

Where Do We Go From Here?:

Is Shared Leadership the Key to Team Success?

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In this special issue, we have brought together a lineup of some of the world's leading authorities on "The Ins and Outs of Leading Teams." The topics they addressed ranged from creating and leading teams in the boardroom, to leading virtual teams, to leading team boundaries and connections. The common theme that emerged from their observations is that we are in a new era – one that requires a radically different approach to influencing teams and teamwork. More specifically, the most recurrent theme that the authors identified is that leadership is more than just a role; it is a social process that requires team leadership from team *members*, as well as from the team leader. This idea – generally described as shared leadership, a term frequently used throughout this special issue – has been gaining significant traction in recent years, with practitioners and scholars alike. And there is a growing body of scientific evidence to back up such views.

WHAT IS SHARED LEADERSHIP?

The concept of shared leadership, of course, flies in the face of the traditional idea of how companies should operate: One person in charge, and the others follow. But in a team of specialists, for example, one expert usually does not have the know-how to understand all the facets of the job at hand. Instead, a better approach is to share the duties, so the person in charge at any moment is the one with the key knowledge, skills and abilities (KSAs) for the aspect of the job at hand. When the KSAs requirement changes, a new expert should step to the fore. In this article, we share some preliminary insights from our in-progress, multi-organizational study of shared leadership – labeled "Share the Lead" – to help put an exclamation point on the kind of ideas included throughout this special issue.

Shared leadership is a dynamic, unfolding, interactive influence process among individuals, where the objective is to lead one another toward the achievement of collective goals. This influence process often involves peer influence and at other times involves upward or downward hierarchical influence.

The fundamental distinction between shared leadership and traditional notions of leadership is that the influence process is built upon more than just downward influence on subordinates or followers by an appointed or elected leader. Shared leadership entails broadly sharing power and influence among a set of individuals rather than centralizing it in the hands of a single individual who acts in the clear role of a dominant superior.

Historically, leadership has been conceived around a single individual – the leader – and how that person inspires, entices, commands, cajoles and controls followers. This has been the dominant paradigm of leadership for many, many decades, and this slanted view has been reinforced by popular media coverage of prominent leaders. In recent years, however, a few scholars and some practitioners have challenged this conception, arguing that leadership involves roles and activities that can, and should, be shared among members of a team or organization. For example, depending upon the demands of the moment, individuals who are not formally appointed leaders can rise to the occasion to exhibit leadership and then step back when appropriate to allow others to lead.

WHY SHARED LEADERSHIP NOW?

Why has the interest in shared leadership suddenly increased? For one thing, competition, be it domestic or global, is driving firms toward new forms and new modes of organizing – and teams are central to this perspective. For example, in a recently completed study of *inc. 500* companies, the authors found the leadership of the chief executive officers (CEOs) important, but that the truly high performing companies were the ones who organized in teams and practiced effective shared leadership.

Tom Davin, CEO of Panda Restaurant Group (one of the firms included in our "Share the Lead" project) – owner of the famous Panda Express chain of restaurants – explains it this way: "If we are going to address the opportunities we face now and will face in the

future, it is by leveraging our individual talent through disciplined teamwork and shared leadership.” In fact, Panda is very purposeful about developing shared leadership. One mechanism they use involves creating temporary cross-functional teams to tackle important organizational issues as part of the development of their rising stars. This program began back in 2000, when then CEO Peggy Cherng, wife of the visionary founder, Andrew Cherng, came to the Peter F. Drucker and Masatoshi Ito School of Management and asked us to create a custom executive education program to groom their talent pool. They have more than quadrupled in size in the interim and currently have more than 1200 locations across the U.S.A. Says Davin, “We are very focused on the leading indicators of success – things like guest satisfaction and associate development – and are confident the lagging indicators, the financials, will follow. Our strategy of focusing on people has worked brilliantly so far.”

What distinguishes many cross-functional teams from traditional organizational forms is the relative absence of formal hierarchical authority. While a cross-functional team may have a formally appointed leader, this individual is more commonly treated as a peer. For example, outside of the team, they often do not possess hierarchical authority over the individual members. Moreover, the formal leader is usually at a genuine knowledge disadvantage. After all, the purpose of the cross-functional team is to bring a very diverse set of functional expertise and experience together. The formal leader’s background normally represents only one of the numerous functional specialties at the table. The leader is therefore highly dependent upon the knowledge of all team members. Leadership in these cross-functional team settings is therefore not determined by positions of authority, but rather by individuals’ knowledge sets and consequent abilities to influence peers, in accordance with needs of the team in any given moment. Accordingly, at various moments in a team’s life, there will be situations when these differing backgrounds and characteristics provide a platform for leadership to be shared among the members of the team.

Let us return to the cross-functional teams at Panda. These teams have taken on a variety of projects over time, ranging from developing optimal opening and closing procedures for stores, to enhancing the catering systems, to developing training programs for new managers, to creating the prototype of their executive dashboard, to capturing ways to identify their cultural values and inculcate them throughout the firm. According to Megan Griffin, who was the coordinator of the executive program at Panda headquarters, “It is phenomenal to see their [the cross-functional teams] creative energy take over when they are working on these projects. We see this intense collaboration and negotiation unfold between the

members. The operations folks seem to ensure their projects remain realistic and doable, while the marketing people provide leadership on how to sell their ideas and the information technology members take the lead on ensuring the teams have technical support. It truly is shared leadership in action.”

Beyond the organizational demands for team-based work arrangements, there is a parallel demand for leadership to be more equally shared up and down the hierarchy. This need for shared leadership is being driven by several forces. The first is the realization by senior-most leaders that they do not possess sufficient time or enough relevant information to make all of the decisions in a fast-changing and complex world. Individuals down the line, in many instances, are more highly informed, and therefore in a better position to provide leadership. Take, for example, the challenge of keeping a firm current regarding information technology, with a shelf life measured in months. It is nearly impossible for any individual to be completely aware of the full range of developments coming down the pike. This is exactly the type of scenario where we might effectively draw upon leadership from below, and this same example similarly applies to the case of organizations that require fast response time.

Speed of response to environmental pressures that are today far more turbulent than in the past is now a striking organizational reality – especially since the global financial crisis. This demand suggests that organizations cannot wait for leadership decisions to be pushed up to the top for action. Instead, leadership has to be more evenly shared across the organization to ensure faster response times to environmental demands.

The final force driving the need for shared leadership has to do with the complexity of the job held by the senior-most leader in an organization – the managing director or chief executive officer. For instance, in 2001, Cisco Systems Inc. experienced severe financial difficulty. Reflecting on that time, CEO John Chambers stated, “All decisions came to the top 10 people in the company, and we drove things back down from there.” Now Cisco has a deliberate strategy of engaging shared leadership, with impressive results. According to Chambers, “The boards and councils [we created] have been able to innovate with tremendous speed. Fifteen minutes and one week to get a [business] plan that used to take six months!” CEOs are hard-pressed to possess all the leadership skills and knowledge necessary to solely guide complex organizations in a dynamic and global marketplace.

Share the Lead: How Successful Organizations are Doing It

Given the strong historical emphasis on a definition of leadership that stresses the hierarchical leader

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