[Fostering Peer Accountability in a Self-Managed Environment

By Crystal Farh and Elizabeth Campbell-Bush

So we've fired all the managers, now what? Gary Hamel's article in the December 2011 issue of *Harvard Business Review* sings the praises of Morning Star's uniquely self-managed environment. The many advantages earned through a flat hierarchy, however, admittedly hinge on an important mechanism—peers' willingness to hold one another accountable for their agreements.

For centuries, organizations have constructed layers of managerial hierarchy for the sole purpose of exerting control and maintaining high standards of quality. In the absence of such a hierarchy, colleagues are empowered to make decisions and more freely adapt to needs of the business; however, they are also required to shoulder the responsibility of ensuring colleague engagement and performance—an accountability function that was traditionally retained by supervisors. We define *peer accountability* as unsolicited actions taken by a colleague when he or she perceives that another peer has not fulfilled agreed upon work responsibilities or expectations. In a work environment where peer-based work agreements are everything, the willingness of members to hold one another accountable—when the occasion arises—is integral to getting things done well. On the flipside, as Hamel aptly puts it, "failure to deliver a strong message to colleagues who don't meet expectations…can become a conspiracy of mediocrity." [1]

Sounds like an easy solution, right? Except that holding others accountable is challenging because it can seem punitive, even if doing so can benefit the performance of the organization, work unit, or even the approached peer. When peers speak up to clarify expectations, suggest a better way of doing things, or confront a peer about their work, it inherently puts a spotlight on the approached colleague's efforts and abilities. Not surprisingly, such actions could be met with defensiveness or spark conflict.

Given the potential risk involved, decisions to engage in peer accountability ultimately boil down to a complex weighing of costs and benefits, both to the relationship with the colleague in question and to the larger organization. Holding someone accountable can benefit the organization by bringing ineffective work patterns to a halt or suggesting alternative approaches to an old problem, but can also strain work relationships and cost you social capital. Conversely, choosing not to hold someone accountable may preserve the relationship but compromise the organization's effectiveness.

In sum, holding colleagues accountable serves as a critical enabler of Self-Management but how and when it occurs—and what factors influence it—remains an area that scholars and management gurus have yet to answer. To shed light on this self-management mechanism, we turned to Morning Star. With help from the Self-Management Institute, we jump-started a joint research project and set out with the initial objective of understanding what peer accountability actually looked like in a Self-Managed context. Themes from interviews with the year-round colleagues of Morning Star, coupled with existing research on self-managed environments, revealed that effective peer accountability takes on several forms: (a) *confronting* peers (i.e., speaking up to peers, asserting that their performance needs to improve), (b) *clarifying* agreements (i.e., directly approaching peers to clarify expectations of what was agreed upon), or (c) *training* peers (i.e., teaching peers better ways of fulfilling their duties). All of the

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colleagues we spoke with noted that being willing to reinforce each other's work agreements and holding each other accountable when those agreements weren't kept was essential for Self-Management to thrive. However, colleagues also noted that it doesn't always happen when it needs to. Our next step was to understand why.

We surveyed 191 seasonal colleagues about their experiences at Morning Star and their willingness to hold peers in their immediate work cluster accountable, should the occasion arise. Our findings showed that peer accountability is a story all about relationships. The relationship between two colleagues can be characterized as a two-way street for the exchange of desired resources, such as friendship (or "emotion-based" trust relationships) and/or work advice (or "ability-based" trust relationships). Over time, these exchanged resources form the context in which the relationship is housed and influences how future actions—including peer accountability actions—are interpreted and received. When performed in the context of a friendship, for example, peer accountability may be construed not as judgmental, but rather an act of concern for the colleague's best interest. Friendships also reflect strong bonds formed over the course of time, affording sufficient resilience to recover from a relationship-threatening event, like a confrontation. Advice relationships, on the other hand, are developed narrowly around task problems and persist conditionally upon work-related needs. Such relationships may lack the bandwidth to withstand the threat of holding someone accountable, and further, to imply that an expert colleague has not performed well, could deplete future opportunities to acquire information and advice from that colleague. In short, because the costs of peer accountability are experienced very differently in the context of a friendship versus advice relationships, we find that peer accountability is *more* likely to occur in the former because interpersonal costs are not as high in friendships.

What makes this story more complex (and interesting!) is that each colleague also maintains a relationship with the organization. Especially at Morning Star, where colleagues are stewards of the company's resources and often perceive the organization as extensions of themselves, engaging in peer accountability may present a personal benefit to the extent that individuals see the organization's successes and failures as their own. Indeed, this is what we found—colleagues highly committed to Morning Star were, on average, more willing to hold their peers accountable. However, we found that highly committed colleagues were even more willing to hold peers accountable in the context of friendships, suggesting that the combination of high commitment to the organization and high emotional trust fosters the best situation for peer accountability. Although greater commitment generally increased peer accountability willingness, the presence of high commitment did not influence the likelihood of holding peers accountable in advice relationships. This suggests that, to foster peer accountability, it's not enough to compose an organization full of experts, but rather individuals who are committed to the organization and trust each other emotionally as well.

Our efforts are but one step towards understanding the behaviors that promote self-management in practice. Our hope is that these insights serve two purposes: (a) support Morning Star in its efforts to perfect Self-Management, and (b) inform other organizations of the norms and collective behaviors needed to successfully implement and maintain self-management principles…because after "firing all the managers" and before becoming a "choreographed dance troupe," there is a great deal to be done and learned along the way. [2] •

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[1] Gary Hamel, "First, Let's Fire All the Managers," Harvard Business Review 0017-8012 (December 2011): 58.

[2] Ibid, 52.