including "The People's Board," which triggered joking references to a popular TV show, "The People's Court." The managers realized that they needed to develop a name that commanded respect, yet was not overly intimidating.

In working to identify appropriate ways for the facilitators to communicate with their groups, the managers recognized that the team context heightened the importance of the words chosen to deal with workers. After one role play, for example, a manager pointed out, "But three people on the team have a specific agenda they want addressed, and to just skirt around it and not get to the meat of it might be . . . unwise." With this comment, he called his colleagues' attention to the fact that, in team conversations, the facilitator's words must be chosen with regard not just to the self-management philosophy or to creating the desired effect on the focal individual, but to the audience of other team members as well.

Another manager offered an interesting perspective on the team audience: "They've always seen authority figures and they've never been invited to be a peer of that person. We're

of the challenge of communicating effectively as a facilitator.

All of the managers were, by this point in the process, convinced of the challenge they faced as facilitators, and they applied considerable energy in their conversations to developing and practicing the verbal skills required for effective performance of this role. Some of these skills, as described above, involved clearly establishing the underlying motivation of their new role in their own minds, producing new action plans to act out when confronted with difficult situations that they anticipated, and stopping occasionally to reconsider audience expectations. Another obvious skill was to recall – or improvise – and deliver the right words at the right time.

The role plays offered opportunities to practice these skills. Dialogue like the following that flowed from their newly developed language were quite common in the conversations: "I'm not here to solve the problem. I'm here to help you solve the problem." In group training, the role plays also provided opportunities for feedback. When, for example, one manager said, in the heat of a dialogue, "That's not up to me; it's up to you," he was reminded that the facilitator is also "part of the team,"

so he should have said, "It's up to us."

Although the bulk of their conversations were generally devoted to creating and practicing the new language, the managers and consultant also recognized the need for skill in improvising. As one manager pointed out, "[The team] will push you. . . They know you're in an uncomfortable role, and they'll push you to react. . . It's gonna get heated, confrontational." Other managers proposed ways of developing the improvisational skill to deal with these pressures. One said: "Before you call a meeting, before you go to a meeting, it's up to the facilitator to assess the situation. . . You should know what's going on with your group; you should be able to assess what topics are gonna come up in the conversation . . . and you should come up with all the ammunition." The consultant seconded this idea and advised, "Don't get thrown off-guard – but if you are, don't get flustered; throw it back to the group."

## SUMMARY AND CONCLUSIONS

In this paper we have discussed a challenging, often overlooked aspect of implementing a change to self-managing work teams. Frequently, the literature concerning the implementation of this innovative work design views it primarily in terms of the challenges and difficulties posed for workers. Supervisors and managers are usually considered only after the implementation has already occurred and they are trying to go about their business of managing. The important story that this approach misses is the initial difficult transition of managers between the point at which they learn a self-managing work system is going to be adopted and the date when it is actually implemented. That is, a crucial struggle occurs for managers once they have learned a new system is going to be put into place that is likely to change their jobs radically forever.

The challenge for managers facing the transition to self-managing work teams stems

from at least two primary sources. First, managers often perceive a threat of loss of power, influence and, ultimately, importance as they realize that their subordinates are to become, to a large degree, their own managers. Second, managers recognize that their repertoire of management skills, often developed from years of experience and struggle, will become at least in part obsolete. Consequently, they will be expected to learn a whole new set of managerial skills that they are not certain they can successfully master and apply. Managers' adjustments to these kinds of perceived threats and challenges were the primary focus of our study.

The organization we featured in this article (a warehouse distribution center of a wholesale distributor and retailer of architectural, engineering, and commercial art supplies) was a good one for studying the kinds of adjustments required of managers facing a change based on developing worker self-management. The employees involved were part of a very young and, in many ways, troubled workforce. In addition, the dominant traditional management style used in the operation was very autocratic with an emphasis on punishment. Indeed, the managers we studied faced a significant challenge in establishing ways that they could act out a new role to help the new system succeed in their organization.

We studied the transition of the management team as it struggled with its emerging managerial roles through a combination of extensive direct observation, interviews and discussions with the managers, and videotaping of selected management team sessions. Our findings uncovered several themes in this transition that we believe offer important lessons for other organizations considering such change efforts. First, the managers displayed initial suspicion, uncertainty, and resistance toward the new work design; they viewed it as a personal threat over which they had little control and in which they perceived little potential benefit for themselves. But through extended conver-

sations with one another, a series of role plays, and facilitation by an external consultant, a second theme gradually emerged: realizing and accepting the new possibilities posed by the work system.

As the team began to recognize some of the potential opportunities and advantages entailed in the new design, and as they more frequently displayed advocacy and guidance for one another in preparing themselves for the changes, two additional themes emerged. The first of these centered on the acceptance of and struggle with the adjustment to a new management role – that of a facilitator who would increasingly replace exercising direction and control over teams with facilitating and helping the teams to equip themselves for self-management. The final theme centered on the managers' struggle to develop and adopt new modes of behavior and conversation needed

in the new role of facilitator. Many role plays and practice sessions were used – several of them videotaped for later study – to help acquire and develop these new action skills.

In brief, we studied the important process of making the transition to new managerial roles caused by an organizational change to self-managed work teams. In many ways, this transition might be described as the foundation for the future success or failure of a new work system. Any organization considering the adoption of self-managing work teams would be well advised to spend considerable time and effort in facilitating this important transition. We hope that the themes we discovered in our study will serve as useful reference points for understanding and successfully addressing this formidable challenge for managers who face the implementation of self-managed work teams.

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