Exploring Employee Experiences of Distributed Leadership in Consultancy SMEs

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Abstract—Despite a growth in literature on distributed leadership, the majority of studies are centred on large public organisations particularly within the health and education sectors. The purpose of this study is to fill the gap in the literature by exploring employee experiences of distributed leadership within two commercial consultancy SME businesses in the UK and USA. The aim of the study informed an exploratory method of research to gather qualitative data drawn from semi-structured interviews involving a sample of employees in each organisation. A series of broad, open questions were used to explore the employees’ experiences; evidence of distributed leadership; and extant barriers and practices in each organisation. Whilst some of our findings aligned with patterns and practices in the existing literature, it importantly discovered some emergent themes that have not previously been recognised in the previous studies. Our investigation identified that whilst distributed leadership was in evidence in both organisations, the interviewees’ experience reported that it was sporadic and inconsistent. Moreover, non-client focused projects were reported to be less important and distributed leadership was found to be inconsistent or non-existent.

Keywords—Consultancy, distributed leadership, owner-manager, SME, entrepreneur.

I. INTRODUCTION

WHILST traditional leadership models have primarily focused on the role, attributes and characteristics of individual leaders e.g. trait, situational and style [1], more recent thinking has examined the approach of distributed leadership [2]. This concept argues for an organisational perspective where responsibility for leadership is separated from any extant structure, and the actions of employees [3] at all levels are recognised as part of the collective function of the organisation. Spillane [2] describes distributed leadership as putting “leadership practice centre stage” and encourages the shift in perspective from a focus on leaders to the perspective of leadership. Despite a growth in literature on this topic, there is opportunity for further study. Leithwood et al. [4] described “an urgent need to enrich the concept with systematic evidence”. The opportunity is further supported by the fact that, apart from a small study related to leadership in distributed teams [5] and two previous studies in SMEs [6], [7] most academic literature and studies have focused on public sector organisations and within education in particular.

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The aim of this study is to gain some initial understanding of the experiences of distributed leadership within two commercial consultancy SME businesses.

The organisation comprises 65 staff based in their Cambridge office and 50 sub-contracted employees based in 15 countries. The US’s heritage is in academia with almost all the owner-managers, holding PhD or JD, and having been previous or current faculty at a world-renowned educational institution in Cambridge, MA. Their specialism is in the field of negotiation, influence and the development of effective business relationship and alliances. Whilst the organisations differ in terms of size and dominant national culture, they are broadly similar in terms of ownership and structure; and both provide project based consultancy and enterprise development services to major corporations worldwide, such as Google, Novartis, Rolls Royce and Boeing. This study will focus on two of the branches of the consultancy business SME located in the UK and US.

II. THE SHIFT FROM HIERARCHICAL LEADERSHIP AND THE EMERGENCE OF DISTRIBUTED LEADERSHIP

Within the last 20 years, there has grown a body of theory and research moving away from leader-centrism. According to Harris [8], the leader-centric school fails “to take into account of the structural changes and changing needs within many organisations”. Additionally, Berg [9] criticised leader-centrism for its emphasis on the leadership-followership dichotomy, as it excessively focused on differences in status. Miller [10] goes further and almost dispenses with the idea of followership, whereas Meindl [11] sees followers as being critical to the systems as leaders are dependent upon them. However, a more balanced view is that in most organisations everyone plays the role of leader and follower, depending on the context [12].

Shifts in context often drive change, whether it be individually, organisationally or globally. According to Yukl [13], the rise of distributed leadership is partly a response to the failure of the traditional “heroic leader paradigm”, in which a single leader is no longer able to deal with the constant improvements in performance that modern organisations require. Furthermore, changes in modern workplaces imply a shift in the level of, and nature of, interdependence between employees as well as more distributed modes of work and coordination [14]. As a response to this change, Bresman [15] argues that the best high-performing organisations “distribute leadership to wherever the best information and capabilities reside”. Organisations who fail to make the change, struggle with the
pace of change required of them and old-style heroic leaders will be unable to handle the associated complexity on their own, which would ultimately affect performance. As Leithwood et al. [4] assert, the groups and organisations which are most likely to improve and sustain performance are those where leadership functions and practices are distributed throughout the wider team. The distribution of leadership “acknowledges the work of all individuals who contribute to leadership practice whether or not they are defined as leaders” [16].

III. DEVELOPMENT OF MAIN THEMES

The review of literature highlighted several areas of interest which were explored during the research phase of this study. The identification of those areas coupled with the overall aim of the study “to explore employee experiences of distributed leadership, examine common themes and make recommendations for further research and the development of management practice” led to the formulation of the following objectives:

1. Gather and examine empirical evidence of interviewee’s experiences of distributed leadership in two organisations.
2. Explore the organisational factors, barriers to distributed leadership and practices which enable it.
3. Critically examine patterns and themes.
4. Make recommendations for further research and the development of management practice.

Rather than simply structure interview questions directly in relation to the areas of interest identified in literature, the authors decided to absorb them into a several exploratory themes which would form the basis of the broad questions within the interviews:

A. Evidence of Distributed Leadership

This theme looked for empirical evidence of how and when distributed leadership manifested itself in the organisations, if at all. If it was in evidence, what form did it take? Was it an established, yet tacit way of working which touched many situational and social constructs [2] and included the range of “small, incremental, informal and emergent acts” described by Bolden [17]. Or was it an overt and highly organised practice with clear structure, process and objectives [8].

Regardless of the form, what were the characteristics; and how did distributed leadership, where individuals act both as leader and follower [12] impact decision making and the organisation of labour [18], [19]? Equally, if distributed leadership was not found to be in evidence, what existed in its place? For instance, had the organisations simply maintained traditional hierarchical models which placed an over-reliance on the SME leaders’ employee experiences of distributed leadership [18]. This theme explored how the interviewees themselves experienced distributed leadership, and how they viewed the broader leadership landscape, to understand if/how the organisations had evolved [14] and set the context for leadership distribution making it a day to day organisational function [5]. What were their experiences of distributed leadership as a recipient; where others had developed to take on informal leadership roles and what personal development had they received themselves [20] to take on distributed leadership roles and if they had done so, what was their experience?

B. Contextual Barriers and Challenges to Effective Distributed Leadership

This theme explored how potentially limiting factors identified in literature affect the deployment and execution. This included the impact of inconsistent definitions of what constituted distributed leadership and how that may create confusion [14]. It investigated the impact of the owner-managers of each organisation and how they had balanced the need for empowerment whilst maintaining a degree of control [6]. How had they evolved their personal leadership practice as their organisations have grown? This included how they created an appropriate climate for leadership distribution and how it was used as a method of building capacity to facilitate improved organisational performance [21].

C. Formal and Informal Strategies or Practices to Overcome Those Barriers and Challenges

This theme explored how well the organisations created the mind-set [22], and processes to enable leadership distribution and ensure alignment [2]. This included; public messaging, communication, coordination, harnessing knowledge [8], engaging the workforce in a climate of collaboration, goal-setting and people development initiatives [23].

D. Exploring the SME Context

This theme explored the extent to which being SMEs, with the associated dynamics of small scale and owner-dominance [24], influenced distributed leadership. How well were owner-managers able to remove themselves from day to day operations and had they evolved themselves into more strategic leadership roles [25]? Finally, it would attempt to uncover where they were in terms of SME lifecycle and whether either organisation had, was or was likely to experience a “Crisis of Leadership”.

E. How Distributed Leadership Practices Influence the US and UK Branches’ Ability to Work Globally

In this theme, the organisations’ ability to work in increasingly dispersed ways [26] were explored. How had the needs of global customers created the need for local decision-making and led to the emergence of distributed leadership [27]. Additionally, had increasing geographical distribution meant that the management of remote workers presented additional challenges [27]? This approach to theme development facilitated the use of semi-structured interviews, whereby a series of broad questions would be posed and the authors would identify and explore more deeply themes identified in literature alongside any emergent themes. Questions for the semi-structured interviews derived from the objectives and map to the main themes above:

- Evidence of distributed leadership.
- Employee experiences of distributed leadership.
- Contextual barriers and challenges to effective distributed
leadership.

- Formal and informal strategies or practices in place to overcome those barriers and challenges.
- Exploring the SME Context.
- How distributed leadership practices influence the UK and US branches ability to work globally.

Distributed leadership cannot simply be taken at face value as there are critical questions which require empirical research [8]. Alongside traditional questions regarding the evolution of the concept of leadership, emergent questions include the place of distributed leadership in a more complex world. Extant literature on distributed leadership is mainly descriptive and normative rather than critical. Much describes potential advantages from the perspective of overall organisational capability; there is a dearth of explorations and discussions of the concept [14].

A critical question that is yet to be answered is whether distributed leadership is a new phenomenon or whether research has just identified one which was already extant but was simply unclear. Despite the insights from a growing body of literature, there exists considerable scope for further study. Indeed, Leithwood et al. [4] described “an urgent need to enrich the concept with systematic evidence”. In an SME context, Cope et al. [6] have focused on understanding the way distributed leadership exists in ventures which are effectively led by small teams rather than by individuals. They have identified that a significant issue for the central pivotal leaders (the owner-manager/entrepreneurs) is in knowing how to achieve employee empowerment and create a new culture of participation. The opportunity is further reinforced by the fact that, apart from the study mentioned above and a small study related to leadership in distributed teams [5], the greatest body of academic literature and studies have so far focused on public sector organisations and within education in particular.

The aim of this study is to gain insight into experiences of distributed leadership roles and focused on public sector organisations and within education in particular. The opportunity is further reinforced by the fact that, apart from the study mentioned above and a small study related to leadership in distributed teams [5], the greatest body of academic literature and studies have so far focused on public sector organisations and within education in particular. The aim of this study is to gain insight into experiences of distributed leadership within two SME consultancy businesses, one based in the United States, the other in the UK.

IV. METHODOLOGY

To explore the employee experiences of distributed leadership in small and medium enterprises (SMEs) within the consultancy sector, we undertook primary level qualitative research. This decision followed a review of extant literature which highlighted that most research had been based on experiences and scenarios in the healthcare and education sectors. The authors recognised that an exploration of distributed leadership would be best served though an interpretivist research paradigm and would provide critical insights into the individual experiences and opinions of the interview subjects, who were all core or sub-contracted employees of either one of the target organisations [28]. This in turn guided the choice of data collection method (semi-structured interviews) and Template Analysis [29]. The reasoning for choosing Template Analysis is summed up by Saunders [28].

“The flexibility of developing a coding template early on and then revising this in relation to each subsequent data item allows a researcher to undertake the stages of analysis (e.g. coding, devising and linking these, exploring relationships, sense-making) in a more holistic way”.

Similar studies in different areas of business research [30] have used Template Analysis to analyse data gathered in semi-structured interviews to show common patterns and experiences. This holistic approach was deemed appropriate for an explorative study. Where previous studies had identified some broad concepts, in this study, those concepts are being explored in a new context (SMEs) where the authors also expected to identify both extant and emerging themes [29]. Template Analysis is also suited to the combined process of deductive and inductive reasoning chosen by the authors and was undertaken to identify themes and draw conclusions. Furthermore, the author chose to use a computer-aided qualitative data analysis software (CAQDAS) system NVivo 11 to create priori codes from extant literature and initial transcripts and then to develop in vivo codes for further analysis [31]. On the whole, this combined method was chosen as it aligned with the overall research philosophy and follows on from a pilot study where this method had been used. Despite this, the authors did consider choosing alternative methods of analysis such as Grounded Theory [32]; however, as the objective was exploration rather than the creation of theory from a set of raw data, and the authors were familiar extant concepts, it was not adopted. Similarly, Narrative Inquiry was briefly considered; however, due to constraints of participant access, the authors recognised they would be unable to spend sufficient time with each interviewee to explore specific events in depth. Consequently, the choice was made to accept generalised responses to questions rather than complete narrative and adopt a semi-structured interview and Template Analysis approach.

A series of semi-structured interviews was conducted at both the UK and US branch to investigate the research question. The interviews were conducted with employees who were either formal leaders or those who might be able to undertake distributed leadership roles and focused on exploring their personal experiences. Initial interview questions to explore themes identified in literature:

1. Evidence of distributed leadership.
2. Employee experiences of distributed leadership.
3. Contextual barriers and challenges to effective distributed leadership.
4. Formal and informal strategies or practices in place to overcome those barriers and challenges.
5. Exploring the SME Context.

The interviews themselves were each conducted over a 45-minute period in a semi-structured manner with a series of core questions designed to be ‘open’, encouraging rich answers from each participant. Follow up and probing questions from the interviewer would be spontaneous and in direct response to statements made by the participants to meet the research objectives. The authors initially chose to undertake research in a series of face-to-face interviews with employees of either one of the target organisations [28].
samples of employees from both organisations. This method is recognised as being appropriate for exploring individual experiences and as the insights were expected to vary considerably and in complex ways from subject to subject, face-to-face interviews were considered most relevant. In addition, given the constraints of time, distance and access, especially as one set of interviewees was in Cambridge Massachusetts, the number of interviewees was relatively small.

As described previously, the two organisations within this study are independent entities that both operate in the consultancy sector, although in slightly different sub-disciplines. One of the authors has experience of both organisations and it was their similarities and differences that led to their being selected. A notable difference between the two is that one is a British-owned entity, with a predominantly European core team and the other is an American-owned entity, with a predominantly American core team. Both organisations however have networks of sub-contracted local nationals around the world. The participants themselves were 12 volunteers from pre-identified sample pools which each represented the principal stakeholder groups in the organisations. The groups of invitees within each pool were selected to represent a diversity of possible perspectives on the research topic and reflect the broad gender mix of both organisations.

As themes emerged, a hybrid access strategy was developed obtaining traditional access at a physical and cognitive level with 11 out of 12 participants through the first round of face-to-face interaction; together with an internet-mediated and cognitive access [29] with the 12th participant, who was interviewed by Skype video. A second round of Skype video interviews was also undertaken with all 12 participants in relation to a single additional question. Each of the follow up interviews lasted 15 minutes.

V. FINDINGS AND DISCUSSIONS

The need to work globally [26] in both organisations was driven by the geographical spread of their clients. As mentioned above, client relationships, focus and intimacy were significant drivers for both organisations and with that came a growing need to move some decision making closer to those clients. With that need has grown additional examples of distributed leadership. At the UK branch and in the Enterprise Learning group at the US branch, distributed leadership was seen extensively when locally based sub-contracted trainers and facilitators worked at client sites. Their role was effectively to be the local leader on the ground for using location specific knowledge to make decisions [33], although it was noted that there were clear limits to their authority.

In both organisations alongside local knowledge, the other defining characteristic of the globally distributed leaders was their professional knowledge both as facilitators and content experts. Their level of expertise gave them credibility both with the external client and internally; and sometimes their level of influence was significant. Described by one interviewee in the Enterprise Learning group at the US branch as multiplier, their ability to contribute to the achievement of organisational goals [14] was highly valued. This was especially the case, as many of them would, as Sheryl noted, “go above and beyond”, taking increased leadership responsibility without pay to ensure client satisfaction [27].

At the UK branch, it also emerged that the nature of using geographically distributed leaders had changed in recent years. In the past, they had been used to maintain and contribute in broader ways to the operation of the organisation, however as the organisation had matured, many of those activities were brought in-house, which aided coordination and was more efficient but meant a degree of local knowledge was lost. As the interviews were semi-structured, the authors took opportunities to identify any emergent themes which differed from those identified in the literature review.

A. Impact of Owner-Managers

It was clear from the study that having multiple owner-managers was an added barrier to the development of distributed leadership. Most extant literature has focused on SMEs led by single or a small number of owner-managers. The fact that both businesses in the study each had seven owners contributed to the fragmented experience of the interviewees. Alignment within each of the two leadership groups on any topic was seen as a frequent challenge and the distribution of leadership was just one of these. Opinions and approaches on the merits of distributed leadership varied significantly, which added to the confusion and lack of definition mentioned above. Carson et al. [34] noted that in consulting groups the distribution of leadership was a norm; however, this is at odds with the findings of this study. Strong views on whether leadership should be distributed or not contributed to a climate of uncertainty and tension [35], where the owner-managers wrestled with the question of, if and how power should be shared. The board of directors at the UK branch had tried to open discussions to explore opportunities in the distributed approach [22] and even though they were broadly aligned, they had struggled with how it should manifest itself. For one board member, this was a clear frustration [23] at their ability to reach consensus. At the US branch of the company, the owner-managers had significantly different views with some clearly being concerned with a loss of control [35], whereas others publicly encouraged stepping up to leadership conceptually but failed to support it in execution by others. The issue of mixed messages from owner-managers was found to be a strong contributor to the lack of clarity mentioned above. Both the UK and US branch have a significant proportion of their employees less than 30 years of age and as such, this group’s expectations of being empowered and inspired to act as informal leaders were largely stifled by these mixed messages; thus, they are unclear whether they should step up to leadership or not. This confusion often manifested itself in terse or critical responses.

to individuals who had taken on some informal leadership tasks. Phrases such as “get taken down” or “watch the zingers” were used often at the US branch to describe how owner-managers who had encouraged people on one hand, responded when the individual had not acted exactly as the owner-manager would have done themselves. At the UK branch, one owner-manager was described as not even having distributed leadership in his skillset, even though he talked openly about sharing roles and responsibilities widely across the employee team. It was recognised by several interviewees in both organisations that most of the owner-managers had not previously held leadership roles in larger, more complicated organisations, and consequently, had fewer personal experiences to draw upon in their current roles. The concept of distributed leadership, as a bona fide approach, was effectively a mystery to them. These issues, coupled with the fact that power in both organisations was drawn from a combination of business ownership and being expert professional practitioners meant that other employees, who did not mirror that profile, were not really seen as capable of taking on leadership as it was inextricably linked to those other factors. What was also clear from the study was that a significant proportion of the owner-managers were considerably overstretched in their own work and at the same time were struggling to make the transition to power-sharing, empowerment and participation. This fragmentation of personal practice had manifested itself in terse behaviour and mixed messages to their employees leading to very limited distribution of leadership.

B. SME Structure and Culture
As SMEs, both organisations faced commonplace challenges of environmental uncertainty over sales pipeline, a relatively small client base and dominant owner-managers. Therefore, the context at any time was influenced by commercial dynamics. In turn this had an impact on their potential for the distribution of leadership. If the organisations were busy, the owner-manager/practitioners were busy and had only a small amount of time to make choices on internal organisational opportunities, such as leadership distribution. Conversely, if the organisations were less busy, the owner-managers were focused on securing business, managing costs and exercising caution over making what they saw as potentially unnecessary organisational changes. The evident dynamic of personal practice vs. growth and profits differs from Bevver and Jennings view that the two characteristics were different in owner-managed and entrepreneurial SMEs. However, it does align with the notion that organisations led by groups of aligned owner-managers demonstrate stronger, sustained growth than those led by individuals as they can make significant collective impact on performance themselves. The organisations themselves had significantly different structures, although this appeared to have little influence on how employees experienced distributed leadership. At the US branch, the organisation was divided into two groups: Consulting group, which was formally structured and hierarchical with specialist practice areas; and Enterprise Learning, which was less structured but still moderately hierarchical. One interviewee described the US branch as being like a traditional US law firm. The culture was essentially mono-leader centric in each practice area, which emphasised differences in status and encouraged conformism to hierarchical direction by the other employees. Contrastingly, the UK branch was seen by employees as a flat organisation but with a tacit hierarchy between owner-manager/practitioners and other employees. However, in both organisations where distributed leadership was seen to occur, it was principally in client projects or activities between groups of peers working horizontally. Distributed leadership by informal leaders working across vertical layers was rarely seen at the US branch and then principally within client project teams, which acted in a self-managed and directed manner. As described previously, the owner-managers in both organisations had not established distributed leadership as a formal process. Consequently, much non-routine decision-making was principally vested in them, which slowed down the organisations’ ability to act quickly. In addition, consensus was a clear cultural norm, so not only did decisions which could have been made by an informal leader get escalated, but the owner-managers then had to gain alignment before moving forward. Overall, both organisations exhibited a culture of mild tension between publicly espoused desires of owner-managers for employees to take more responsibility and the functional day-to-day scenarios where employees experienced a lack of flexibility, engagement and openness to the idea of leadership distribution. So, as Cope et al. noted, the structural and cultural disadvantages of SME leadership appear to limit the development of distributed leadership practice.

VI. CONCLUSION AND IMPLICATIONS
Several themes emerged as having a significant impact on how the interviewees had experienced distributed leadership. Firstly, neither organisation in the study had defined what leadership meant within their organisation and therefore, where distribution of leadership had occurred, on most occasions, it had been spontaneous and undefined; what Mehra et al. described as distributed-fragmented. This was further exacerbated by different leaders having different views on what might constitute leadership distribution. One interviewee said, “It depends who you ask, as to what definition you’ll get”. This latter is considered to be one of the most important contributions. Whereas Cope et al. had discussed the challenges of distributed leadership by looking at a single owner-manager and multiple followers, this study has identified that there exists an additional challenge where an organisation has multiple owner-managers who themselves are not aligned on the subject of leadership. The study found that the misalignment caused barriers to distribution which contradicts several other studies which have identified that enterprises formed and nurtured by groups of aligned owner-managers overcome this barrier better than those led by individuals. Consequently, leaders and non-leaders alike were generally unclear as to the protocols, dynamics and behaviours required for the effective distribution of leadership, which in
turn led to mixed messages from leaders and caution from non-leaders.

Secondly, as SMEs, the UK and US branches had owner-managers who were at the heart of the organisation. As both organisations were in the consultancy sector, those SMEs were also key professional practitioners. Employees who had developed knowledge, expertise and demonstrated competency to provide value to the business could take on distributed leadership. Those who had not made it, either were reluctant to step forward or were not considered capable by the owner-managers.

Lastly, the organisations should feel encouraged that the study found that where distributed leadership did occur within client projects, it provided value to the business, empowered employees and allowed them to use their capabilities and spread the burden of leadership across a team of people who were working toward clearly aligned and defined objectives.

Both organisations had broadly similar ownership structures and functional dynamics, although each had a different national culture and heritage. Despite any contextual differences, similar patterns occurred within the findings. However, the authors believe that those patterns reflected in the interviews present each of the organisations studied with opportunities to develop their collective leadership competence through the deployment of increased distributed leadership. By stimulating a discussion of leadership as a practice, the sub-discipline of distributed leadership [20] as a mind-set and specific practices will emerge, as it already exists in tacit form for some employees. This coupled with increased willingness from formal leaders to separate leadership. Those who had not made it, either were reluctant to step forward or were not considered capable by the owner-managers.

The authors accept that the study conducted here has various limitations and that the results and conclusions are presented within the context of certain restrictions. Firstly, given the small sample of interviewees, the results of this study are limited and far from conclusive for the consultancy sector and further empirical research is encouraged to help form future hypotheses. Secondly, one of the authors had a role as a formal leader within the UK branch and strategic partner to the US branch which was also a limiting factor due to potential internal researcher bias [28], and whilst following the guidance of [28], 2016 it is possible that the gathering, analysis and interpretation may have been affected. Considering the limitations and the aim of this study, it is recommended that further research is undertaken across multiple organisations and larger sample groups to establish a wider view of distributed leadership in SME consultancies. Specifically, this should focus on those with multiple owners, and who are providing professional services and operating global links has been hampered.

REFERENCES