

## **SPECIFIC DIMENSIONS OF MANAGEMENT ROLES IN SELF-MANAGED WORK TEAMS (SMWT)**

The article's objects of research are the specific dimensions of management roles in a team environment. Its main focus is the organizational context in which self-managed work teams function. It identifies the key changes in managers' attitudes, when they perform their roles during transformation from traditional to team-based structures. It analyzes the main issues in social practice, while seeking solutions for developing managerial potential. It explores specific means and tools for effective and adequate stimulation of managerial support. The conclusion that must be made is that sustainable development of SMWT and creating added value for the organization requires senior management to redesign and reorganize stereotypical internal interactions in accordance with the specific characteristics of the new team environment. Otherwise there is a potential for problems and possible failure of the SMWT concept.

JEL: D03; D74; C81

Mankind's third millennium is characterized by "global chaos" in the shared worldwide system, created as a result of the development of national economies. In this global race of manufacturing power, the role of human capital and new production is crucial. To achieve a quality advantage over the competition and an optimal level of economic gain in a dynamic market environment with constant pressures for change, organizations are forced to develop and apply new management models and innovative strategies, mostly based on the competence model – integrated systems or matrices of knowledge, skills, attitudes and behaviors that find tangible expression in complementing fundamental, functional (specific) and transformational competencies.<sup>1</sup>

Success in the global, knowledge-based economy of the 21<sup>st</sup> century depends on human capital. Creating individuals who can adapt to a highly unpredictable environment is a key factor in communal, social and economic development. Senior management has a fundamental role in developing human potential and changing the elements of organizational design (processes, structure, systems).

Designing team structures as a systemic and dedicated process is genetically predetermined by the philosophy, culture and mission of an organization. Regardless of widespread acknowledgement of the need for SMWT in management, this phenomenon is highly underrated by managers. It is a practically insurmountable barrier to developing team potential.

The *philosophy* of an organization contains the main beliefs and values of the key leaders, owners and shareholders, who are in charge of business, the

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<sup>1</sup> The term „transformational competencies“ was introduced to scientific literature by M. Zwell. In his article the author uses L. Spencer and S. Spencer's classification of competencies.

management of human capital and decision-making. Traditional conceptual models assume that individuals are indifferent to the needs and goals of the organization, so decisions should be taken by management structures with a control-oriented approach. This philosophy is based upon the presumption of McGregor's Theory X, which suggests a hierarchic management structure.<sup>2</sup>

In the other extreme is the contemporary conceptual model, which tolerates high participation of employees in management. The basis of this philosophy is Theory Y, according to which individuals are motivated to achieve organizational goals, to realize their roles and responsibilities and are predisposed towards individual development. This has a direct effect on the design of team-based organizational structures that focus on self-management and participation of all employees in the decision-making processes. Individuals are seen as an integral part of the organization and its most precious capital.

Corporate philosophy has a strong effect on the work process in SMWT and therefore on its effectiveness. A philosophy that draws employees to participate in management furthers the development of organizational systems (compensatory, educational and informational), which directly reflects on the immediate results of SMWT. It involves the employees in decision-making and attracts new ones, whose value system assists in the effective functioning of SMWT.

The transition from traditional to team-based structures imposes a multitude of changes like ignoring supervisory roles and fundamentally redesigning the elements of organizational design (processes, structure, systems). They conceptually determine the new environment.

The main roles of senior management are directly connected to providing support and stimulating the activity of SMWT. There are situations in which the teams are not able to make use of all their options without adequate reaction from senior management. It sustains the needed organizational balance between SMWT, the company strategy, individual assignments, hierarchy and structure.

### **Role of senior management in a team environment**

In SMWT it finds direct expression mainly in the form of appraisal and emotional support. It is demonstrated by the behavior of managers. Of course focusing on the teams is critical for organizational effectiveness. As a result, the role of senior management is constantly changing.

Senior management formulates innovative visions, which are then realized by SMWT. They are the basis of business reengineering and overall quality efforts. If senior management does not have the right attitude, it can not assist in the formation of team structures by delegating power and decision-making privileges.

A key role of senior management is focusing the attention, policy and resources of the organization toward supporting and encouraging SMWT. Positive

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<sup>2</sup> Mc Gregor, 1960.

feedback and acknowledgment are an additional impulse for team activity. Important senior management support includes delegating meaningful levels of responsibility, giving the team freedom to make decisions, creating challenging possibilities and providing rewards for excellent performance. It must be based on realistic data in this process.

It is also important to point out that all levels of the organization should show emotional or value support. Otherwise the team will lose motivation and sidetrack its efforts towards extrinsic activities, instead of focusing on its true goals.

Another key role of senior management is to encourage SMWT to take responsibility for their performance. In this sense, members of the team should be encouraged to self-lead. Practically this means to set tangible goals, solve complicated problems of the work process and evaluate their own results.

Many researchers note the importance of motivating team members through inspiring values and goals, role models, adequate training, tools and information<sup>3</sup> 21 specific roles are formulated and they can be divided into two main groups: (1) *management roles connected to the dimensions of SMWT* – structure, environment, team member characteristics, interpersonal and work processes; and (2) *management as a source of information and training*.

• *The first group of roles* includes searching for effective ways to improve the interpersonal and work process in SMWT, the structure of the team, the environment and the individual characteristics of the team members, measuring and evaluating the development of SMWT.

Management routinely examines each one of these dimensions. For example, the main role of managers regarding the work process is to find practical means and tools to boost team members' motivation and uncover their full potential (knowledge, skills, talents) during their work activities.

In the sphere of interpersonal processes the efforts of management are focused on having SMWT members acquire specific techniques to solve conflicts and overcome dysfunctional consequences.

When it concerns the work environment, management roles are associated with creating the informational systems needed to take decisions as well as developing evaluation and reward programs which encourage employees to look for ways to improve their team results. Other characteristics of the environment which should be important to managers are the training and qualification systems. Aside from that, a main priority of management is to provide adequate resources and new information related to the work processes.

A main role of managers is to create an atmosphere of partnership in which SMWT would formulate specific and measurable goals. This is the so called "catch ball" process in which SMWT teams pinpoint common goals and then "pass" them for discussion at higher levels. If the management has made recommendations, the team discusses them and evaluates whether they're expedient. This can lead

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<sup>3</sup> Fisher, Rayner, Belgrad, 1995; Harper & Harper, 1989.

to a change in initial goals or a well-argued refusal. The process continues, until SMWT and management reach agreement on their goals.

Another dimension of SMWT is the characteristics of the team members. Management has key role in the selection of new people for SMWT. In certain cases management would give the team a shortlist of candidates from which to choose. In others, it would offer new members for selection, but only after considering the opinion of the team. In both cases, the team's decisions are not ignored.

The management's role is also expressed in the design and application of various systems for *measuring and evaluating team development*. Their specific forms are determined by the organizational philosophy. In accordance with traditional perception, *the evaluation of performance* is an attestation of the *individuals*, usually performed by supervisors at regular intervals. A major requirement is to adapt it to the organizational context. In literature individual evaluations are so frowned upon, that the term has earned a negative *connotation*.<sup>4</sup> Main indicators used in organizational practice are quality, effectiveness and productiveness.

The performance evaluation system is created and developed in the conditions of a traditional hierarchic management structure and for this reason it is based on individual results. Through attestation employees receive feedback on their immediate results, while management identifies areas of skill deficiency and offers training. In a sense performance evaluation is a channel of communication between management and employees.

The main issue with traditional evaluation systems is that they are inadequate in measuring team results. They implicitly suggest that the key to success is individual knowledge and skills. Obviously in SMWT good results are highly dependant on an array of specific factors and situational restrictions. Aside from that, the main differences in performance are due to the quality of the systems and are not a result of individual characteristics.

Management should measure the team's development for several reasons. First, it should identify when the team is ready to handle bigger functional responsibility for tasks carried out by supervisors. Secondly, it should provide information regarding the necessity of certain types of training. Third, on this basis new goals and standards should be developed and connected to specific social and technical skills.

Becker-Reems suggests a team evaluation which carefully monitors key behavioral models and the existence of important conditions in each of the following categories: *goals* ( i.e. clarity and fulfillment of the goal), *communication* (i.e. efficiency in determining and solving problems, staying focused on the work), *collaboration* (i.e. adequate decision-making process, evaluating differences within the team), *leadership* (i.e. shared leadership roles, incentives for participation) and *team briefing* (i.e. using an agenda that achieves goals). Furthermore he develops a version of team

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<sup>4</sup> Deming, 1986.

evaluation, through which the individuals estimate their own contribution to the major team characteristics.<sup>5</sup>

• *The second group of management roles* practiced in a team environment fall into the category of management as a source of information and training. This practically means to provide all necessary tools for accomplishing technical and managerial tasks in self-managed work teams. These include: providing a wide spectrum of information in terms quality as well as quantity and developing a system of training modules. This is easy to explain – team members cannot be expected to be responsible for decisions, closely connected to work methods, without first being trained by management. Efficient and empowered leaders should train the team to be successful, *before* its members take action, and not *after* they fail. This increases the probability of achieving goals that build self-confidence in turn.

Thus we come to the conclusion that the value of training is expressed in the development of (semi-functional) technical, managerial and interpersonal skills. Thus senior management increases the team's efficiency both organization and structure-wise.

### **Negative attitudes when carrying out management roles**

In the context of global changes teams are the only means for achieving better competitiveness and impressive results. In fact, the organization models of the future – network-based, pulsating, circular, non-hierarchical, flat etc. – are based on managing teams, not individuals. When management looks for conformity between resources and results the most effective method are self-managed work teams. The challenge is to balance individual roles within the team, without favoring some of them.

Despite general acknowledgement of the need for self-managed work teams and their role in achieving great economic results, in many economic organizations there is a certain *negative attitude within management towards the performance of management roles*. Four main reasons explain this resistance and reluctance – lack of certainty that teams are the only alternative, individual discomfort and risk, inadequate organizational culture and lack of belief in their own potential.

1. *Lack of certainty*. There are still managers who believe that teams are applicable only in unpredictable situations and inefficient in a stable environment, since members lose time in unproductive meetings that generate more confrontation than constructive results. Others believe that teams are useful only for social connections between people and inadequate, when it comes to work, production and decisive actions.

On one hand, management has a correct, positive understanding about teams, but it does not manage to put it into practice. For example, team managers

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<sup>5</sup> Becker-Reems, 1994.

outline unrealistic common goals. On the other hand, the popularity of the word “team” is often the reason for incorrect or shallow interpretation. Management uses it without taking into consideration its specific meaning in the particular context. The result is confusion regarding the activity of a real SMWT. This is not just a group of people, working in together to achieve common goals. The entire work force of an organization, for example, is not a team because its members are not able to work directly with one another. These clarifications are extremely important. The aim of the team approach is to build common criteria for values and principles. They stimulate behaviors by complying with the point of view of others, providing mutual support and acknowledgement of personal achievements. The development of such values is incredibly important. They are a major factor for efficient execution of management roles.

The main characteristics that sets apart self-managing work teams is the extreme focus on result, rather than perfect execution. These vital characteristics partially explain the lack of belief in the potential and capability of self-managing work teams in the execution of management roles.

2. *Individual discomfort and risk.* The discomfort some managers experience, results from the fact that they could hardly be part of a team they do not manage. Working in a team is a risky endeavor and an additional “burden” as far as individual development is concerned. The various approaches to achieve team goals, for example, (in the fitting-in phase) can cause conflicts or arguments. Therefore negative attitudes and restlessness on part of the individuals that must fit in a team do not come as a surprise. This is not because SMWT is not part of our culture. Most individuals have values that favor individuality over group forms. Personal responsibility and self-preservation reign, while mutual responsibility based upon trust in others is an exception. The risk of losing authority and influence in the organization demotivates intermediate level managers (supervisors) to carry out their management roles and improve the results of self-managed work teams.

3. *Low organization culture.* Negative attitudes towards teams are typical of organizations that lack the will to change their management philosophy and do not accept the new perspective. They focus on internal policy and external public relations and do not develop empathy for a set of goals that would balance employees’, consumers’ and shareholders’ expectations. Such a behavior is unlikely to provoke mutual trust, responsibility and teamwork. All decisions are expected to be taken by superiors. Policy shifts focus from results. This inevitably influences individual uncertainty and is a natural barrier against investing in the potential of SMWT.

If organizations lack an adequate cultural attitude, the transition from individual-based management structures to team-oriented ones is practically impossible. Of course some self-managed work teams will always succeed – regardless of expectation – but they will be an exception.

4. *Lack of belief in potential and competence.* It finds particular expression in the inability of some managers to carry out management roles in the new team-based

environment. This creates a psychological imbalance in personality that transforms into a natural barrier toward changing attitudes. In practice new roles require the development of new types of relations with SMWT members, related to management participation. This, however, undermines the image of some managers and breaks the status quo in organizational hierarchy.

On the other hand, "supervisors" do not demonstrate open resistance against programs, initiated by senior management, although there are formal mechanisms to express disagreement with the SMWT concept. The logical conclusion is that they prefer following instructions in spite of their will for two major reasons: they either do not understand the philosophical differences between traditional management and team management or they feel uncomfortable openly resisting a change initiated by senior management. In both cases this leads to failure in performing specific activities, roles and responsibilities in the new organizational medium.

### **Approaches, means and tools for stimulating management support**

In social practice, occasions when team results are below expectations, are no exception. The main reason is the inadequate "outer" environment of SMWT i.e. the lack of management support and lack of concern for internal suppliers and consumers. Management support is expressed in empowering the team to make and carry out decisions independently. This process is initiated by management, which has been granted this legal power by organizational hierarchy. A key prerequisite in the process of delegating power is complete trust in the team's competence. Empowerment concerns relationships, not organizational systems. Many teams are created with the idea to self-management, i.e. to plan their resources and budget and control their activity in a way that must always lead to achieving the team goal. SMWT productivity is due to the fact that they are more dynamic and adaptive than groups. This empowerment is a real show of support on behalf of higher management. If not, the immediate result is expressed in team members striving to reduce their work efforts and show symptoms of social idleness.

An efficient way to overcome this negative tendency is to train middle management, with the main goal of transforming traditional attitudes and corporate culture, which form a natural barrier to performing the new roles and responsibilities. Delegating decision-making rights to SMWT necessitates a change in behavioral models within management, regarding effective leadership. In business people act from a certain position, that requires strictly defined rights, power and responsibilities. The managers must be trained for their new role of team leaders which unlike the status-hierarchy reflects expectations from within the cooperative process. Leadership as a phenomenon of influence refers not only to managing and planning the tasks, specific steps for distributing resources and mechanisms for management

control but also to managing change and particular strategies for its execution, which in turn requires motivation, conviction and enthusiasm. The distinction between managers (M) and leaders (L) is sought in the context of meaningful characteristics of the major management functions:<sup>6</sup>

- Planning - *M* follows the direction and particular steps of the strategy; *L* – “sees” the developing strategy and how it can be realized in the future through acts of free improvisation.

- Organization – *M* distributes the tasks and delegates corresponding responsibilities; *L* shares their point of view with the others, convinces them that he is right, seeks their consent, understanding and cooperation;

- Motivation – *M* bases himself on regulated forms of incentive, *L* considers the individual needs and values of team members and offers them a personal development perspective;

- Control – *M* is interested in the results of the activity and how they relate to the outlined plan; for *L* it is important that self-control is exercised in the organization at all times, which immediately leads to competitiveness.

These clarifications make it possible to evaluate to what degree one process dominates over the other when performing management functions and putting the new team management roles into practice. Senior management training programs should also emphasize this, in order to guarantee management support for SMWT. Otherwise, existing gravitational forces would push the team back along the perfection graph, transforming it into a pseudo-team.<sup>7</sup>

According to R. Sternberg there is a close interdependence between an efficient manager and the theory for successful intelligence (SI) which he associates with formulating a feeling for business and correlates to the client's knowledge.<sup>8</sup> It is presented as a balance between analytical, creative and practical intelligence (analyzing the problem - creative solution and putting the solution into practice). This point of view is one of the first attempts to set aside the established idea for general intelligence (IQ) as a universally applicable and correct unit for analysis.<sup>9</sup>

Daniel Goldman's emotional intelligence (EI) theory should be the basis of all educational; and multiple competence development programs – self-awareness, self-management, social consciousness and teamwork skills. It is oriented towards the individuals' abilities to control themselves and socialize with others, which are the major prerequisites for efficient management.

Contemporary requirements for complex (accumulated, integrated) and interdisciplinary knowledge call for applying the concept of multiple intelligences (MI) of H. Gardner in the SMWT environment or what Paul Lawrence and N. Nohria

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<sup>6</sup> Panayotov, 2008, p. 201.

<sup>7</sup> Kamenov, Hadzhiev, Marinova, 2006.

<sup>8</sup> Sternberg, 2002.

<sup>9</sup> Panayotov, 2008, p. 202.



call a skill set.<sup>10</sup> It enables human potential to be analyzed and developed as an even wider system of abilities that can be utilized, together or separately, in many productive activities. Garner defines intelligence as the bio-psychological potential for processing data, which can be activated to create products (results) that are valuable in a certain culture.<sup>11</sup> Intelligences are not things that can be seen or counted. They are potentials that can be activated depending on to the values of a specific culture. Whether skill sets are developed in a productive or non-productive manner depends on the way people use them – separately or in a system for solving difficult tasks in specific sectors, departments or roles.<sup>12</sup>

Management support of SMWT is also directly dependant on Carl Albrecht's<sup>13</sup> social intelligence (SI). This model overhauls the old concept of “communicational skills” as a set of requirements and pre-programmed tactics, creating possibilities to develop a broad set of skills to cope with unique situations, as well as to interact effectively with others, in order to elicit the cooperation needed for teamwork. While EI is mainly a measurement of internal competence, SI is focused on the outside. Merging these two aspects is the key to success in interpersonal relations.

The features of analysis of effective management support contain the specifics of its expression at an individual or group level, because the motivation of an isolated individual does not translate directly to a team interaction situation. Understanding this “break” in organization is an important tool in stimulating SMWT, which functions as a brand new system – a cohesive community with group potential dependant on staff makeup, structure, processes, norms, cooperation, mutual enrichment of ideas and care for the success of the organization. Solidarity within the team is not a result of adding together the potential of individual members, but comes from a complicated psychological chain: orientation – mutual adaptation – acceptance of norms – transformation of the group into a cohesive, active society.<sup>14</sup> The conclusion is that even if senior management chooses team members with high levels of emotional intelligence, this does not guarantee an effective SMWT. Indicators in this direction are the trust and feelings of group identity that form during the constant process of establishing rules and behavioral models to stimulate interpersonal relations at all levels of interaction.

When management support of SMWT is expressed in “control functions” (in the form of monitoring and evaluation) the negative effects of this behavior are characterized by the following dependency – the performance level is raised, but only for routine tasks, while creative thinking is not functioning optimally, though it is necessary for more complex and specific activities (like projects). Aside from that, when individual responsibility is “numbed” in a team environment, people are

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<sup>10</sup> Garner, 2004.

<sup>11</sup> Ibid.

<sup>12</sup> Panayotov, 2008.

<sup>13</sup> Ibid., p. 204.

<sup>14</sup> Ibid., p. 212.

inclined to try to extract gain from the team, without giving back equally. Another main characteristic of SMWT, due to which over-emphasizing management can lead to negative results, is the extreme focus on team cohesion and upholding consensus as a dominating tendency, which leads to ignoring realistic evaluations, alternative decisions and polarizing opinions. In practice this forms a group thinking in which the eagerness to ignore differences and retain the inner harmony paralyzes objective perception and adequate decision-making.

The role of management in this process is expressed in providing preventive tools that can break down the stereotypes of formal consensus in SMWT by combining competition and cooperation in equal proportions. Letting either tendency dominate will lead to a deformation in team interaction.<sup>15</sup> Extreme focus on solidarity blocks the exchange of ideas as a preventive measure against conflicts, which leads to dangerous recurrences of liberal style. If competition dominates over cooperation, then the individual will not reveal his full potential or will show conformism (a change in behavior due to team pressure). Individuals will adapt through different masks in order to not openly announce their positions and abilities.

Practical social research proves the importance of organizational context when achieving great economic results through SMWT. Without support from management the team loses motivation and has a hard time obtaining the information it needs. Aside from that, the lack of feedback from suppliers and consumers directly reflects on the effectiveness of SMWT.

The conclusion that must be made is that teams which perform well do not function in isolation. They actively interact with internal consumers, as well as external suppliers in the boundaries of the organization by exchanging information, resources and results.

*Internal consumers* include individuals and groups in the organization that receive a product or service from SMWT. This suggests uninterrupted communication and routine evaluation of the expectations of these clients.

Building relationships with internal consumers starts through cooperation with management. After this, however, SMWT maintain direct contact without falling back on the services of communication “middlemen”.

The main advantages of these interactions are:

1. SMWT have a clear idea who the internal consumer is and what are his expectations, attitudes, specific needs. This strengthens the team members' sense of responsibility and increases motivation.

2. Receiving systemic feedback through direct communication eliminates information manipulation. This decreases the risk of conflict between SMWT and the clients. Research in this field reveals that when feedback comes through a supervisor outside of the work team, it ignores important requests of the clients.

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<sup>15</sup> Panayotov, 2008, p. 213.

The needed conclusion is that direct communication with the clients improves the work process. As a result, more effort is put into the work activities, specific strategies are formulated and the interpersonal processes between the team and outside groups are improved.

*External suppliers* include groups within the boundaries of the organization, which deliver resources to SMWT, needed for the creation of a product or service. Highly effective teams have strictly regulated (defined in advance) relationships and a constant connection with suppliers. They also control the performance, quantity and quality of resources and constantly give feedback, relating to possible optimization and improvement. In this way they overcome negative tendencies like overstocking raw materials and goods that become costly excess. This gives SMWT a chance to realize the „Just in time” strategy, not only with suppliers, but with consumers too. The specific results from effective internal interaction are expressed in creating added value for the organization.

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In traditional organizations the supervising team usually takes responsibility to give feedback to workers for achieved results. Very often they perform this function inadequately, which reflects on motivation and productivity.

In team-based organizations informational „middlemen” (supervisors) are eliminated. SMWT rely on their personal potential for ensuring regular feedback on their work, instead of counting on another level of the organization’s management. The conclusion that must be made is that an adequate system for evaluating performance (results) and reward is a priority for achieving success with SMWT and access to data for the purpose of feedback is a key part of delegating rights (empowering) the team. As Zigon notes performance feedback makes self-management easier, because it gives the team a chance to solve many problems by itself before management learns about them and intervenes.<sup>16</sup>

In the process of designing adequate team structures senior management must take note of the specifics of the organizational context. Another requirement is to guarantee compatibility between the tools for measuring the results and the organization’s priorities. A main component in this system is the determination of performance goals. Constant improvement in team results requires fundamental and periodic changes in the elements of organizational design (processes, structure, systems) otherwise they take the form of a negatively growing hyperbola. The indicators rise until they reach their maximum levels after which the growth speed of the results slows down, due to exhausting the potential for team performance improvement.

Undoubtedly risk and uncertainty reign in the modern global and national economy. In research, concept evolution takes place, changing attitudes and universal truths, leading to a quality improvement in aggregated knowledge. These

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<sup>16</sup> Zigon, 1995.

concepts change in time as a response to the development of production and the faults of existing theories.

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