
HOW TO LEAD A SELF-MANAGING TEAM*

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To get work done, many companies organize employees into self-managing teams that are basically left to run themselves with some guidance from an external leader. In fact, comprehensive surveys report that 79 percent of companies in the *Fortune* 1,000 and 81 percent of manufacturing organizations currently deploy such "empowered," "self-directed" or "autonomous" teams.¹ Because of their widespread use, much research has been devoted to understanding how best to set up self-managing teams to maximize their productivity and effectiveness. Interestingly, though, relatively little attention has been paid to the leaders who must oversee such working groups.

At first, it seems contradictory: Why should a self-managing team require any leadership? After all, doesn't the group manage itself? In actuality, though, self-managing teams require a specific kind of leadership. Even a team that is autonomous in terms of its activities and decision making must still continually receive direction from higher levels in the organization. And it also must report to that hierarchy through a person who is ultimately held accountable for the group's performance. Many managers today are expected to fulfill the role of external leader, but most receive conflicting signals regarding how to go about it.² Should they, for instance, be involved in their team's decision-making process? If so, how should they participate without detracting from the group's autonomy?

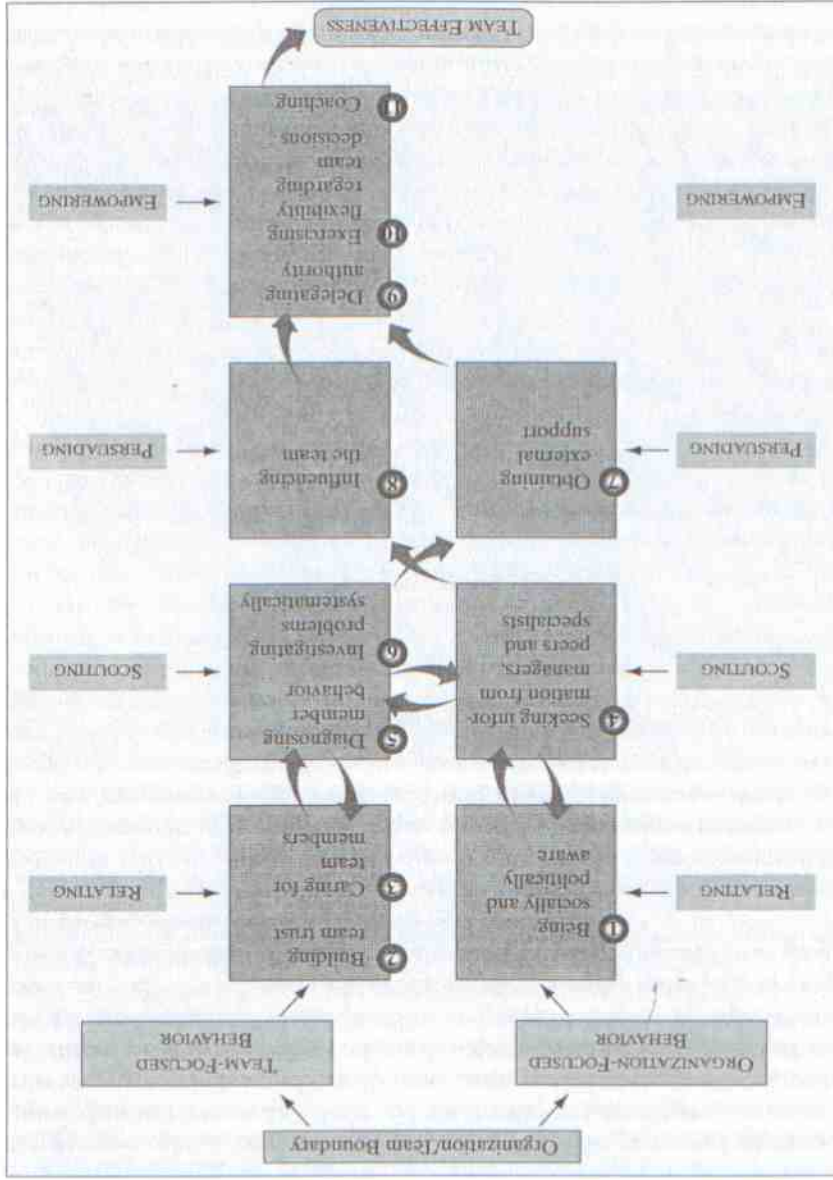
To investigate such issues, we conducted a study of 300 self-managing teams at a large manufacturing plant of a *Fortune* 500 corporation. (See "About the Research.") We investigated both average- and superior-performing external leaders at that site to determine the behaviors that separated one group from the other. Our research has shown that, contrary to common perception, the best external leaders were not necessarily the ones who had adopted a hands-off approach, nor were they simply focused on encouraging team members in various ways.³ Instead, the external leaders who had contributed most to their team's success excelled at one skill: managing the boundary behaviors that can be grouped into four basic functions: relating, scouting, persuading, and empowering. (See Figure 1.) External leaders who excelled at those capabilities were able to drive their teams to superior performance.

MANAGING IN NO-MAN'S LAND

As recently as the 1960s, self-managing teams were practically unheard of. Indeed, an early experiment by General Foods Corp. to deploy self-managing teams on its Gaines dog-food production line more than 30 years ago was something of a sensation. Even

FIGURE 1 The Work of the External Leader

External leaders must perform 11 behaviors that can be grouped into four categories: relating, scouting, persuading, and empowering. The behaviors are distinct but mutually reinforcing, and they require the external leader to continually cross the border between the team and the broader organization. In this model of external leadership, social and political awareness of the broader organization provides access to the individuals and groups that can help the leader best meet the team's needs; strong relationships allow the leader access to information in the team and the organization, which aids the leader in making sense of the needs of both parties; good information enables the leader to encourage or persuade the team to behave in ways that facilitate the organization's effectiveness; and the sense of control afforded by that influence allows the leader to empower the team more fully, resulting in greater team effectiveness.



average" status of the leaders, coded all transcripts for the presence of the 11 behaviors and determined the reliability of the codes. The mean reliability was 92 percent. Statistical analyses also revealed that 10 of the behaviors were demonstrated significantly more often by the superior-performing leaders. (The exception was "diagnosing member behavior," which was demonstrated often by both average and superior performers.)

To help interpret the findings and to develop our model of how these 11 behaviors emerge as the process of effective external leadership, we also spoke with a total of 90 team members: 52 in focus groups and 38 in one-on-one interviews. We supplemented that information with interviews of the 10 managers to whom the external leaders reported, and we also collected information via questionnaires from the broader group of senior managers and directors at the plant.

Furthermore, we later examined the applicability of our findings by interviewing external leaders at other organizations and in different industries, including those for product-development groups in a design organization and executive-level teams at a bank, a health-care organization and a manufacturing company. This subsequent work suggests that our results have broader applicability for any leader of an empowered team, regardless of the group's level or task.

Unfortunately, that lack of consensus generally remains today. Prior to and since our study, we have found confusion about the external-leader role in other companies and at all organizational levels. Consider the senior executive of a large Midwestern bank who desperately wanted to empower his team of high-level bank executives but was unsure how to go about that. When he attended meetings, he felt team members relied too heavily on his opinion, but when he stopped going to meetings, he felt stuck in an information black hole. Even with his many years of experience, he really did not know how to manage that group.

The problem is that a self-managing team requires leadership of a very different sort. Researchers agree that the external-leader role is more complex than the traditional manager role.⁷ This is true partly because the typical external leader is in charge of several self-managing teams at any one time. (In our study, they were responsible for as many as eight.)

More important, the external leader absolutely must avoid any heavy-handed attempts at managing. Case studies have shown that external leaders who struggle with their role usually end up exerting too much control, which then undermines the self-managing team's ability to get work done.⁸ Because of that and other issues, various researchers have labeled external leaders as the most common impediment to the success of self-managing teams.⁹

Confusion about the role of the external leader might be tolerable if that function weren't so crucial, but a variety of studies have shown that the success of a self-managing team greatly depends on its external leader.¹⁰ A newly created group, for example, often needs both effective coaching and a champion who can represent its decisions to other executives in the organization. Teams also depend on external leaders for help in acquiring resources. That's why it's common to see an underperforming team successfully turn itself around with only the change of its external leader—or to see a once-great team suffer after its external leader departs.

FOUR FUNCTIONS, 11 BEHAVIORS

Although the essence of a self-managing team is autonomy, the quality of its link to the organization is pivotal to success. Some external leaders perform that role much better than others, with the superior ones tending to excel at relating, scouting, persuading, and empowering. Each function requires specific behaviors, of which there are a total of 11. In Figure 1 the relating activities are shown at the beginning of the process because, without the formation of those relationships, external leaders will find scouting difficult. Scouting, in turn, equips external leaders with the information they need to persuade. And various aspects of scouting and persuading help pave the way for greater empowerment of a team, which then contributes to the group's ultimate effectiveness.

The well-known key to making self-managing teams work is to delegate considerable authority to the group, granting it tremendous flexibility in making its own decisions.¹¹ What is less well-known are the kinds of leadership activities and behaviors that are needed to build the foundation for team empowerment. Relating, scouting, and persuading are those critical building blocks.

Relating

External leaders must continually move back and forth between the team and the broader organization to build relationships. Success in this area requires three behaviors: being socially and politically aware, building team trust and caring for team members.

Being Socially and Politically Aware During our research study, we heard stories of both team triumphs and irritations. In one case, an external leader recounted the time he allowed one of his teams a freedom that was inconsistent with the company's informal policies. Later, he was taken aback by the backlash he experienced from his peers in the organization. Recalls the leader, "This person sends a note to my manager, to his manager and to my colleagues . . . saying, 'Since when did this policy change?' " The leader was also vehemently attacked by another team leader for his "ineffective supervision."

What happened? Clearly, the incident suggests a lack of political awareness: The leader simply didn't anticipate the impact of his decision on others. Nor did he perceive the need to build a broader consensus. Incidentally, in our study the performance of that leader had been categorized as average. By contrast, the superior external leaders had consistently demonstrated an understanding of the broader organization, including the individual concerns and decision-making criteria of important constituencies, such as the engineering and human resources groups. As one superior leader bluntly put it, "I've got a good rapport with all those groups, and most things I ask for get done. . . . You can get moved to the top of the list for things in a hurry if you're not [upsetting] people."

Building Team Trust Superior external leaders also consistently recognized the value of building good relationships with their teams, even to the point of achieving insider status. Given that the leaders had little time to spend with any one team, such acceptance was far from automatic. In fact, one leader in our study was impeached by her team members, who did not trust that she had their best interests in mind. Contrast that with the experience of another leader who, when his team complained of problems

