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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

exerting downward influence on followers, a natural question is, "Can leadership be shared effectively?" This is, in fact, the primary focus of our "Share the Lead" project. In addition to Panda, we have identified several organizations from around the globe that are on the cutting edge of implementing shared leadership.

Take the University of Maryland Medical Trauma Center, for instance. There they employ a sophisticated system for engaging the leadership capabilities of all relevant players. Leadership in a crisis situation – which is by definition an overriding feature of the kind of work performed at the Trauma Center – is often thought to be different from ordinary day-to-day leadership. The issue of urgency becomes paramount, especially when human life is at stake. The question is whether shared leadership is appropriate under crisis conditions. The reality is complex; the ebb and flow of leadership from physician to intern to nurse to anesthesiologist is dynamic and rapid in this organization. All bring their full capabilities to the task. And this is why the University of Maryland Medical Trauma Center has such a strong reputation for developing highly capable physicians. They are indeed sharing the lead.

One of the more fascinating organizations in our study – one that is hyper-altruistic, if we can use that term – is Alcoholics Anonymous. Alcoholics Anonymous is founded on the very principles of shared leadership. Following are several excerpts from the Twelve Traditions – not to be confused with the Twelve Steps – of Alcoholics Anonymous: "Our common welfare should come first; personal recovery depends upon A.A. unity. . .Our leaders are but trusted servants; they do not govern. . .Each group should be autonomous except in matters affecting other groups or A.A. as a whole. . .Every A.A. group ought to be fully self-supporting, declining outside contributions. . .Alco-Alcoholics Anonymous should remain forever non-professional." Alcoholics Anonymous has no designated leaders; there is no hierarchy: They are self-governing and practice an extreme form – perhaps the most extreme form – of shared leadership.

Returning to the for-profit world, Southwest Airlines Co. (another firm in our study), is the only continuously profitable U.S. airline over the past three decades. What is their secret? According to Jim Parker, former CEO of Southwest, "Many people think that the source of our success is our cost structure – that we pay our people less than our competitors – but that simply is not true. The real source of our competitive advantage is our culture, which is based firmly on the principles of distributed and shared leadership." Further, Colleen Barrett, recently retired president of Southwest, wrote to us, "As you are probably aware, Southwest likes to 'color outside the lines,' which also makes it more effective." Southwest is clearly an organization that both encourages and expects shared leadership.

Red Mountain Retail Group is another interesting firm in our study. Founder and CEO Michael Mugel is anything but typical. He is a very successful entrepreneur. After his first successful venture he became a self-described playboy, lush and runabout. After years of what he characterized as an unhealthy lifestyle, he rededicated himself to doing good. . .by establishing Red Mountain Retail Group. He founded the organization on the principle of developing deep human connections. At a recent Red Mountain Retail Group retreat, the phrase of the day was, "let's have a critical conversation." The level of interpersonal sharing and connection was astounding. And the organization leverages these kinds of deep personal connections into seamless shared leadership.

At yet another of the companies in our study, which chooses to remain anonymous, the leaders of some of the high performing teams we interviewed described their purpose from a variety of perspectives. One stated "my most important role is for building the team – getting them to interact without being directed" while another team leader explained, "you have to play cheerleader sometimes [and] you have to be careful not to be a dictator." Yet another team leader perhaps summed up his new role best: "I have told them their goal is to replace me."

Through our project we have also discovered a growing number of experiments where leadership is being shared at the very top. For example, the leadership team of Procter & Gamble Co., with recently retired CEO A.G. Laffley, clearly practices shared leadership, and it has long been the driving force of their competitive edge in the fast-moving consumer products industry. In Korea, on the other hand, under the guidance of CEO H.K. Moon, Yuhan-Kimberly vaulted into the No. 1 paper-products industry position through the purposeful application of shared leadership – at the top echelons as well as up and down the hierarchy. Our study has made it clear to us that a powerful set of dynamics within organizations, around the globe, are fostering the necessity for shared leadership across all levels.

In one final example from our study, Herman Miller Inc. engages shared leadership to help assure that creativity, innovation and influence come from the people and teams whose input are most needed at any given time. Everyone is involved in the leadership process when and where he or she is best able to contribute. Herman Miller relies on the idea of "Roving Leaders" to establish this free flowing flexible leadership orientation. Perhaps former CEO Max DuPree put it best when he said that leadership "arises and expresses itself at varying times and in varying situations, according to the dictates of those situations. Roving leaders have the special gifts or the special strengths or the special temperament to lead in these special situations."

We go into much more depth in describing the shared leadership of the aforementioned organizations, and many others, in our forthcoming book entitled *Share the Lead,* to be published by Stanford University Press. In the companion article that follows this capstone article of the special issue is a deeper look into one of the organizations in our study – WL Gore. Our study of Gore is but one fascinating piece of our quest to assemble the puzzle that manifests the internal workings of organizations that have truly learned how to engage human potential through the systematic development of shared leadership.

While few teams or organizations achieve a high level of shared leadership, the early evidence demonstrates that shared leadership can yield a significantly greater impact on team and organizational effectiveness than does the more traditional model of hierarchical leadership alone. The research evidence comes from a wide variety of contexts, including teams responsible for managing change in organizations (e.g., implementing new protocols, procedures and work systems), virtual teams – geographically dispersed teams that primarily interact via communication technology – and top management teams. In every case, the teams that demonstrated higher levels of effectiveness were those that engaged in higher levels of shared leadership.

WRAPPING IT UP

In summary, the early evidence on shared leadership demonstrates that it can have a powerful performance impact on, and through, teams. Nonetheless, shared leadership, we must emphasize, is not a replacement for leadership from above. It should only be considered for situations where the tasks of the people involved share a certain degree of interdependence. For example, it seems less likely that teams and shared leadership would improve the performance of independent workers, such as taxicab drivers or data entry clerks. Having said that, there are some instances where it might be helpful in these circumstances as well, such as when it is useful to redesign workflow. Shared leadership can work in conjunction with more traditional, hierarchical leadership – thereby giving an organization a more flexible, dynamic, robust and responsive leadership platform.

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The practitioner press has recently begun to tout the growing importance of shared leadership. For example, see the recent *Fast Company* article by Ellen McGirt entitled, "How Cisco's CEO John Chambers is Turning the Tech Giant Socialist" in the December 18, 2008 issue. This is the article from which we drew our quotes about Cisco. Also, see the July 7, 2008 article in the *Wall Street Journal* article entitled "Follow the Leaders" by Craig L. Pearce and the 2005 *Organizational Dynamics* article "*The New Silver Bullets of Leadership: The Importance of Self- and Shared Leadership in Knowledge Work*" (34, 130–140) by C. L. Pearce and C. C. Manz. For a deeper analysis of shared leadership see C. L. Pearce and J. A. Conger, *Shared Leadership: Reframing the Hows and Whys of Leadership* (Sage Publications, 2003). For more information on "Superleadership" or the alternative term "Empowering Leadership" see C. C. Manz and H. P. Sims, Jr., *The New Superleadership: Leading Others to Lead Themselves* (Berrett-Koehler, 2001). Finally, for a practical in-depth look into how cutting-edge organizations are effectively using shared leadership to develop competitive advantage see *Share the Lead*, by C. L. Pearce, C. C. Manz and H. P. Sims, Jr., which is to be published by Stanford University Press.

Craig L. Pearce, Ph.D., is an active keynote speaker and consultant in the areas of leadership, team and organizational development. He recently published a feature article on shared leadership in the *Wall Street Journal*. His book, *Shared Leadership*, is published by Sage Publications, and he is currently working on a book entitled *Share the Lead*, with Charles C. Manz and Henry P. Sims, Jr., to be published by Stanford University Press. He has won several awards for his work, including a 1997 award from the Center for Creative Leadership, the 2000 Barclays American Award, the 2004 Ascendant Scholar Award and the 2008 Asia Pacific Leadership Award (Peter Drucker & Masatoshi Ito School of Management, 1021 North Dartmouth Avenue, Claremont, CA 91711, United States. email: Craig.L.Pearce@gmail.com).

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