Team Empowerment

Abstract

Macro change drivers like global competition, information and technology innovations, and demographic shifts have required organizations to rethink their structures and processes. In particular, the flattening and downsizing of organizations has led to the empowerment of teams in an attempt to increase flexibility, adaptability, customer responsiveness, and productiveness. The formation of teams requires the presence of certain external and internal conditions. The external requisites include support and direction, such as congruence with strategy, top management support, clear goals and parameters, and effective selection of employees. The internal requisites include an emphasis on preparation and training of employees through initial team building and ongoing team development, and encouragement of a continual reflective learning cycle. Without the internal processes for team learning, even an initially successful team may defeat itself and become unproductive, thereby discouraging further support for team empowerment initiatives.

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Introduction

The classical tall work structures well known during the 1960s and 1970s ceased being competitive during the 1980s and 1990s. Global competition, growing information availability, technological innovations, and shifts in the demographic make-up of the workforce has brought "permanent white water" (Vaill, 1989) to the marketplace. These changes have led most organizations to rethink their fundamental structures and processes. The resultant reengineering, downsizing, delayering, networking, teaming, and empowerment strategies have found mixed results as organizations struggle with transforming themselves into systems that are more flexible, informed, responsive, and adaptive (Drucker, 1995; Mintzberg, 1993; Strebel, 1996).

A means of coping with this turbulence for many organizations is the implementation of self-directed teams in which employees are given more responsibility over their work. Team empowerment is a function of having the authority, resources, information, and accountability to carry out a job (Fisher, 1993). It also refers to the ability of teams to

monitor and modify their own processes and procedures. The concept of empowered teams has grown, with the percentage of organizations using self-directed teams having increased from 26% to 35%, and penetration of teams in the organization from 10% of employees to 35% from 1990 to 1992 (Wellins, Byham, and Wilson, 1991). More recent estimates indicate that half of all major corporations are exploring the use of team-based systems (Osterman, 1994).

The reasons given for moving toward self-directed teams include improved quality and productivity/ service, reduced operating costs, greater flexibility, simpler job classifications, faster response time, increased job satisfaction and commitment (Nahavandi and Aranda, 1994; Wellins, Byham, and Wilson, 1991). The renewed emphasis on worker involvement has been prompted by the recognition that our competitors have already involved employees and obtained significant inputs. For example, a typical American worker submits an average of one formal suggestion every 37 years, while a Japanese counterpart submits an average of 27 formal suggestions per year (Orsburn, et al., 1990).

Team empowerment embraces a rather wide range of responsibilities on a continuum rather than an all-or-none set of tasks. Wellins, Byham, and Wilson (1991) describe four stages of increasing empowerment in which teams move from simple housekeeping, to quality control and hiring, to budgeting and purchasing, and finally to discipline and compensation decisions. Their responsibilities for self-management increase from about 20% to as much as 80% at the completion of these stages.

Successes and Failures

To many organizations, team empowerment has brought the hope for improvements. For example:

- A GE plant in Chapel Hill, North Carolina, was able to switch product models a dozen times daily by using a team-based system to produce lighting board panels. Compared with other GE plants producing the same products but not using teams, this plant has increased productivity by a stunning 250%, and employee-to-supervisor ratios have been reduced from 7:1 to about 37:1 (Sherwood, 1988).

- With teams, Federal Express reduced service errors (e.g., incorrect bills, lost or misrouted packages) by 13%.

- General Mills' team operated plants were up to 40% more productive than non-team run plants (Dumaine, 1990).

- Proctor & Gamble gets 30% to 40% higher productivity at its 18 team-based plants, and considered teams so vital to its success that it avoided giving them much publicity (Hoerr, Pollock, and Whiteside, 1986).

The presence of self-directed teams has also been found to be correlated highly with financial and behavioral outcomes including reduced work defects, increased productivity, and overall organizational effectiveness (Macy, et al., 1990).

Some work situations are resistant to teamwork, although their effective functioning may rely on it. For example, airline cockpit crews typically are very individualistic in culture and difficult to sequence through team building: pilots bid for flights, positions, and aircraft based on seniority; crew composition changes constantly as training, vacation, and bidding for new flight schedules begin. The result of this rigid chain of command and frequent change is that the pilot usually has primary authority, each person has designated tasks, and the officers are reluctant to disagree with pilots. This hesitancy to ask for or offer information has been linked to nearly two-thirds of plane accidents (Foushee, 1984). In spite of the culture misfit, crews have successfully undergone training to develop a team that can enhance airplane safety (Tjosvold, 1991).

However, not all reengineering and empowerment initiatives have been so favourable in outcome. The success rate for Fortune 1000 corporate reengineering efforts has been reported at well below 50% (Strebel, 1996), and participatory management was assessed by more than 250 managers as having "generally not accomplished much" (Heckscher, 1995). The failure rate of teams is reported to be as high as 55% in some cases (Mention and Jolly, 1996). In the hard pressed mining industry, for example, attempts to empower teams have been met with mistrustful workers who refuse the new decision making role "because we aren't getting paid as managers and that's what managers are paid to do." Our naiveté in using teams as a quick fix has also led some experienced Japanese business leaders to smile and say, "you think you can become competitive just by forming teams but you still do not know how to use them!"

External Conditions for Empowered Teams

There are multiple external barriers to the successful implementation of teams. Culturally, Americans are known for their rugged independence and individuality (Hofstede, 1984). It is difficult for many American workers to give up personal recognition for shared accomplishments, yield personal preferences to team consensus, and shift from self-control to managing multiple relationships and shared responsibilities. In addition, Wall Street's emphasis on short-term results, lack of union understanding and support (Hoerr, 1989), and recent NLRB legal restrictions on employer dominated teams (Hanson, Porterfield, and Ames, 1995) make the shift to teams a difficult decision for many executives. Previous attempts at quick fixes using management fads have also predisposed some employees to mistrust both team and empowerment initiatives.

As organizations change from hierarchical and authoritarian to more networked and egalitarian forms, teams may become caught in the confusion of transition. The development of empowered teams requires support from the top. Although bottom-up approaches are touted as organic and natural, there are many examples of less than successful efforts without management support (Wysocki, 1990). Teams are not often integrated into the organizational hierarchy as reflected in a study of 4,500 teams across 50 organizations. The study found that there was inappropriate

compensation and reward systems, and high competition between teams and departments (O'Conner, 1990). Many workers are initially enthused by the opportunity to work in self-directed teams, only to become discouraged and demoralized when they realize their decisions are overlooked or overridden by top management; expected autonomy is compromised by having to seek management approval. For example, the American Quality Foundation found that 70% of American workers were afraid to speak up or ask for clarification of a communication (Hammonds, 1991). The degree of organizational commitment to teams is pivotal in their introduction, and is demonstrated by the degree of support the teams receive (Pence, 1996).

Managers themselves can become a source of resistance to teamwork. The downsizing and delayering of organizations has often made middle managers, perhaps more than other segments, vulnerable. For example, a Canadian aerospace company reduced its middle managers by 50%. Although many displaced managers are often reassigned as trainers, coaches, team leaders, or technical experts, such changes are perceived as striking at the heart of one's security, identity, and power (Bridges, 1993; Wellins, Byham, and Wilson, 1991). Without training and changing management philosophy, these reassigned managers may continue their directive styles as team leaders, thereby vitiating team spirit and confusing members with another inconsistency. Paradoxically, even favorable management expectations and enthusiasm can become a barrier to successful teamwork. High expectations that teams will increase productivity by 100% and change the culture overnight have been marked with equally high disappointment. The expectation that teams will yield higher profits has moderated, as managers first deal with associated costs such as team training, lag time during transition, and temporarily lower productivity. For example, Coca Cola's move to self-directed teams led them to estimate that the shift would require about three months of classroom and on the job training over a period of 18-24 months before they were ready, and cost a 16.6% loss in productivity during training (Mention and Jolly, 1996). As Lee (1990) cautions: "The road to self directed teams is littered with landmines....Even the wary are liable to find the process uncomfortable, confusing, and excruciatingly slow" (p. 31).

Team success or failure also appears to be a function of the tenure of team membership and degree of team building that occurs. For example, in a study by Katz (1997), peak performance was rapidly reached during the first year to two years of team development, maintained for about four years, then fell off rapidly from the seventh to tenth year of long tenure members. He concluded that poor performance teams either worked together for less than a year or for more than four years. This suggests the need for initial teambuilding as well as membership renewal.

Although the labour pool shortage that was predicted for the 1980s and 1990s did not occur, there is a shortage of skilled workers (Carnevale, Gaimer, and Meltzer, 1988). Perhaps this is even more true for team members who are poorly prepared to engage in productive team interaction. While teams can be formed, there is no assurance that members have the requisite skills to assertively and cooperatively interact, deal effectively with conflict, or monitor and change restrictive norms. Moreover, the knowledge, skills and abilities required for teams and which form the basis for appraisal, compensation, and promotion have only been recently formulated (Stevens and

Campion, 1994). When teams are not effectively built, the result can be low productivity, poor decision making, low worker satisfaction, and dysfunctional conflict (Bassin, 1996; Campion and Higgs, 1995).

For empowered teams to be successfully introduced into an organization, these external barriers should be reduced or removed by the following:

- Teams should be a valued part of the strategic plan and receive support from top management.

- The use of teams should be congruent with the larger organizational culture.

- Management should provide clear goals, parameters, and resources to the teams.

- Care should be taken in the composition of teams to include interpersonally competent, motivated and complementary diverse members whenever possible.

- A cooperative relationship should be formed with unions and workers by emphasizing common goals and the benefits of teams to all stakeholders.

- Expectations for improvement should be realistic and based on time needed for training and transition.

- Employees should receive training in leadership and team skills and build an organizational culture that fosters reflective learning and continuous improvement.

- Employees should be involved in formulating performance appraisals and recognition and reward structures for teamwork.

The Internal Conditions for Empowered Teams

While the external conditions are necessary to provide a context for teams to be introduced, it is the internal conditions that often determine whether the formed teams will maintain high performance. Two components are particularly important: the stages of team building and the reflective learning processes.

Stages of Team Development

Like most other human systems, teams progress through relatively clear stages of development and have a life cycle (Marshak, 1993; Mention and Jolly, 1996; Orsburn, et al., 1990; Tuckman, 1965). Each stage appears to have tasks that require some degree of mastery and provide a foundation for later challenges. This is not always a linear process, however, and teams may

return to previous levels due to the addition of new members, critical events, or insufficient support (Bettenhausen and Murnighan, 1985; Wellins, Byham, and Wilson, 1991). In this writer's consulting experience, the teams that have the most difficulties are those who have moved too quickly from the initial stage of forming to immediate tasking, thereby truncating the intermediate developmental stages and depriving them of essential skills of conflict management and norm assessment.

Tuckman's (1965) stages of team development, and their modification by Maples (1988) are widely used and are representative of other team models.

Similar to Argyris' (1957) concept of worker maturity, as the team moves through these stages, members acquire increasing levels of skill and mastery of group processes. The stages are characterized as forming, storming, norming, performing, and adjourning:

- Forming is the initial stage and is comprised of high task orientation and concerns about structure and direction. It is during this stage that information is provided about goals and direction, timetable, resources and support. The acquaintance process is initiated as members share their backgrounds, interests and competencies. Without a clear formation stage, teams flounder and diffuse their efforts, members are uncertain of their peers, and enthusiasm wanes.

- Storming characterizes the second stage as members juggle for position and influence in the team, and differences in style become more apparent. It is at this stage that criticism, confrontation, and conflict emerge. Teams that avoid managing conflict constructively may drive it underground to affect later decisions and problem solving; those that successfully resolve it enhance interpersonal trust and increase team resiliency. Mild to moderate conflict needs to become viewed as productive controversy and critical thinking that contributes to better solutions (Aaron, 1992).

- Norming refers to the third stage in which team cohesion, cooperation, collaboration, and commitment occur. By this time, team norms have developed to regulate member behavior and may be functional or dysfunctional. The key skill for effective teams is to make norms explicit and intentional so they can be reviewed and renewed as needed; failure to do so may result in restrictive norms (e.g., groupthink, risky shift) that constrain the team, promote poor decisions, and are resistant to change.

- Performing is the stage at which many managers would like teams to begin: Highly motivated and task efficient. They have a clear understanding of the task and team resources, complement differences and use conflict constructively, and reflect on and revise operating norms as needed. The risk to teams that have formed too quickly without experiencing the intermediate stages noted above is that they will engage in problem solving without being able to sufficiently challenge individual behaviors or team norms.

- Adjourning is often overlooked as a formal stage in team development.

Teams are quietly disbanded or sometimes linger seeking enthusiasm and cohesion that was left behind with task completion. The finishing of a task should be met with celebration and publication of accomplishments, acceptance of recognitions and rewards, and reflection of what the team has learned. In temporary teams, this is also a time of letting go, even grieving the loss of the cohesion and esprit that the team experienced, and moving on to the next team and next task.

While it has been questioned whether all teams move through these stages (Bettenhausen, 1991), it is the position of this writer that teams should do so in order to build the requisite skills and team processes. Once a team has started its development and a negative cycle or experiences have been generated, it is much harder to correct than doing it correctly at the beginning (Hackman, 1990). While managers are concerned about team start-up costs, as employees become more familiar with team processes and skilled in their use, team building subsequently takes much less time and teams are able to engage in performing more rapidly. For example, team failure rates as high as 60% are common in new teams, but once through the stages, initial productivity gains of 40-100% and sustained productivity increases of 15-30% are not uncommon (Mention and Jolly, 1996). Even when teams briefly move back to forming when accepting a new member, they can more quickly enculturate a new member and return to performing. Instrumental in the successful completion of all stages is the ability to learn through reflecting on experience.

Conclusion

The turbulence of the current business environment requires innovative responses but is also tempting for quick fixes. Empowered teams can be highly effective, but they are often at odds with an organizational culture in transition or are poorly prepared for the new work structure. In order for empowered teams to deliver the improvements to organization that are expected, there must be supportive external conditions in both the external business environment and organization management. Even more importantly, teams themselves must ensure adequate skill acquisition by thorough team building and reflective learning. These stages of team development and reflection provide landmarks for empowerment. Without these, the team development and learning processes are truncated, team effectiveness suffers, and the responsibilities of empowerment break down.¥

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