

Teaming Up

Making the

Transition

to a

Self-Directed

Team-Based

Organization



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4

New ways to Work

Changing the Communication Patterns

This chapter actually begins discussing the process – beyond thinking, considering, and pondering – of a transition to a true-team organizational structure. Here are ways to work that one can start to use tomorrow morning. These ideas can be implemented, whether or not an organization proceeds toward a total “team up” plan. Any organization acting on these ideas will be moving toward greater employee empowerment .

Before the specific “how to’s” begin, consider the experience of Gary Henrie, formerly clinical director and currently Executive Director of South Central Counseling, a Nebraska mental health center. With a number of locations serving ten rural counties, the center provides rehabilitation and outpatient services to mental health clients, and runs substance abuse, foster care, and residential services programs – a full gamut of services in the social service field. Often, team structures are thought to apply only in manufacturing, although in fact they are growing in appeal to service industries. But in the social service fields, where there are often diverse missions within the organization, teams are often discarded as unwieldy and impossible.

But Henrie sought outside assistance just after assuming the top spot at an agency that was “floundering and in chaos. Bad morale was the only morale. I questioned my sanity in even taking the [Executive Director’s] job. I knew I had to find a direction.” Henrie was also concerned about the agency’s survival in the wake of health care reform and how to be adequately prepared for the future. Henrie found himself wondering what he could do.

He called one of the authors (Darrel Ray) looking for total quality management. After a subsequent one-day training, Henrie did what is about to be described. In the end, he continued on through the process to a true self-directed work team structure. But he began with the team structures described in this chapter. For South Central Counseling, and any organization, these team structures help make the shift from a traditional top-down management system to one that supports a team approach. Gary Henrie began here, found these things worked, and continued on through the process, challenges notwithstanding.

How can any traditional organization transition from the nonsupportive top-down human infrastructure to high-involvement/high-performance management systems without creating chaos or damage? By developing the trust-building structures and using the meeting guidelines that will be described in this chapter over a six-month period, management can set the stage for increased employee empowerment and take the first steps toward self-directed work teams.

Management consultant Cheryl Highwarden has said, "If you change the patterns of communication, you change the culture of an organization." The trust-building structures are designed to change the patterns of communication within an organization. Destructive patterns of communication can be changed rapidly using these structures. This does not mean there will be no resistance or anger related to the changes, especially among more traditional employees and managers. Resistance is a fundamental aspect of any change effort.

Much of what this chapter deals with is meetings and "meeting behavior." Meetings are where a good deal of an organization's communication takes place. In any high-performance organization, meetings are an investment to ensure clear communication, educate the participants, coordinate activities, and make decisions. It is easy to see meetings as so many people do: a waste. The more positive, and team-supportive, meeting mien: an investment which must be managed, as must any good investment, to get the best return.

All three trust-building structures are based upon the notion that every employee should see the organization from one or more levels above their current position. Employees who see the organization as it is seen from a higher position (that of their boss or their boss' boss) are more able to fit their efforts to the needs of the organization. They have a broader view of the organization's mission, and better understand the challenges which management faces in making an organization efficient, effective, productive, and profitable.

Open Meetings

The first trust-building structure is open meetings. From the day they begin, managers will no longer go behind closed doors and make decisions that affect other team players without letting them into the meeting. For too long, management has closed its doors to employees when it came time to make decisions. This practice has led to much disaffection and mistrust. Under the guidelines to be outlined here, all management meetings should be open to employees. Employees need to see for themselves that managers deal with hard decisions and are working in the best interest of the employees and the organization. By immediately implementing this structure, managers learn to deal openly with the objections of employees during the decision making. This is the very essence of employee involvement, yet it is often omitted.

Managers who take this step report the presence of nonmanagers in the management meetings changes the nature of interactions and forces managers to take a more global look at the effect their decisions have on the work force. Tony Leonardi, Vice President of Sara Lee Bakery, reported, "Open meetings allow all points of view to be heard. In many instances the hourly workers have a better understanding of the issues and problems of the line than do their management."

In one glaring example, management at corporate headquarters promised a subsidiary company that if they made their highest profit goals in fiscal years 1991 – 1992, all the management staff would be treated to a Caribbean cruise. During an opened-up management staff meeting, one of the nonmanagers raised the embarrassing question "You mean we helped you make that profit, yet you are the only ones who benefit?" This question upset some of the managers who were eager to go on the cruise. But after lengthy discussion it became apparent that a cruise would send a very destructive message to all employees of the company and probably destroy much of what they had been trying to accomplish in the transition to the true-team concept.

The management group decided to take the money (\$50,000) and let a committee of employees decide how to celebrate the company's success within some broad guidelines. The choice was a company-wide party given at a local luxury hotel for all employees and their families. The response was very positive and sent the message that management considers itself an integral part of the team. In the next fiscal year (1992 – 1993), amidst a poor economy and several negative external market factors, the company made profit improvement of 35 percent over the previous year. To add to these impressive results, profits were rising faster than sales. Such an achievement would not have been possible if the managers had taken the cruise and created widespread ill will. It was the open meeting format that made this possible.

Certain guidelines must be followed to make open meetings successful. First, meetings must be structured. There should be a system that guarantees that all employees have an opportunity to be involved in one or more management meetings each quarter. There should be at least two employees in each meeting. A single employee among managers will often be too intimidated to participate, especially when the open meetings are new to the organization. Employee representatives should be strongly encouraged to participate and give their views. They should be given the agenda in advance and be given a place on that agenda. Employees should be clearly advised of their important role and given guidelines on what is expected of them. Two particular guidelines should be explained before they come to any meeting: First, any discussion of proprietary information or personnel action may require that they leave the meeting. Second, these subjects will be reserved for the end of the meeting and management will do its best not to exclude the employees any more than necessary. Reports from companies who have implemented this procedure indicate that they rarely have to ask anyone to leave.

John Seymour, Manager of Human Resources at Standard Motor Products, Inc., Kansas Division, says, "We always have a nonmanagement person in our meetings. It engenders trust and the feeling of openness when people feel we are being honest about our business. They feel comfortable that we will be fair and aboveboard in all our dealings."

Ernest Lewis, chairperson of the United Auto Workers at Standard Motor Products (SMP) says, "Open meetings enhance communication. When the meeting is open we at least know what management is thinking, even if we don't agree with it. That means there are no hidden agendas. When you have no hidden agendas that creates more credibility for both sides."

Open meetings are an investment in educating line employees about the business while building bridges of understanding and trust. By instituting open meetings, management sends these positive messages to the work force:

1. We want your input.
2. We have no secrets from you.
3. We trust you and value your participation.
4. We want you to understand as much of the business as possible.

Shared Leadership

The second trust-building structure is shared leadership. Chances are, the same person always runs the same meeting; it is that individual's agenda that gets "worked," whether this is appropriate or not. All management groups which meet regularly should have a leadership rotation schedule. Each manager in the group takes his or her turn to lead the meeting for at least a month at a time. In some cases, a two- or three-month rotation schedule would be appropriate. Regardless of who is actually "in charge," the group takes primary responsibility for leading itself. This is a fundamental principle of self-directed work teams, yet it is rarely used in management circles. The chairperson for the meeting is responsible for collecting items for the agenda, facilitating the movement through the agenda during the meeting, following up on action items after the meeting, and any results that require follow-up. Shared leadership allows the top manager of the group to sit back and participate in the meeting as a team member rather than as "the boss." It de-emphasizes his or her power and emphasizes the need for everyone to take greater responsibility for the decisions of the group. Managers report that this technique refreshes the group, makes meetings more effective, and increases awareness of problems the whole group shares. This approach also decreases territoriality and interdepartmental squabbling, while improving group problem-solving efforts.

Gary Henrie says,

Leadership rotation has been very effective. I like it because I've learned the value of having an agenda and being prepared. It has also been a valuable lesson to the management team in learning the difficulty of managing our organization. What I value most is I get to "set back" and participate. I used to resent having to always run the meetings. Everyone says it's a better meeting, more efficient, more decisions get made and they look forward to coming. Most important, it has increased accountability.

Using shared leadership, the organization sends several positive messages:

1. We expect all managers to see the organization as a whole and not just from their narrow perspective.
2. We expect managers to involve supervisors and employees in all decision making wherever possible.
3. We expect all employees, management and nonmanagement alike, to look at the organization from one step above their own position.

Skip-Level Meetings

The third trust-building structure is skip-level meetings. Skip-level meetings help managers view the organization from at least two levels below them, avoiding the filtering effect of middle-management layers in a hierarchical and bureaucratic organization. This method has been widely practiced at General Electric with great success. At first glance the skip-level meeting appears to resemble a “focus group” – but it is not, and should not be treated as such. Focus groups are just that, “focused” on a particular issue and convened just for that narrow purpose. Skip-level meetings are not focused. They are broad information-generating opportunities. A group of five or six line workers from one or several areas is selected to attend this 90-minute meeting with the manager. No other managers or supervisors should be present.

The line workers are given an advance memo on the purpose and structure of the meeting and asked to attend. Attendance should be voluntary! Those invited are asked to talk with their coworkers and find out what they want upper management to hear. They will then bring this information to the meeting.

At the start of the meeting, the manager explains the purpose of the meeting and tells the assembled group that he or she is there to listen, not to solve problems or even to answer questions. The manager should be very clear that this is not a meeting to spy on their supervisors, nor is it a problem-solving meeting. It is an information and problem identification meeting.

During the meeting, the manager takes notes on a flip chart, so that everyone can see what is being noted. At the end of the meeting, he or she recaps the issues that seemed important to the group and promises to get back to them in writing on each and every item within 30 days. The manager may delegate some of the issues right back to the persons in the meeting, or to other supervisors or managers. After about three weeks, the manager writes up his or her answers to the employees’ concerns and distributes it to everyone in the organization. The process then starts again with another employee group.

People can be selected randomly from many areas, or the manager may wish to concentrate on a different area each month. The manager should avoid answering questions or trying to solve problems on the spot. He or she should just listen and take notes. Skip-level meetings place management in the position of having to listen exclusively, rather than to talk, tell, or explain. A different skip-level meeting should be held every 30 days.

In the beginning, this process will be extremely threatening to middle management. They may feel they are being spied on, and often middle managers have even less trust of upper management than line employees. It is important for the upper management to stay focused on problems, not people. Middle management should be reassured of the purpose and intentions and encouraged to have their own skip-level meetings, if appropriate.

Above all, upper management should never use information gathered in skip-level meetings for discipline of a supervisor or manager. This will build great distrust among all concerned. Remember we are talking about an activity designed to build trust. If the information is handled competently by upper management, the process will breed trust, as well as faster resolution of organizational problems.

Managers and meeting makers should be warned that for the first three to four months the meetings will tend to be “moaning and complaining sessions.” Many points of view and issues raised will appear to be petty grievances. Groups seem to need to get this stuff off their collective chests and at the same time are testing to see if management is truly listening. By about the fifth or sixth month, employees will stop complaining about petty things and “get serious.” Managers are often very surprised at what they learn about their organization from these meetings.

Gary Henrie says this about skip-level meetings:

I always thought I had a good relationship with staff but when I meet with them in a group setting with no managers around, it is amazing what I learn. I think it has done a lot to build integrity between management and line staff and it gives me a different perspective. They see action on the issues they bring up and that also reinforces the integrity. It's not just promise and forget.

Skip-level meetings are an investment in direct and more effective communication between management and management's internal customers. In addition they provide significant intelligence gathering about how the organization is performing in the eyes of those who produce the service or product. Copies of all skip-level meeting responses go out to every team or are available to each person in the organization. Skip-level meetings send many positive messages to the organization:

1. We want to hear from you about your concerns.
2. We will get back to you – in writing – and everyone will know the results because we have nothing to hide.
3. We will not solve every problem, but we will acknowledge your concern.
4. Management no longer will remain isolated from the hassles of the system it has created.
5. We want to identify and solve problems, not blame people.

Meeting Guidelines, Including the 59:59 Rule

The fourth practice, implementation of meeting guidelines, concerns management of the investment in meetings. Effective meetings are a discipline which should pervade the organization. The guidelines, listed below, are intended to help all managers and meeting-makers gain control of their meetings and use the time effectively.

1. This first guideline is called the 59:59 Rule. Using it can cause some startling changes, but it sets an important tone in making new communication patterns. The rule is this: All meetings will conclude in no more than 59 minutes and 59 seconds, at which time all persons are expected (not encouraged) to leave. All too frequently, meetings run 10, 20, even 30 minutes overtime, causing many small disruptions in everyone's schedule, which then cause other problems to ripple through the system. Overtime meetings alone cause vast amounts of hidden waste. As self-directed teams begin to function, they will be expected to have weekly meetings. Management must model this practice if it expects the teams to do the same.
2. All meetings will start on time. Period. Once promptness is the only expectation, everyone will be prompt.
3. Should a meeting require more than 59:59, the specific amount of time will be agreed upon in advance (e.g., 1:59:59) and all will be expected to leave at the end of that time.
4. All meetings will have a written agenda in advance. Anyone in the meeting may put items on the agenda with the chairperson.
5. Any discussion of items not on the agenda will be left for the end, if time permits.
6. Specific problems which need to be addressed should be given to subgroups who develop a proposal for presentation to the whole group. Do not waste time solving a problem in the large group, when a smaller group could resolve it just as effectively.
7. Do not waste time discussing issues which concern less than 70 percent of the people present.
8. A meeting can last less than 59:59.

Management must demonstrate an ability and willingness to use these less sophisticated tools before self-directed teams can proceed effectively. An organization which cannot learn to practice these, or similar tools, diligently over at least six months has no business trying to implement self-directed work teams. Conversely, using these trust-building structures and meeting guidelines, a company can go through the transition from traditional management to high involvement with much less turmoil, while building a strong foundation for self-directed teams.

The latter is exactly what Gary Henrie did. After a one-day training at his agency he began to institute the trust-building structures and meeting guidelines. After they were in place and showing clearly positive results, Henrie believed he had begun a process of employee empowerment that he wanted to see through to its conclusion of true teams. His organization moved forward with structures in place that supported a new human infrastructure.

To recap, so far this chapter has discussed steps which can, and should, be taken before implementing self-directed work teams: developing a tradition of open meetings, practicing shared leadership, using skip-level meetings to encourage better information flow to the top, structuring meetings and using the 59:59 Rule. Also important is changing the system of performance appraisal for managers (this will be covered in Chapter 6). Taken alone, these are useful and often effective techniques. Taken as a whole, they are a technology designed to support highly effective communications within an organization. Dale Hughes, purchaser at Standard Motor Products, Inc., summed it up this way: "It's like going from a string and two tin cans to fiber optics. We communicate far better now."

If this level of technology seems impossible to an organization, self-directed work team technology will be even more difficult to implement. Think twice before going beyond this level. When management demonstrates its ability to open up the communication structure within the organization, the work force will become a more active and positive ally in the change process. Workers are much more impressed with managers who "get in the boat" with them than those who try to keep one foot on the shore while talking about getting in the boat.

Before the boat sails toward a team structure, and perhaps about the same time an organization begins using the trust-building structures, two issues will surface.

Two Key Issues: Pilots and Consultants

Managers often ask, “Is a pilot program a good way to begin the process?” The response is simple, though not often well received: No! Pilot programs generally do not work over the long run. The idea implied by the term pilot program is “If it does not work, we will scrap it.” This is not a message of commitment from management.

Pilot teams have been successful over as much as three years time. However, in virtually all organizations, efforts to develop other self-directed areas never took hold until the organization made a major commitment to the process and began changing the human infrastructure so that it would support the team concept. Implementation of the trust-building structures and meeting guidelines begins the changes that need to be made to establish the new human infrastructure. They are the beginning of a process that takes commitment and time on the part of the organization. To expect one small corner or single unit, even if it experiences success, to be a “laboratory” for the entire organization is to expect the impossible, for reasons that will be detailed below. Further, without the support of changes in the entire infrastructure, any conclusions based on the “pilot” experience, whether positive or negative, are just not useful enough.

Pilot programs generally work in a limited area or time frame, but not for the reasons management believes. A pilot program has the blessing and protection of management. Participants are often volunteers or are hand selected by management. The pilot is given resources and latitude which no Type I group (leader centered/leader focused) is allowed (see Chap. 1). However, a pilot group often looks and functions more like a Type IV group (self-led/time focused) than a true Type V self-directed team. The positive results these teams get are real, but this does not mean that these results can be reproduced in the larger organization.

Often the results a pilot group shows in 4 to 8 months are largely the result of the Hawthorne effect. This term refers to research done in the 1930s at the Westinghouse Hawthorne plant. The researchers discovered that simply paying special attention to workers can get strong positive production results, and they dubbed the phenomenon they observed the Hawthorne effect – something like the placebo effect in medicine. In a pilot program, it is often impossible to tell what part of the results are real and what part are Hawthorne effect. If the pilot goes on for 18 months or more, true results may become clearer. However, in 18 months an entire organization could be well down the road to implementing self-directed teams and showing concrete results. Why waste 18 months on a test that does not really test anything?

Management frequently uses pilot programs to hedge their bets. If it works, great! If it fails, then they can disavow responsibility for it. The work force and middle management sense this lack of strong commitment to a pilot program. This can sour the entire environment. The employee sees management saying “Get in

the boat and go across the river; if it is safe, then we may all get in with you.” This sets others up for risk of failure which management is not itself willing to take.

The most important success component is one or more key top managers who are willing to put themselves in the boat with the work force with an unequivocal commitment to true self-directed teams, and all that is required to make them work. As ODT, Inc., Senior Associate Gil Gonzalez is fond of saying, “You can read all the books on swimming, but sooner or later you have to get in the water if you want to learn how to swim.” Until employees see management right in the water with them, they will not believe management really wants to learn how to swim.

The most harmful part of a pilot program is its negative impact on the rest of the organization. To understand this is to understand the nature of resistance in organizations. Organizations are similar to organisms. Organisms resist harmful viruses and bacteria to protect the body. This is the best strategy in virtually all cases. Unfortunately, the body does not always discriminate between harmful, benign, and helpful environmental agents. Allergies are an example of the body resisting something which is not harmful. In a more critical example, an organ transplant, the body may actually die without the new kidney, bone, or heart. Yet the body will attack this intruder as vigorously as any deadly bacterium or virus. Resistance is good most of the time, but can occasionally be harmful to the overall health of the organism – or even fatal.

Organizations are the same. When a new idea is introduced it is resisted. Ideas, like germs, can be harmful or helpful to the organization. Even if only every good idea was adopted, there would be chaos. But, some ideas really are good for the organization. Self-directed work teams may be the best thing for an organization, but a pilot program is one way for the whole organization to develop effective anti-bodies before the idea spreads. As the pilot program is in progress, middle managers, union officials, and even resistance-prone upper managers, watch it to learn weak points. They often use this information to build alliances within the organization. Entire groups of middle managers can become convinced that self-directed work teams will not work in their area and will effectively sour the work force on the idea long before it ever arrives.

There is a more effective way to implement self-directed teams. First, if management is truly committed to the concept, then the issue of working or not is a moot question. The more important question is “How committed is management to the process?” A large high-tech firm has developed a plan of implementation which identifies entire offices of 100 people or more. These are called first application areas. The company has made a clear commitment to the method, indicating that this is the direction the company will be going, although some offices will go before others. This rollout method, with clear management direction from the start, is much more likely to succeed. The company had tried isolated pilot teams for three years with great success for those individual teams,

but less success in gaining acceptance in other areas. By using first application areas, the company gains valuable experience with the process in these areas, which will be useful as the second application areas begin six months later. In this way the company gains the benefits of a pilot project, without the negative messages that engender strong organizational resistance.

But there will be resistance. No matter what method is used, there will be resistance. Much of this opposition can be avoided or reduced by clearly demonstrating management's strong commitment to the process through the use of the trust-building structures, and of other structures to be discussed later. These steps are more effective than any pilot program, as they cut a wider swath through any organization.

When the process actually begins, many organizational leaders will advise selection of a strong, experienced outside consultant. Very few organizations have the experience and expertise required to implement self-directed work teams without assistance. Implementing true teams without outside expert guidance can be like trying to do major surgery on yourself. It doesn't work well. In an effort to keep brief a discussion that may be perceived as self-serving, consider the following:

- Upper managers are not able to see how their behavior affects the process. The change to teams is a form of organizational surgery. It is impossible to be objective about one's own body. Remember the old saying "A lawyer who defends himself has a fool for a client." What looks easy to an observer is fraught with hidden steps and procedures. Objectivity is essential.
- Few people in management have had extensive experience with teaming up. There are some good books on the subject. But would anyone get into an airplane with a pilot who had read all the books but had no practical flying experience?
- Without guidance some things will be emphasized too much, others not enough. A good consultant can help level out this process and ensure a smoother transition. Lack of experience can lead to over-simplification and missing important ingredients.
- Even those internal consultants with much expertise have a hard time instructing management in the process. Strong internal consultants are a great asset – in fact, are essential to make the transition – but they generally have difficulty telling their bosses what those bosses may not want to hear. Internal consultants want to keep their jobs as much as anyone.
- Outside consultants can remain objective about management-union issues. A consultant can also help management and union negotiate the tricky contract issues which arise in the transition before a new contract is actually negotiated.

An experienced and strong outside consultant, who has seen myriad variations of and challenges to implementation, will save an organization thousands of

dollars, hundreds of hours, and much heartache.

How does one choose an outside consultant? At this time in the development of self-directed work team technology, there are few people who have actually seen the process from start to finish. Since the true-team concept has only penetrated the organizational universe in large numbers in the last six to eight years, few people can have seen the process many times. While there are many consultants in the United States, there are very few who have sufficient experience with a total team management structure to guide an organization successfully through the process.

Here are some simple guidelines in looking for a consultant:

- Look first, and most importantly, at their practical credentials, not just academic degrees. Where have they implemented teams in the past?
- Interview some of the companies where they have already implemented self-directed work teams. Find out the process they used, and how successful it has been.
- If there is a union, make sure the consultant has experience implementing in a union environment. Many unions have become very supportive of the process, but only if they see the ultimate goal as fair to their members.
- Look for concrete results in less than two years time. Ask to see documentation that clients have in fact improved performance in some meaningful way. Many companies publish in-house newsletters which chronicle the process quite clearly for their organization. If these are available, look them over to get a sense of the way the process will unfold.
- Before the consultant is hired, know who will actually be doing the work. Some consulting firms show the “big guns” when selling the job, then send in others to do the work. There is nothing wrong with this, since many of the top consultants will not be able to be involved in all aspects of a project. But make sure there is trust with the people who will actually be doing much of the daily work. Find out their experience level with the process, not just that of the senior consultant.

Enough said about hiring an outsider to help with this transition. With or without – now it begins.