Team Leaders of Self-Managed Work Groups: A Contradiction?

TEAM LEADERS OF SELF-MANAGED WORK GROUPS: A CONTRADICTION?

Giuseppe Delmestri and Elena Passoni*

Abstract

This study presents nine Italian cases of SMWT adoption. The powerful role of trade unions in Italy has made it difficult to use this practice for increasing pressure on the workers. In only three cases the introduction of SMWT took place simply as a means of broadening, rotating and partially enriching working tasks with the aim of reducing the number of hierarchical levels (without changing the hierarchical character of leadership). The breadth of the objective underlying the introduction of self-managed teams, the breadth of the training provided and the results achieved are inter-related: only a clear organisational strategy accompanied by adequate training could allow significant results. Degree of production variability, objectives of autonomy and their partial achievement, and breadth of training provided were interrelated: firms with the greatest need for flexibility were those that are more actively interested in pursuing the idea of self-management and supporting it with broadly based training.

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KEYWORDS: SMWT, Italy, Production Teams.

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1. INTRODUCTION

The aim of this paper is to explore the meaning of what seems to be a contradiction in terms: the presence of leaders in self-managed teams. If teams are self-managed, why do team leaders empirically exist? What is their role? Is it possible that the practice of using self-managed work teams is only a rhetorical device designed to exert greater pressure on workers by retaining hierarchical control and increasing peer pressure (Sewell, 1998)?

Our study attempted to answer the above questions by examining nine Italian cases and investigating the real degree of autonomy of self-managed work groups, the type of leadership, and the ways in which responsibilities are divided between the group members and the various figures of authority/coordination.

Self-managed work teams (SMWT) have been spreading in the United States and many European countries. In 1998, they involved about 60% of the workers in the industrial sector of Baden-Würrtemberg (Mitteilungen für den Maschinenbau, 1998), and 68% of Fortune's 1000 firms were using them in 1993 (Cohen and Bailey, 1997). The reasons given for their introduction mainly concern questions of flexibility and the humanisation of the working environment, but the results reported by researchers are not unambiguous as some cases have been reported of increased productivity and reduced workers' satisfaction.

After the first experiences of similar forms by Olivetti and some public enterprises in the 1970's were abandoned at the beginning of the 1980's in the wake of the "technicist" dream of automated factories (Dubois, P./Heidenreich, M./La Rosa, M./Schmidt, G., 1995), SMWTs have started to appear in Italy over the last few years. However, a recent study of about 50 large Italian firms showed that only about 30% actually used them (ASAM-Bain, 1997). Many Italian researchers believe that the Italian culture is characterised by a power distance that is too great to allow their spread in the economy, whereas others see the traditionally strong role of the trade unions as the major impediment.

In the paragraphs below, we describe the theoretical framework of reference guiding our research (§2) and the qualitative method of investigation underlying the results (§3). The results themselves are divided into the way the SMWTs were introduced (§4.1), the structural characteristics in terms of shifts and lines, number and job rotation (§4.2), the roles played by organisational players (Directors, managers and collaborators, support functions, supervisors and the trade unions) in their introduction (§4.3) and their main operative mechanisms of communication, training, evaluation and retribution (§4.4). We finally try to answer our initial questions concerning the rhetorical or real nature of SMWTs (§5), and the paradox of having SMWT leaders (§6).

2. THEORETICAL FRAMEWORK

The concept of self-managed work teams was originally developed within the context of the sociotechnical perspective (cfr. Trist, 1981). The objective was to define a structure that responded to the requirements of tasks and technologies, as well as the social and psychological needs of the people involved: i.e. a structure that was simultaneously highly productive and humanly satisfying. Furthermore, given the interdependence of systems and the environment, the sociotechnical approach attempted to structure the system of work so that it could respond to changing external demands in a rapid and flexible manner.

Self-managed teams are work groups responsible for a complete task whose members have a variety of abilities and a certain discretion concerning decisions relating to working methods, planning, programming and the division of tasks (Cummings 1978; Osburn, Moran, Musselwhite, Zenger 1990). These characteristics give the group the autonomy and competences necessary to control any variations from the objectives, which in turn contributes towards increasing productivity and working satisfaction. The hypothesis underlying the sociotechnical perspective is that an autonomous group of 8-10 people, who have the technological skills and authority to control working operations, who have accepted a series of production objectives and who have the resources to pursue them will, provided that they are reasonably rewarded, reach the objectives more efficiently than if each of them were subject to the control of an external supervisor.

The application of self-managed teams requires the existence of clearly demarcated borders between them and the other organisational units: whenever possible, interdependent tasks are to be confined to the same unit in order to allow the internal control of technical variances. Secondly, the people involved must be able to influence transactions with the environment and have a clearly defined area that they can identify as their own territory, and their repertoire of skills must be sufficient to allow them to pursue their objectives without having to depend on external support. Finally, they must be able to adjust their behaviour and be given the opportunity to choose the most appropriate way of confronting the task and the environment, and to influence production objectives by modifying their output as new situations arise. They must also be given group feedback and performance assessments that will allow them to adjust their approach on the basis of intermediate results (Cummings 1978).

A number of recent studies have demonstrated that the introduction of self-management teams not only contributes towards improving productivity, quality and cost control, but also increases personnel involvement, motivation and satisfaction because the team members develop a sense of ownership and pride in their work (Mohrman/Cohen/Mohrman 1995; Cohen/Bailey 1997). However, other studies have

found that the team members are subject to greater stress (Sewell, 1998; Ezzamel/Willmot, 1998).

The ambiguity of these results can be attributed to differences between the new team-based approaches proposed by organisational consultants and academics and the previous approach suggested by organisational sociologists. One fundamental difference is undoubtedly the fact that the latter clearly referred to working systems that place greater emphasis on the fundamental needs and various interests of human beings (Salvemini, 1977): this involved a radical bottom-up process of organisational redesign whose integration of the social and technical environment tends to place less emphasis on exquisitely *business* aspects. However, the spread of the new approaches is due to the use of a new language that is more consonant with management and a greater emphasis on technical-economic business aspects. It is true that the sociotechnical approach indicated market changes as a means of explaining the importance of adopting more flexible and multi-skilled organisational logics, but factors such as hyper-competition, shorter innovation cycles and market globalisation are the very lynch pins of the new approaches to organisational innovation, which do not ignore human needs but give them a more ideological and *a priori* connotation. The team-based approach is seen as a means of realigning individual motivation and organisational rationalism by replacing dehumanising Taylorism with a more intelligent rather than a more intensive method of working, which may well be more efficient, but is also more satisfying insofar as it restores a sense of autonomy and responsibility. The people involved in the reorganisation are no longer asked to express their preferences (after all, who could reject the "re-humanisation" of their job?) but these are assumed to be given and universal; any resistance is therefore incomprehensible and interpreted as being exclusively due to insufficient communication and inadequate initial training or education.

A more objective operative analysis of the new emphasis on self-managed teams makes it possible to weigh the supposed re-integration of humanism and economic engineering. Sewell (1998) highlights the fact that the successful examples of the introduction of self-managed teams (in terms of productivity and continuous improvement) are based on a combination of precise (often electronic) systems of controlling individual performance and reciprocal group control systems. The measurements of individual productivity are not used as concrete objectives, but as a means of revealing the best and worse performances inside the group, which is controlled on the basis of common results and incentives. The best emerge because the group is left free to invent the most appropriate working procedures that exceed the standards defined by the "methodists", which spur the other members of the group because they can obtain monetary incentives that contribute to the growth of personal income.

Ezzamel and Willmot (1998) point out that the frequent examples of resistance to the change on the part of workers do not represent an irrational response to intrinsically satisfactory organisational models, but a logical reaction of people intent on preserving their identity in the context of changing working processes: they can therefore not be overcome simply by means of training activities. The use of bureaucratic Taylorised working forms allowed discontent to be directed upward, and the pressure from "above" could be resisted by the horizontal solidarity of people who were often independent of each other. This is no longer the case: group incentives make horizontal solidarity less likely and it is more difficult to resist the imposition of the best performance as the standard performance for the self-managed group.

The reference to the sociotechnical approach made by the proponents of team-based organisation may therefore be an artifice designed to feed the rhetoric of humanisation and thus make it more difficult for the opponents of such a change to elaborate valid arguments in support of their position or to introduce a new argument without recognising its cognitive dissonance with the proposed model. However, this reference could also become an effective lever for the opponents of the negative implications of the approach (but not the approach as a whole) who want to develop arguments in favour of an introduction that offers advantages for everyone involved.

We took this currently ambivalent managerial use of the term "self-management team" when designing this study, but we also wanted to highlight the common terminological basis of both approaches.

3. METHOD

This exploratory survey, which was carried out during the course of the year 2000, involved a series of interviews with Personnel Managers, Project Leaders and Team Leaders, followed up by factory visits in seven of the nine cases. The collected information is based on the results of the interviews, our field observations and the support material provided by the companies.

In line with the theoretical framework discussed above, the semi-structured interviews were designed to investigate the relationships between the following variables:

1. the objectives and method of introduction of self-managed teams in the specific contexts;
2. the characteristics of the groups;
3. the organisation of the company, in terms of the involved players and processes;
4. the type and degree of team autonomy;
5. the type of leadership adopted, in terms of the competences, responsibilities and activities of the team members.

The investigated companies (two Italian-owned and seven belonging to foreign groups) were 3M, Bayer, BTicino, Iaber, Gor, Magrini Galileo, Nestlé, Pininfarina and Unilever. Our interpretation of the results has been refined on the basis of subsequent discussions with different Production Managers.

4. RESULTS

For reasons of confidentiality, the following description of the results does not mention the companies by name but only by numbers (from 1 to 9).

4.1 THE INTRODUCTION OF SELF-MANAGED TEAMS

Method of introduction

The companies consider self-managed teams a useful means of supporting organisational flexibility, reducing structural costs, and increasing personnel satisfaction and motivation because the multi-functional nature of the workers facilitates substitutions in the case of absences and the incorporation of the teams in a horizontal structure makes it possible to eliminate intermediate levels by responsibilising lower levels. The teams are thought to be a strong means of motivation insofar as they allow team members to express their abilities, test their potential and learn from each other.

They make it possible "to broaden personal competences and skills, and improve the effectiveness and efficiency of processes, by motivating people and encouraging them to cooperate with each other" (Company 2), "to establish a more horizontal organisational structure by partially redistributing supervisory responsibilities to the lower levels" (Company 1), "to spread competences by means of the increasingly closer integration of different departments" (Company 7), "to improve the flow of information and create a broader vision of the process and the company" (Company 5), "to reach a greater level of personnel inter-changeability in order to increase their flexibility and competence" (Company 8), "to improve involvement and the quality of the work" (Company 9), "to allow professional growth in a collaborative and involving climate, and speed up decision making and implementation processes" (Company 4), "to make people feel responsible for the results and quality of their output, and to care for the machines; to ensure continuous improvement and valorise the skills of the individual" (Company 6), "to stimulate awareness of, and a sense of personal responsibility for the process, and to reduce the number of activities with no added value" (Company 3).

Self-managed teams are therefore seen as a useful means of achieving company objectives by involving the workers who are directly involved. All nine companies expect to become more flexible, five underline the greater motivation of employees, and only three a reduction in costs.

Areas of application

Self-managed teams have mainly been introduced in production contexts: it is possible to find people working in non-formalised teams with different degrees of autonomy in other areas, but these do not involve any specific definition of group competences or responsibilities. All of the companies stated that they had applied the use of self-managed teams in Production; three also mentioned Customer Service, one of which also adds Quality and Research.

Method of application

The self-managed teams were introduced in the factories gradually by means of pilot projects. Four are still in the experimental phase, and the teams are limited to individual departments; the other five are thinking of extending them to other company contexts and so their use can now be considered established. It is still difficult to evaluate the results of the pilot projects insofar as the situations are artificial, and often involve the best lines and people who feel very involved emotionally precisely because they were chosen for the experiment.

4.2 STRUCTURAL CHARACTERISTICS OF THE SELF-MANAGED TEAMS

Shifts and lines

The teams exist in factories that work on the basis of processes and generally involve people working a particular shift on a given line; however, there are some that involve all of the shifts working on a given process (Company 6) or a shift that only works on part of the process (Company 8). In Company 3, production is organised by cells because the factory uses complex, single-product or multi-functional equipment and machinery in order to produce technologically similar products that are assigned to a particular work group. On the other hand, the situation in Company 4 is more hybrid, with vertically integrated teams that manage the entire production line from the supply of raw materials to the delivery of the finished product existing side by side with teams organised by functions such as pre-assembly, assembly, testing and packaging: it is hoped that these teams can also be integrated vertically in order to ensure the identification of the workers with the creation of a specific product, but this change is still hampered by the costs of duplicating processes and the time necessary to allow the workers to learn and adjust to the change.

Team size

This depends on the type of process, its various stages and the extent to which these are automated. For example, Company 2 has teams consisting of 3-5 members who manage very short and highly automated packaging lines, and Company 3 teams of 3-4 people

who work in the same production cell; but Company 8 has teams of 10-12 people who work on 3-4 successive work stations, and Companies 6 and 4 consider that the optimal size is that of a "football squad" (20-25 people) because a smaller team may generate family-type relationships that could limit its effectiveness. The size of the team may also be variable in the case that it consists of line workers and the occasional inclusion of support specialists, such as maintenance staff or warehouse personnel.

Job rotation

The factor characterising eight of the studied cases is job rotation within the work group insofar as the companies prefer to have personnel dedicated to the line. Nevertheless, the need to manage absences and the cost restraints on maintaining excess labour have obliged the companies to seek greater flexibility from their internal resources, which is why they encourage multi-functionality in order to ensure the availability of specialised and relatively interchangeable human resources as a means of confronting the dynamic nature of demand and environmental variability. Six of them consequently also use between-team job rotation.

Complete job rotation within a line is intended to promote a global knowledge of the process with the aim of making workers feel more responsible for their own work as a result of their understanding of what happens both upstream and downstream of their own positions. This allows the creation of the synergies necessary for continuous process improvements by means of the exchange of information, greater individual motivation and better company results. Only Company 8 has decided to keep dedicated and highly specialised workers operating on a given process, and therefore to incorporate excess personnel as a means of covering absences. In order to make the work less monotonous, job rotation has been replaced by a long individual work cycle (about 15 minutes), which makes substitutions even more difficult to implement.

In the companies with a highly seasonal or variable production (Nos. 9 and 6), job rotation is a useful means of managing production peaks, because the rotation is not only within the same team but also between different lines. Company 1, on the other hand, has introduced a system of rotation involving both line and staff units in an attempt to reduce their cultural distance and encourage them to work in an integrated and synergistic manner: these exchanges of information and competences are believed to be a means of improving the process and continuously updating the knowledge of specialists.

4.3 ORGANISATIONAL CONTEXT: THE PLAYERS

Management

It was underlined that, in order to achieve positive results, management must find

instruments capable of guaranteeing and developing support for the project on the part of the organisation as a whole. This means establishing an extensive communications policy and an intensive training programme, which needs to be supported by an internally consistent system of *ad hoc* information, communication, selection, assessment, retribution, career and training tools.

Employees

The interviewees emphasised that workers must have a clear idea of the objectives, methods and "returns" of the project: understanding is a necessary condition for the success of any initiative of this kind because it can overcome the resistance to change.

Younger employees are tendentially more open to job rotation, working variety and the sharing of information and responsibilities because they see it is an opportunity for growth, whereas their older counterparts may feel themselves threatened and even unprepared to confront the changes. In order to obviate this, Companies 2 and 5 have given them the responsibility of training the young as a means of encouraging them to share and transfer their knowledge and experience, and offered them an economic benefit for doing so.

Support functions

Support functions (particularly Maintenance, Quality Control and Logistics) feel that they have in some way been disempowered because some of their responsibilities have been taken over by the teams. The locations of their cubicles inside the factory have been changed in order to facilitate collaboration and integration with Production: the personnel may work by day or shift, be dedicated to the line or called upon when necessary.

The aim of creating the self-managed teams was not to eliminate support services, but to responsibilise workers in relation to the process: this means that the experts are expected to offer highly specialised skills and perform highly specialised activities, whereas the ordinary everyday activities are incorporated in the working teams. Staff structures have been revised in the same way, but the solution of including some specialists in the work teams has been seen as a "declassing" that is difficult to accept. Consequently, these players have also needed intensive training, albeit of a less technical and more relational nature. They may also be assigned line training and support duties as a means of restoring their motivation and acknowledging their status.

Supervisors

These may react negatively to the introduction of self-managed teams because they see it as compromising their role, and may therefore represent a latent braking element. It is therefore also necessary to redefine their role in such a way as to give it a new identity

and new competences.

Trade unions

These have generally opposed the introduction of self-managed teams, which they see as being a means of pressurising workers: as a result, they have often been little inclined to becoming involved in the project. In four cases, it was possible to stipulate an agreement that also contemplated pay increases related to the acquisition of new skills (Company 2); in the other cases, they have adopted a wait-and-see attitude. Trade union representatives fear the introduction of self-managed teams because this creates a direct relationship between management and labour that threatens to exclude them, making them lose their identity and representativeness among the work force.

The clarity of the objectives, the transparency of the information, and a willingness to accept dialogue and an exchange of ideas have proved to be important factors in establishing good relationships with the trade unions: self-managed teams have been more easily introduced in situations in which a constructive relationship between management and the unions already existed (Company 9, Company 1).

4.4 ORGANISATIONAL CONTEXT: THE PROCESSES

Information and communication

Information is developed at both factory and process level, using noticeboards with tables and graphs illustrating the project, the activities and composition of the work group, production trends, the problems encountered, the level of quality reached, the number of hours lost, the presences of the employees and the comments of the Team Leaders.

The intensive information programme that has proved to be particularly necessary during the first phases of the implementation of the new working methods needs to be simultaneously extensive and focussed on more restricted targets (plenary presentations, meetings between lines and support units, and individual interviews).

The companies described in this study have organised regular meetings between factory managers, supervisors and team leaders in order to facilitate the circulation of information concerning what is happening in the company, share experiences, and discuss operational issues; these meetings involve defining objectives, as well as analysing the results and problems, with the aim of generating solutions and improvement proposals.

In terms of information systems, five companies have developed a company network that allows updated production information to be obtained from any work station and office, thus providing immediate and transparent communication for whoever needs it. In these cases, the lines and plant have PCs or PLCs that allow the most important

variables to be controlled during the process itself, as well as the recording of the operations for accounting purposes. These are accompanied by a machine book describing the equipment and its components, together with the cleaning and control procedures necessary to keep it working correctly; an operator's manual describing the different working phases of the components and the most suitable methods for carrying them out; and a log book recording all of the most important information about the line, such as data relating to the products, plant and materials.

The individual units also have panels indicating the progress of production in relation to the pre-established targets, productivity and quality indices, the number of hours lost due to activities with no added value, the presence of the workers and the comments of the team leaders. Company 4 also uses indicators concerning the satisfaction of customers and their requests for improvements. These indices currently only have the aim of sensitising workers to the important variables they need to consider during the course of their work, and are not used as a means of assessing the performance of the team or its retribution.

In some companies, the workers – in agreement with the unions – have proposed a system of overlapping shifts in order to allow the team leader to pass on all of the necessary process-related information to the people beginning the next shift.

Training

Together with communication, training is considered to be crucial in the creation of self-managed teams and represents the greatest investment for the company. This is both classroom-based (in order to explain why and how the new organisational structure is being introduced) and field training designed to define the tasks and responsibilities of the individual workers. Most of the companies have made use of internal trainers, having recourse to external consultants only for the purpose of training leaders; the workers have been trained by the person responsible for Human Resources, by the team as a whole and by the team leaders.

The training programmes consist of basic courses (the fundamental elements of quality, maintenance, groupwork, safety and health regulations) and courses specifically designed to develop individual skills. The subjects are technical (product, process, times and methods, equipment, maintenance, quality and logistics), administrative (the management of documents, such as order notes and product declarations), economic (the management of costs, discards and reworking, and aspects relating to the market, sector, customers and suppliers) and organisational (group work, the management of relationships and communication), because the teams must be capable of managing not only their own part in the process, but also the inter-relationships of their members and with the rest of the organisation, and also take responsibility for the results, product quality, machine maintenance and the management of information.

Training is concentrated in periods of slacker production, and is followed by an assessment of theoretical and practical learning, and an evaluation of the capacity of the workers to organise their work in an increasingly autonomous manner.

Evaluation and retribution

Company 2 is the most structured in this sense: the evaluations are based on performance and the indicators concern customer service (respect for the production programme), efficiency (the relationship between the number of units produced – weighted according to an index of difficulty – and the number of hours worked), and the development of competences. A model of progression has been developed on the basis of the nucleus of professional skills relating to each position with the aim of spreading these throughout the team. The assessment scale goes from the simple possession of information concerning an activity, to an understanding of its purpose and content, the ability to perform routine activities and then extraordinary activities, and finally the capacity to transfer competences and to introduce product and process innovations. The evaluation of the elements making up the indicators is continuous, is made by everyone involved (supervisor, co-workers and inferiors, suppliers and customers) and includes a self-assessment. The evaluation of line leaders and operators also takes into account economic parameters (plant efficiency and material yields) in order to responsibilise them in terms of cost management. The assessment and retribution are oriented to both the individual and the group with the aim of creating an *ésprit de corps* while underlining the importance of individual contributions: the collective bonus is related to the profitability of the company, the division and the process, whereas the individual bonus is assigned on the basis of criteria decided by the group.

Some of the other companies investigated see this type of structure as a future goal: all of them have defined objectives, assessments and retributions at individual (performance evaluation) or factory level (production bonuses), but they have not managed to create valid parameters at group level. One of the reasons for this is the rotation and temporary nature of some positions, which implies the continuous redefinition of the composition of the group and thus makes it difficult to attribute results to the team as a whole. Another obstacle is the difficulty of attributing improvements to a single work team: i.e. separating its result from the support and contribution provided by the teams of the previous shifts and the support functions.

The trade unions do not always agree with the introduction of payments at group level because they feel that this creates a group classification; they would prefer the definition of an average level of contribution, but this conflicts with the idea of the individual identification of team members with their team.

In general, the workers are evaluated on the basis of their position and performance, and *management by objectives* is used only in relation to team leaders. In two cases,

acceptance of the role of Team Leader has been accompanied by promotion from the category of *operaio* [blue collar worker] to *impiegato* [white collar worker], with the higher pay and position this involves.

5. SELF-MANAGED TEAMS: RHETORIC OR REALITY?

Comparison of the theory discussed in the second paragraph and the studied cases has allowed us to elaborate an original definition of autonomy that distinguishes its components. After having described this concept in detail, we shall try to give answers to the questions guiding our research.

The autonomy of self-managed teams above all refers to working methods: having identified the objectives to be reached and defined the contents of the work of each group, autonomy relates to how they organise the way in which the work is done and define the roles, responsibilities and specific tasks among the team members.

A team is generally responsible for a production process (or a part of it) in terms of production volumes and respect for quality standards. The basic idea is to transfer to the team the competences necessary to manage the quality control of the product/process and first level ordinary maintenance. The final goal is to make the teams autonomously responsible for the everyday management of the process concerned; it is therefore possible to identify different areas over which the teams have decision making powers.

The first concerns *technical* autonomy, which means the management and control of the process (machinery manning, start-up and shut-down, feeding, format and product changes), the management of materials and tools, quality control of inputs and outputs, the plant and equipment, and ordinary maintenance activities.

Administrative autonomy concerns the recording of data relating to raw materials, semi-finished and finished products, discards, reworkings and stock levels, as well as process-related data such as productivity, defect rates, plant stoppages, lost hours and their causes. It is then necessary to collect data regarding the personnel: the definition of the tasks assigned to individual team members, the organisation of the shifts, the recording of presences, and the comments of the team leader. The purposes of these values are information, control and accounting, and they are indicators of the functioning of the process and the group.

Organisational autonomy concerns the possibility of the group to define internally how the work is done in terms of shift management, personnel organisation, task allocation, the management of breaks, days off and holidays, and the identification of the team leader.

Economic autonomy is certainly the most ambitious goal not only because of the resistance it encounters within the organisation (since it reduces the authority and power of the upper hierarchical levels), but also because it requires considerable competences within the group. It consists of defining objectives, drawing up a budget, planning the

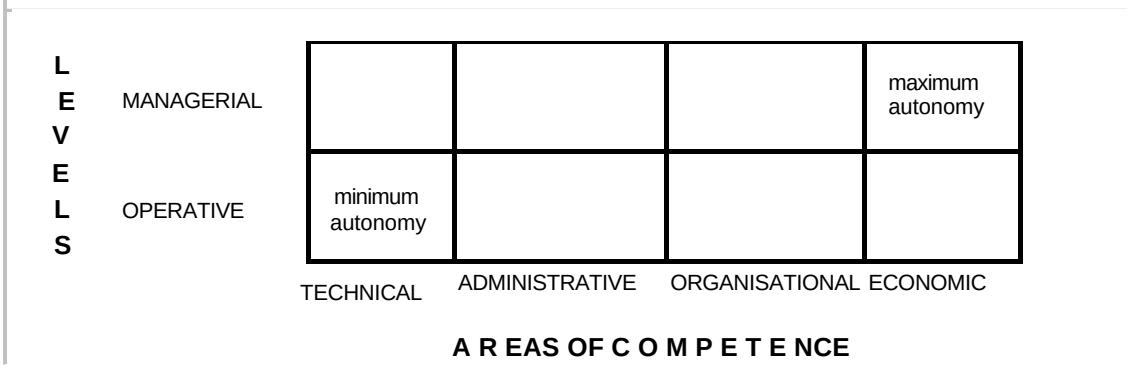
work and continuously improving the results. Some companies even consider the still unreached goal of giving the team a profit and loss account as a means of responsibilisation and evaluation.

However, in addition to variety, autonomy should also be evaluated in terms of intensity: i.e. the level of decision-making delegation in the different areas. On the one hand, autonomy can be understood as independence from external functions: this is *operative* autonomy, or the possibility of the group to carry out internally the majority of the operations inherent in the process for which it is responsible in such a way as to make it as independent as possible from staff functions and to ask for their intervention only for specialist reasons. This logic not only involves making the team responsible for its work and the internal development of multi-functional skills, but also requires qualified interventions by support units and reduces company costs because fewer people are needed.

But another level of autonomy implies decision-making delegation and can be called *managerial* autonomy: the team is not only assigned different activities to carry out, but also areas of discretion in which its members are collectively called upon to make decisions. These areas of action concern process improvements, data interpretation, personnel management, the introduction of planning and control tools, and responsibility for the results.

This classification is summarised in Figure 1, which shows the areas and levels of autonomy. The square at the bottom left is the starting point for the creation of self-managed teams, whereas the one at the top right can be considered the point of arrival: once there, the teams would become nothing less than “mini-companies” with responsibility for their results.

Fig. 1 Areas of competence and levels of autonomy in self-managed teams



None of the companies has yet reached the stage of complete decision-making delegation. Almost all of them have managed to delegate the management of ordinary maintenance and quality control to the line, in addition to production responsibility; six

have also added responsibility for recording the operations for the purposes of technical and accounting control by means of special training; only four have also entrusted team members with organisational decisions but only Company 5 has also included managerial decisions.

Before adding other types of autonomy, some companies have preferred to ensure a solid technical base by means of an intensive training programme aimed at developing highly specialised personnel capable of handling most of the routine problems of the process. Others have simultaneously proceeded at different levels with the aim of creating a culture of support before such specialisation by training their employees in various areas: technical, but also economic, managerial and behavioural.

The adopted approach seems to depend on the culture of the company and the reason for introducing the teams themselves. The companies that see them simply as a useful means of reducing company costs (insofar as intermediate supervisors and staff units are no longer necessary) have structured their teams in an incomplete manner by delegating only some process control functions and not giving them any propositive or decision-making authority in relation to improving standards and the quality of the work. Those that consider them a valid means of supporting the responsibilisation and multi-functional growth of their members, and have believed that their organisation has still unexpressed potential, have created a complete and continuously evolving model in which technical autonomy is accompanied by administrative, economic and managerial autonomy.

This interpretation is supported by various data. Three of the nine companies have set themselves the objective of making the teams autonomous in terms of the technical and administrative management of the line, but have no intention of extending the discretionary and decision making powers of the members any further; the other six are interested in making the teams increasingly autonomous in technical, administrative, organisational and economic terms at both the operative and managerial levels. Or rather, in the three companies declaring the partial objective, there are no signs of any attempt to proceed towards the greater autonomy and self-management of the workers. In these three cases, the self-management team model seems to take the form of a programme aimed at the broadening, rotation and partial enrichment of working tasks in order to reduce the number of hierarchical levels: the reference to the concept of self-managed teams seems to be motivated more by a rhetorical commitment to the latest fad than by a real wish to apply its most innovative principles.

The six companies having the declared objective of pursuing the innovation of self-managed teams in a more complete form can be divided into two categories: four have already partially reached their goal by means of training courses, on-the-job support and the introduction of new operating systems aimed at developing competences and changing the company culture and working methods; the remaining two have arrived at

the point of technical and partial administrative autonomy, but are still trying to reach the level of organisational autonomy. Of the four "most advanced" companies in our sample, two have introduced training programmes involving organisational, economic and relational aspects, and one has included administrative and relational aspects; of the two companies seeking full autonomy (but which have so far only reached technical and partially administrative autonomy), one has introduced administrative training programmes. All of the other companies provide only technical training. It therefore seems that the breadth of the objective of introducing self-managed, the breadth of the training provided and the achieved results are inter-related.

Another interesting set of relationships is that between the degree of variability in production, the objectives of autonomy, the partial achievement of these objectives, and the breadth of the training provided. All of the three companies in our sample that have a variable production are pursuing (and have partially achieved) broad team autonomy, and also include the only two that have introduced training programmes aimed at developing organisational, economic and relational aspects: this seems to confirm the presumed relationship between the need for flexibility and the degree of autonomy given to the team. It is here necessary to underline the fact that we are talking about standard production variabilities (i.e. already known variabilities in production codes); in the case of exceptions, such as the need to create sometimes tailor-made new products/codes from scratch, it has already been widely demonstrated in the literature that the use of self-managed teams is impracticable because of the rigidity that these in any case generate in the reallocation of human resources from one team to another.

We can therefore conclude that the introduction of self-managed teams in our nine companies tends to be rhetorical in three, as a partial reality in four, and still an objective to be reached by two.

6. SELF-MANAGED TEAM LEADERS: A PARADOX?

After considering the studied cases, we have come to the conclusion that "leadership" and "autonomy" are different but not necessarily antithetical concepts that may therefore be simultaneously present within the same organisational structure. The teams are not called self-managed because they do not have a leader: what must be established are the leader's role, responsibilities and duties.

The ideal comparison of the term "self-managed team" is "self-management": i.e. the absence of any internal distinction between decision making and executive roles. The creation of a hierarchy conflicts with the idea of a self-managed team. In the companies studied by us, many of the decisions assigned to the team are still made by the various team leaders who, depending on the case, have different duties and responsibilities: six of them intend to delegate gradually some of the leader's guiding and decision-making

functions to the group insofar as it is the group as a whole that must take on the responsibility for its management.

Self-managed teams therefore have their own layered leadership: team member, team leader, group leader, and may sometimes also include members of the old hierarchy.

In general, the *team members* are responsible for production, ordinary maintenance and quality control, tooling, moving materials, cleaning and lubricating machinery, documenting what has been done, and calling the specialists in the case of anomalies.

The *team leader* is usually a formally non-hierarchical person of reference inside the team whose technical, relational and managerial skills are greater than those of the other team members. In addition to acting as a supervisor of the process and coordinator of the team members, he/she may also be a line worker.

In most cases, the Team Leader is a permanent role although, in Company 4, it is rotated every 18 months among the team members. There is usually a team leader for each line and shift, but Company 6 has one who is responsible for more than one line.

Team Leaders handle operations that require specific technical skills, such as a change in format and the consequent adjustments, the management of anomalies and the implementation of corrective actions; they are also responsible for shutting down the line if its output is not in conformity with production standards or the plant is not working properly.

Team Leaders must assure the implementation of production plans in terms of volumes, product characteristics, quality, times, discards and stocks, and justify the adopted technological solutions; they must also ensure that team members respect the regulations concerning health, safety, order an cleanliness. They also handle the collection of data in order to provide structured information to the Group Leader.

As they must be capable of taking prompt decisions in emergency situations, it is important that they are capable of making rapid analyses and identifying effective solutions. They also need to be able to substitute the Group Leader in terms of ordinary administration if he/she is absent or during the night shift.

Team Leaders are also responsible for coordinating team members in terms of the definition of the composition of the group, and the duties, roles, shifts and behaviour of its members. They monitor the performance, abilities and potential of each individual, and act as technical trainers by supporting line workers and new entrants by transferring to them their own personal skills.

They are generally high school graduates or people who have worked for the company for a long time and shown that they have leadership capacities, and are usually appointed from the top (the rare occasions of internal election have often given rise to substantial disaffections). They are mainly selected internally because it is thought they should have a good knowledge of the company, its products and processes.

Team Leaders are paid more and, in some companies, their employment category is

changed from that of *operaio* [blue collar worker] to that of *impiegato* [white collar worker] on the basis of the skills and abilities acquired as a result of their position within the team.

Group Leaders are generally not team members but white collar day workers with administrative, economic and managerial responsibility; although normally in charge of a line, there are cases of people who simultaneously manage more than one line. Group Leaders are responsible for the weekly planning and management of the production process, and has activities concerning coordination and control, the definition of work loads, and the spread of information and knowledge. They also work on the continuous improvement of the process, defining production objectives, indicators and priorities in the case of a lack of resources, and are responsible for the results, costs, quality and level of service. They have the task of analysing and interpreting the collected data in order to identify and solve any inefficiencies or non-conformities, and improve the product, the process and the quality of working life. They evaluate the introduction of new products, techniques or machinery, and define maintenance policies, methods, cycles and control cards. They define the group's budget in collaboration with middle management.

Their activities include personnel management in terms of training, the assessment of performances, abilities and potential, the administration of leaves of absence and holidays, discipline, growth, involvement and the transfer of company-defined objectives to the group. They also deal with the organisation of Team Leader interviews, evaluation and training. They act as the interface between a group and the rest of the organisation, handling incoming and outgoing information flows, and relationships with management and the rest of the enterprise, and collaborating with support functions. They are seen as facilitators, coordinators and communicators who stimulate and support the group.

They are high school graduates who are generally selected internally, and have career paths that are either vertical (from Group Leader to Head of Department and Production Assistant) or horizontal (the management of another team). In Company 8, for example, there is an internal competition to select the Team Leader who is most suitable to cover the position.

The leadership of self-managed teams therefore has three levels: the direct workers are currently mainly involved in the execution of technical and administrative aspects, the team leader is responsible for the technical side and manages the organisation of the work, and the Group Leader deals with personnel, economic and managerial affairs.

In six of the nine companies, the aim is to delegate everyday activities to team members as much as possible; in the others, this type of organisational structure does not seem to be simply transitional but designed as a lasting characteristic of the working groups.

Leaders there have a dual function: on the one hand, they play a crucial role in the phase of transition in which the workers change from being mere executors of individual operations within the context of work defined and managed by others to being responsible for the results. The leaders take on all of the responsibilities and functions delegated to the team but felt to be still beyond the ability of the individual members to manage autonomously. In six cases, the objective is to delegate the power in these areas gradually to the team as a whole in such a way that the people are trained in the individual subjects and change the culture of their work.

The delegation of areas of responsibility does not necessarily imply the progressive disappearance of Group Leaders whose role, in the declarations of the company, will gradually change with the evolution of the teams from a decision-making point of reference to a facilitator. However, they will continue to be responsible for group activities concerning the management of internal processes (information, communication, conflict management and training) and external relations (an interface between the group and the organisation who transfers inwards the information and expectations of management and outwards the needs, problems and results of team members).

In the same way, the Team Leaders continue to be technical specialists with more competences than the other members, but most of the studied companies intend to abandon the figure of resolver and trainer gradually until they should become nothing less than real consultants.

These leadership figures seem to give rise to a number of problems. Their roles are not clearly defined and this ambiguity creates situations of stress. On the one hand, they find themselves having to manage a variety of functions whose content and methods they have to learn and then delegate (“a sensation of just passing through”); on the other, they work in environments in which they must manage the considerable complexity of demand, the market, the product, the process, and physical and human resources. Furthermore, they are responsible for the management of a team over which they do not have any powers of intervention or discipline, and this inconsistency leads to situations that cannot be solved easily.

Almost all of the companies found it difficult to identify people whose characteristics make them suitable to cover the position of leader, which not only requires a high level of technical competence, but also considerable experience in the field and the social recognition of team members: this favours internal selection and implies extensive training that is expensive in terms of costs and time.

In six of the companies, the intention is to delegate decision-making powers downwards even if authority within the group is still very centralised: although the teams have a good degree of autonomy, decision making is concentrated in the leadership roles. The individual members still play a mainly executive role supported by a certain propositive

element: the reason for this lies in the fact that the introduction of the teams is relatively recent (about 2-3 years) and the companies have set themselves different objectives. If the objective is simply to broaden, rotate and partially enrich working tasks with the aim of reducing the number of hierarchical levels, the role of leadership structurally retains an albeit implicit hierarchical nature, which clearly contradicts the idea of "self-managed" teams. In this case, the presence of a Team Leader is not a paradox only insofar as the mere facade and not the substance is applied. It could be hypothesised that the transition from hierarchical superiors to team leaders with a simply informal hierarchical role is a move on the part of large companies towards the implicit hierarchy typical of small and medium-sized Italian companies (Delmestri, 1998). In the case of the six companies pursuing the substance of a self-managed team organisation, leadership in the groups takes on the role of supporting and developing the growth of the other team members and should gradually be transformed into a function situationally exercised by more than one person.

7. CONCLUSIONS

This study presents a series of cases existing in Italy and demonstrates that even this country is beginning to offer some interesting examples of the real (and not merely utopian) application of self-managed teams. This goes against the view of a number of academics and company managers who are sceptical about the possibility of adopting organisational forms based on a high degree of group delegation in Italy because of its presumed prevalence of a highly individualistic and hierarchical culture. At the same time, the powerful role of trade unions in Italy has made it more difficult for enterprises to use the practice of self-managed teams as a rhetorical artifice for increasing pressure on the workers: only three of our cases show a tendency of this type and in all cases it is limited in intensity. However, it is still not possible to speak of a consolidated reality. The adoption of an organisation based on self-managed teams is still a goal to be reached by the six companies that are really pursuing it, and only four of these have levels of team member autonomy that at least partially achieve this objective.

Our research has allowed us to clarify the paradoxical support of the presence of Team Leaders in the context of self-managed teams. If the introduction of self-managed teams took place simply as a means of broadening, rotating and partially enriching working tasks with the aim of reducing the number of hierarchical levels (without changing the hierarchical character of leadership), the presence of a team leader is not a paradox only insofar as only the facade and not the substance of the concept of self-management is applied. It is even possible to imagine that the institutionalisation of the figure of a Team Leader with a partially hierarchical role may represent a form of management reaction to the strength of the unions in Italy. In the case of the companies pursuing self-management as an objective, group leadership takes on the social role of support

and growth, and should gradually be transformed into a function exercised by more than one person in each team depending on the circumstances. However, these companies will find themselves having to manage the paradox of developing social and technical leaders who will become gradually superfluous in the more hierarchical functions. It will necessary to identify original and attractive development paths for these people.

We have also shown that the breadth of the objective underlying the introduction of self-managed teams, the breadth of the training provided and the results achieved are inter-related: only a clear organisational strategy accompanied by adequate training can allow significant results. Another interesting relationship is that between the degree of production variability, the objectives of autonomy and their partial achievement, and the breadth of the training provided: the companies that have the greatest need for flexibility because of the uncertainty and variability of the demand are those that are more actively interested in pursuing the idea of self-management and supporting it with broadly based training.

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