The Impact of Redesigning Hierarchical to Self-Managed Work Teams on Team Performance

Abstract

An emerging paradigm shift has been pervading the work climate of many contemporary organizations—the gradual reconfiguration of hierarchical work teams to self-managed work teams or SMWTs (Druskat & Wheeler, 2003; Manz, 1992). Despite the growing popularity of SMWTs throughout the years, there is a paucity of research that examined the relative effectiveness of this new form of team structure than its traditional counterpart in producing high-performing work teams. A cross-sectional study investigated the team-based performance of newly implemented SMWTs versus the existing hierarchical work teams that performed the same type of work in an electronics manufacturing company in Cebu, Philippines. The findings revealed that team performance is significantly greater among engineers in SMWTs than among engineers in hierarchical work teams. Nonetheless, causal inferences cannot be drawn due to the cross-sectional nature of the study design. Together, insights are offered to elucidate the benefits entailed of this organizational transition from hierarchical work teams to SMWTs in enhancing team performance.

Keywords: SMWTs, hierarchical work teams, team performance
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Through the years, there has been an increased acceptance in implementing work teams into the organizational structure. The basic premise of accepting teams into the workplace is that they increase organizational performance and that they provide better opportunity for the attainment of organizational objectives (Ilgen, Hollenbeck, Johnson, & Jundt, 2005; Ivancevich, Konopaske, & Matteson, 2005). Many organizations have overhauled their work processes and procedures to accommodate teams for this underlying reason—teams have rendered the efficiency of conventional individual orientation in question. Employees are purposefully organized and coordinated into teams to redefine the way work is carried out and to innovatively tap the abilities of respective human resources the organization possesses.

As modern firms have grown in size and become more structurally complex, the need for groups of people who work interdependently to enact organizational aims has become increasingly vital (Ilgen et al., 2005). Understanding the dynamics of work interdependence that pervades organization requires disentangling its different facets (Hollenbeck & Spitzmuller, 2012). In the extant literature, one of the most extensively studied dimensions of team interdependence is on decision-making (e.g., Burns & Stalker, 1961; Johnson et al., 2006).

A great deal of crucial decision-making functions in the workplace are often carried out by work teams that are structured hierarchically, given the pervasiveness of these forms of teams (Brehmer and Hagafors, 1986; Humphrey, Hollenbeck, Ilgen, & Meyer, 2002; Magee & Galinsky, 2008). In a hierarchical structure, there is a coordinator or leader who oversees the entire process, in the context of teams (Bonaccio & Dalal, 2006; Humphrey et al., 2002). The mainstream hierarchical structure among contemporary organization in array of industries however, has been
With an organization utilizing SMWTs that possess all the highly-needed technical skills plus the authority in making decisions, it has a long way to go in successfully thriving in a globally competitive business environment. Yet, in blazing new trails to this promising work team innovation, an organization must also consider that it takes sustained time, effort, and resources to implement these types of teams and reap their rewards.

References