

Self Managed Teams in Nationwide Building Society.

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Self Managed Teams (SMT's) can be described as the organising of the company, or parts of it, into teams, who are given the shared authority and responsibility to plan, implement and control how team targets are achieved. Much has been written about empowerment and Self Managed Teams, and views seem to be mixed. There is a distinct lack of hard evidence about their impact in the companies that have implemented this way of working.

Nationwide Building Society's experience, is that thus far, SMT's are achieving significant measurable improvements in such key business measures as productivity, turnaround time, complaints levels, sickness days lost and overtime.

One of the first departments to work this way was the Customer service teams for mortgages and insurance. They entered into this in 1995, having already implemented a flatter working structure. They were seeking to further develop the multi-skilled nature of the teams, whilst supporting the new structure. SMT's were a natural progression for achieving both these aims. Results so far are encouraging, The measurable results achieved include:

	February 1996	February 1997	April 1997
Productivity (work items dealt with per person per day)	126	176	196
Staff Numbers	184	156	154
Work received (per day)	21,909	19,182	18,151
Work Outstanding (units still to dealt with at the end of each day)	4565	2653	2305
Sickness (Days per month)	114	24	27
Overtime (hours per month)	524	0	0
Turnaround time from work received to being dealt with)	4 days	2 days	2 days
Complaints	361	216	60

It is difficult to attribute these results solely to the good implementation of SMTs, as many other initiatives have evolved from self-managed working and contributed to these results. However, the following examples show how SMTs in practice have led to these improvements.

- It was the self managed team working that led to the teams to examine, slim-line and improve their work processes, leading in turn to faster work processing and hence the increased productivity, and lower amounts of work outstanding. Teams themselves compared their sickness and overtime volumes to the other teams, which resulted in the teams themselves controlling these issues. Often this was done using a sense of ownership and pride, which, coupled with the power of peer pressure replaced the need for the exercise of managerial power.
- A further improvement was achieved when the teams took the initiative to set up meetings with the branch staff, creating a much greater understanding of how the two can work more effectively together. Consequently the figures for work received reduced as less incorrect work was sent to the teams.

The concept of Self Managed Teams is complementary to many other moves to increase organisational efficiency whilst increasing employee job satisfaction. They work well alongside flatter structures, quality approaches, empowerment, business process redesign, multi-skilling, team working and cultural change initiatives generally.

In the customer service teams in Nationwide, we were looking for an approach that would further develop the multi-skilled nature of the teams and support the recently implemented flatter structure. There was a basic belief that those who knew best how to carry out and improve their own work were the team members themselves. SMT's is an approach which does both of these things, and has the added advantage of not only addressing business targets, but also addresses people issues such as motivation and job satisfaction.

It has not all been plain sailing; there have been, and probably will still continue to be, ups and downs. The initial response of team members and leaders was often less than welcoming. Some saw Self Managed Team working as a way of getting them to do more of the managers' work without extra pay, and for leaders there was much fear around the loss of control. While leaders were getting used to adopting new approaches, and new skills were being learnt by teams such as decision making in teams / conflict management, in some teams there was a temporary performance drop. However soon after this all teams improved their performance.

In some respects, Nationwide was among those breaking new ground when we implemented SMT's. Traditionally SMT's were adopted mainly in a manufacturing environment. The success of companies such as Michelin Tyres and Baxi heating for instance, suggested that there may be scope for adapting the concept to Nationwide. In Nationwide the multi skilled teams and the flat structure of the customer service department made Self Managed Teams an ideal approach.

Nationwide have since been introducing it to other areas of the business, including teams where multi-skilling is not possible. Although this necessitates a completely different approach, early indicators are positive. It also highlights one of the advantages to this approach, namely that SMT's can and need to be adapted to each company, department and team. The extent of self management the team takes will be different for each team, as will the start point. Occasionally a team may already be carrying out some simple decisions in a self managed team way.

Our experiences with Nationwide have led us to conclude that there are several aspects of implementation to be addressed if SMTs are to be successful. From this experience we believe that within the implementation there are characteristics that need to be understood for SMT's to work.

There need to be some clear business reasons for moving towards self management, and these will need to be linked to the direction of the business. The question needs to be asked "Are SMT's the best solution for achieving the desired aim?" Linked to this is the need for measures which will chart both business performance and progress for each team becoming Self Managed. The measures we've used for customer service teams are an illustration of business performance measures.

There needs to be recognition by all involved that SMT's are not a quick fix. Nationwide plan for the transition from being a 'traditional group' to a SMT to take at least two years. There may be some short term wins, but the expectation needs to be longer term. One of the issues Nationwide have discovered from other organisations is the tendency to revert back to old ways of working when there are no immediate dramatic results from implementing SMT's.

The structure/hierarchy needs to support SMT working. In basic terms this means flatter structures organised into teams, which need to be of a size to be able to make joint team decisions. In the customer service teams in Nationwide, there are 11 teams of between 9 and 18 people, each with a lead team member. One manager manages the 11 teams.

Another primary issue is that of getting buy-in, from all levels, and communicating well throughout the implementation. Having someone who owns the changes and will drive them through is essential. Equally important is looking at the existing organisational systems and procedures that the teams may have to work within. For example if you look at your appraisal systems, reward procedures, pay bands, mandate levels etc. are they encouraging or discouraging team working? In the Nationwide customer service teams, they are currently designing ways of using 360 degree feedback towards team appraisals. They are still not there yet, however there is clearer recognition within the organisation that systems and procedures will need to become more team oriented.

These issues are equally important in the implementation as is the training support which we believe to be vital to success. Often in the flurry of enthusiasm, managers want to launch into training and only training, this alone can prove to be the first mistake as the other important issues are immediately ignored. Training is not therefore the start point, however appropriately positioned training activity in conjunction with the other issues mentioned above, has a crucial contribution to make to overall success.

The training in Nationwide has included basic information giving as to what SMT's are, how they work, and discussion about how this would work for the team concerned. We have carried out training for leaders using styles and approaches suitable for self managed team development, whilst helping team members develop skills in the areas which include decision making in teams, conflict management, team building, giving and receiving feedback. We also worked with the leaders to define boundaries and to plan for helping the teams to take on new responsibilities.

The lessons learned at Nationwide are supported by the findings of the report produced in June 1997 by the ERSC Centre for organisation and innovation at the University of Sheffield; this looked at some of the current practices being used in manufacturing. It identifies team based working and empowerment as two of the most commonly used practices, and cites quality improvement and responsiveness to customers as two of the main motives for introducing it.

The report supports our practice in finding that the level of effectiveness depends on such things as the ways in which it is implemented, going on to say that successful investment in these practices involves a great deal of effort and commitment. It also suggests that the type of intervention made should be dependant on the needs identified.

SMT's can be seen as a powerful combination of two of the most powerful ways of working - team based working and empowerment. It is also a rare example of where business needs can be achieved *alongside* people needs rather than despite them!

So our message to companies thinking of entering into this is to consider how they will implement the programme rather than just what they will do and how they will train their teams. It has been good implementation, a commitment to this way of working at senior levels, and a willingness to work through difficulties, - and not seeing this as a 'quick fix' - that have allowed SMT's to be a success to date in Nationwide Building Society.