Chapter 17

Six Sigma Project Teams and Rational Decision Making: A Shared Leadership Perspective

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ABSTRACT

An understanding of how teams make decisions in the team environment is of utmost importance to organizational leaders. This research aims to determine the relationship that a shared leadership environment has on a team's approach to decision-making. A systematic review of past research efforts has shown that a strong relationship exists between the internal and external conditions of shared leadership and that a strong relationship exists between shared leadership and six sigma team decision-making principles and approaches. Furthermore, a review of the relationship between shared leadership and team decision-making techniques has shown that the consensual approach is the most effective method to achieve the functional conditions of shared leadership. Based on the presented research, a model of decision-making in shared leadership environments is proposed for use by teams to determine the type of decision-making method that should be employed as a team's level of shared leadership increases. This model has been shown to have many practical applications for business as well as for academic research.

DOI: 10.4018/978-1-5225-2382-6.ch017
INTRODUCTION

In the past two decades, organizations have increased their push for employees to work efficiently in completing projects in order to be competitive and to outperform competition. In order to meet the needs of the organization, more projects are being executed through the use of different team formats. These team formats enable the organization to quickly adjust to the various requirements and demands of its industry. The proper team format needs to be selected in order for a group of people to work effectively as a team, since it enables the group to make rational, timely, and effective decisions. Over the past twenty-five years, research into shared leadership models has significantly increased since this type of team format has proven to allow team members to complete projects on time and make decisions that were both logical and effective (Koschzeck, 2009).

In this study we examine two main hypotheses. First it is proposed that shared leadership environments have an effect on group/team decision making as well as the methods that are used to make group/team decisions (Hypothesis 1). Second, it is also proposed that the consensus decision-making method is the technique that is the most effective and closely related to the fundamental conditions and requirements of a shared leadership environment (Hypothesis 2). Furthermore, it is believed that a model of shared leadership decision-making can be developed from the results of these hypotheses. The purpose of this paper will be to answer the following questions: How does shared leadership in group/team environments affect the methods used in team decision-making? Based on the needs of shared leadership environments, what methods have proven to be the most effective in making group/team decisions in shared leadership environments?

In order to answer these questions, this paper aims to determine the relationship and effects (if any) that a shared leadership environment has on the team’s approach to decision-making. Based on the internal and external environmental needs of a shared leadership, the final segment of the paper will investigate how decisions are made in shared leadership environments (i.e. the methods that have proven to be most effective in shared leadership environments) as well as outline a model for decision-making in shared leadership environments, which can be used by teams to determine the type of decision-making method that it should be employing as its level of shared leadership increases over time.

The remainder of this paper is organized as follows. Section 2 highlights recent research relevant to the topic of the paper. Section 3 outlines the methodology used in the research. Key findings are presented in Section 4. Section 5 discusses the implications of the research findings and proposes a model of shared leadership decision-making. Section 6 concludes the paper with final thoughts and suggested future steps for this area of research.

RESEARCH BACKGROUND

Shared Leadership

The concept of leadership is comprised of four main components: “leadership involves influence; leadership is a process; leadership involves goal attainment; and leadership occurs in a group context” (Northouse, 2007, p. 3). Based on the existed literature, shared leadership is a concept that is known by many names, including: team leadership, distributive leadership, co-leadership, collective leadership, shared governance, shared power, and blended leadership (Koschzeck, 2009). Shared leadership implies