**What are self-managed teams (and how can you create them)?**

We all know teamwork makes the dream work. But does every team need a manager at the helm?

Even though hierarchies and defined leaders have reigned for most of the industrial age, some companies are reconsidering whether that structure still works for their business.

Self-managed teams are becoming more popular at companies of all sizes. But how do they work, and how do you know if they’ll work for your business?

In this article, we’ll explore what self-managed teams are, the characteristics of self-managed teams, and how to start developing them.

**What are the four types of teams?**

Many companies stick to the traditional [team management](https://www.betterup.com/blog/team-management?hsLang=en) hierarchy because that’s what they know.

The traditional manager role may be quickly disappearing in response to calls for new ways to look at team management. In fact, [37%](https://www.ipsos.com/sites/default/files/ct/news/documents/2019-09/bcg_theendofmanagement.pdf) of managers think their position will disappear in the next five years.

Here are four alternatives to the traditional management style.

### Project teams

Project teams are cross-functional groups with specialists from different departments who work together on specific projects. A project manager often leads these teams.

A project team usually works together for a fixed length of time and disbands once the project is complete. These teams may be measured on outcome but are often measured on execution to a plan (e.g., completing tasks with a defined time and budget).

### Self-managed teams

A self-managed work team is a small group of employees who take full responsibility for delivering a service or product through peer collaboration without a manager’s guidance.

This team often works together long-term to make decisions about a particular process. These teams may be measured either by output or outcome, with outcome being the better choice.

### Virtual teams

A virtual team consists of employees from different regions working remotely or in different offices. They primarily communicate through video conferencing, phone calls, messaging, and email. Any of the other team types may also be a virtual team.

### Operational teams

Operational, or functional, teams are groups of employees dedicated to a specific ongoing role, like customer support or sales. All the members of an operational team support one overarching goal and process. They tend to measure themselves on output rather than outcome.

## What are self-managed teams?

While self-managed teams aren’t new, they are seeing a surge in popularity as remote work becomes the new normal. Plus, with [managers](https://www.betterup.com/en-us/resources/blog/what-does-the-future-of-management-look-like?hsLang=en) feeling less supported by the organization and less able to effectively navigate rapid change, more teams may experiment with self-management by choice or necessity.

Self-directed teams take full ownership and responsibility to drive business results for a particular process. Unlike an operational team, most self-managed teams don’t have a hierarchy. Instead, self-designing teams have more autonomy over their processes and roles within the bounds of what team members agree is needed to achieve agreed upon team outcomes.

A self-managed team also has more discretion over decision-making within their process and how the entire team is managed. While this can pose some unique leadership [challenges](https://www.betterup.com/en-us/about-us/blog/leadership-challenges?hsLang=en), it also offers leadership opportunities and skill development that may not be accessible for a traditional team.

## What are the benefits of self-managed teams?

Younger generations entering the workforce are more interested in developing expertise than in rising through the ranks, which [51%](https://www.ipsos.com/sites/default/files/ct/news/documents/2019-09/bcg_theendofmanagement.pdf) of managers see as an opportunity. Even among other generations, workers are becoming more aware of the need to stay relevant and gain new skills and experiences. Self-managed teams are a great way to expand employees’ experience and allow them to try out and master new capabilities through rotating roles and learning from other teammates.

Good self-managed teams demonstrate many of the benefits of having a great manager. These teams often develop more effective decision-making practices that combine considering more viewpoints, more natural collaboration and give-and-take, and moving toward action to remove obstacles and stay focused on the shared outcomes.