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Everyone a Team Leader:

Shared Influence at W. L. Gore & Associates

CHARLES C. MANZ

FRANK SHIPPER

GREG L. STEWART

W. L. Gore & Associates takes the issue of team leadership to a whole new level. The organization relies heavily on the advantages of teamwork and consists of both established teams and teams that emerge based on need. Members of the organization can interact directly with everyone else in the work system without having to go through a chain of command. Numerous teams spring up to support new products or projects throughout Gore. These emergent teams develop, thrive, and eventually dissolve as appropriate to accomplish the required work. The organization operates without “managers,” but with lots of leaders who emerge based on their knowledge, skill, enthusiasm, track record and ability to attract followers.

THE COMPANY: FROM THEN TO NOW

Gore was formed by Wilbert L. “Bill” Gore and his wife Vieve in 1958. The idea for the business sprang from Bill’s personal, technical, and organizational experiences at E. I. du Pont de Nemours & Co. and, particularly, his involvement in the characterization of a chemical compound with unique properties—polytetrafluoroethylene. Applications of the compound, such as GORE-TEX[®] fabric, catapulted Gore to a high ranking on *Forbes* magazine’s 2007 list of the 500 largest private companies in the United States. Gore has more than 8,500 associates and annual revenues of more than \$2 billion.

Gore is divided into four divisions that serve different industries: electronics, fabrics, industrial, and medical. The Electronic Products Division develops and manufactures high-performance copper and optical signal transmission products, including high-flex flat cable used in computer applications. The Fabrics Division develops and provides fabric – under the GORE-TEX[®], WINDSTOPPER[®], CROSSTECH[®], and GORE[®] CHEM-PAK[®] brands – to the outdoor clothing, military, law enforcement, fire protection and electronics industries. The Industrial Products Division makes filtration, sealant and other products that meet diverse contamina-

tion and process challenges in many industries. The Gore Medical Division provides products such as synthetic vascular grafts, interventional devices, endovascular stent-grafts, surgical patches for hernia repair, and sutures for use in vascular, cardiac, general surgery, and oral procedures. Although each division is viewed as separate, they frequently work together—consistent with Gore’s company-wide emphasis on teamwork.

The company’s avant-garde culture and leadership practices have helped make Gore one of only three companies to appear on all of the U.S. “100 Best Companies to Work for in America” rankings since they were introduced in 1984. Gore has also been selected as one of the best companies to work for in France, Germany, Italy, Spain, Sweden, and the United Kingdom.

Gore has long had widespread appeal as an employer that not only attracts talent but encourages it to flourish within the organization. Its unique organizational character fosters high levels of associate satisfaction and retention. Gore describes itself as having a low voluntary turnover rate for all its associates in all stages of their careers; *Fortune* magazine estimates the rate at a mere 5 percent. Also, *Fortune* reports that Gore had 34,585 applicants for 272 new jobs in 2007, allowing the company to be very selective about whom it hires.

With a long and continuing history as a highly effective business one might ask what the secret to success is at Gore. The answer seems to largely connect with the highly effective leadership practices within the enterprise.

“NATURAL LEADERSHIP” AT GORE: IT’S A TEAM EFFORT

A unique approach to shared leadership is used at Gore. Formal authority is not vested in any one person. Instead, leaders are defined by “followership.” Future leaders emerge because they gain credibility with other associates. Gore refers to this process as “Natural Leadership.” Credibility is gained (a) by

demonstrating special knowledge, skill, or experience that advances a business objective, (b) through a series of successes, and (c) by involving others in significant decisions.

Associates step forward to lead when they have the expertise to do so. Within Gore this practice is referred to as *knowledge-based decision-making*. Based on this practice decisions are "...made by the most knowledgeable person, not the person in charge," according to Terri Kelly, chief executive officer (CEO).

Types of Leaders at Gore

Leadership responsibilities can take many forms at Gore. In an internal memo Bill Gore described 10 specific types of leaders, each with an important and distinct role:

1. *The Associate who is recognized by a team as having a special knowledge, or experience* (for example, this could be a chemist, computer expert, machine operator, salesman, engineer, lawyer). This kind of leader gives the team *guidance in a special area*.

2. *The Associate the team looks to for coordination of individual activities in order to achieve the agreed on objectives of the team*. The role of this leader is to persuade team members to *make the commitments necessary for success* (commitment seeker).

3. *The Associate who proposes necessary objectives and activities and seeks agreement and team consensus on objectives*. This leader is perceived by the team membership as having a good grasp of how the objectives of the team fit in with the broader objectives of the enterprise. This kind of leader is often also a "commitment seeking" leader.

4. *The leader who evaluates the relative contribution of team members (in consultation with other sponsors) and reports these contribution evaluations to a compensation committee*. This leader may also participate in the compensation committee on relative contribution and pay and *reports changes in compensation* to individual Associates. This leader is then also a compensation sponsor.

5. The leader who coordinates the research, manufacturing, and marketing of one product type within a business, interacting with team leaders and individual Associates who have commitments to the product type. These leaders are usually called *product specialists*. They are respected for their knowledge and dedication to their products.

6. *Plant leaders* who help coordinate activities of people within a plant.

7. *Business leaders* who help coordinate activities of people in a business.

8. *Functional leaders* who help coordinate activities of people in a "functional" area.

9. *Corporate leaders* who help coordinate activities of people in different businesses and functions and who try to promote communication and cooperation among all Associates.

10. *Intrapreneuring Associates who organize new teams* for new businesses, new products, new processes, new devices, new marketing efforts, or new or better methods of all kinds. These leaders invite other Associates to "sign up" for their project.

Although a variety of leader types and leadership roles are recognized as being important at Gore, each shares some common underlying principles. These principles have to do with the importance of social relationships, shared responsibility and influence, teamwork, development of team members, and especially putting people first within an innovative high-performance culture.

Leadership that Puts People First

The team oriented nature of leadership combined with a belief in the importance of the individual heightens the importance of good social relationships. The idea of managers controlling employees is replaced by a sense of camaraderie and shared responsibility. The perspective of shared responsibility means that Gore associates often go above and beyond for each other, whether facing business challenges or in times of personal crisis. For example, one associate based in Delaware was on business in Scotland when she received a call that her mother had been hospitalized. The following is how she related what happened next:

I flew home and I went straight to Pittsburgh to be with my mother. I had my computer with me, and I connected to the wireless Internet at the hospital. I sent e-mails to my team saying, "Hey, guys, I'm out in Pittsburgh," and they replied, "What are you doing on e-mail? Take care of your mom. Why are you even worrying about this?" And that's really what it's all about.

In Gore's highly egalitarian culture, the emphasis is not on title or authority, but on making valuable contributions to the business. Sponsors (experienced organization members who in other organizations would be referred to as "mentors"—who support all associates from the time they are hired) and leaders work with associates to help them find ways they can contribute. Associates are compensated based on their level of contribution to the enterprise. Bill Gore noted

succinctly, “It’s an unhappy situation, both for the associate and the sponsor. If there is no contribution, there is no paycheck.”

ORGANIZATIONAL SYSTEMS SUPPORT “NATURAL LEADERSHIP” AT GORE

Gore’s unique leadership philosophy and practices do not exist in a vacuum. Rather, the organization is designed in a way that supports its overall team and shared leadership approach to doing business. Notably, leadership practice is especially supported by its culture, structure, human resources (HR) practices, and promotion of strong relationships required for effective teamwork and shared leadership.

A Distinct Culture sets the Stage for Leadership

Despite substantial growth over the years, Gore’s core values have not changed. Bill Gore stated the company’s objective as “to make money and have fun,” which is still a central part of the Gore culture. Associates around the world are asked to follow the company’s four guiding principles, referred to as *fairness, freedom, commitment, and waterline*:

1. Try to be fair.
2. Encourage, help, and allow other associates to grow in knowledge, skill, and scope of activity and responsibility.
3. Make your own commitments, and keep them.
4. Consult with other associates before taking actions that may be “below the waterline” (drawing on the analogy to ships, associates are not to make decisions that reflect risks that could sink the ship . . . by metaphorically potentially poking a hole below the waterline . . . without consulting others across teams, plants, and even continents as appropriate).

Further, the core belief of a need for long-term cooperation between individuals and small teams is supported by key practices that replace traditional, hierarchical structure with flexible relationships and a sense of equality among workers. The ultimate focus is on empowering talented associates to deliver highly innovative products.

Commitment is spoken of frequently at Gore. It is regarded as a two-way street. Associates are expected to commit to making a contribution to the company’s success. The company is committed to providing a challenging, opportunity-rich work environment. The company also tries to avoid large workforce reductions. Its practice of clustering mul-

iple plants in an area facilitates the movement of associates among businesses as growth rates among businesses vary.

Sharing Leadership is Supported by a Flat and Flexible Structure

Gore is a company largely without titles, hierarchical organization charts, or any other conventional structural arrangement typically employed by enterprises with billions of dollars in sales revenues and thousands of employees. Due to laws of incorporation, the company has a president, Terri Kelly, who also serves as CEO. Terri, as she is universally called throughout the company, is one of four leaders on the Enterprise Leadership Team, a group responsible for the overall health and growth of Gore.

The real key to the egalitarian culture of Gore is the use of a unique lattice rather than a hierarchical structure. The features of Gore’s lattice structure include the following:

1. Direct lines of communication – person to person – with no intermediary.
2. No fixed or assigned authority.
3. Sponsors, not bosses.
4. Natural leadership as evidenced by the willingness of others to follow.
5. Objectives set by those who must “make them happen.”
6. Tasks and functions organized through commitments.

The lattice structure fosters personal initiative and encourages innovation. The term illustrates the flat structure of the company and the interconnection among associates, who are responsible for building their network and making the appropriate connections with others within the lattice. According to Bill Gore, “Every successful organization has an underground lattice. It’s where the news spreads like lightning, where people can go around the organization to get things done.”

One potential disadvantage of such a lattice structure could be a lack of quick response times and decisive action. Gore associates say adamantly that this is not the case, and they distinguish between two types of decisions. First, for time-critical decisions, they maintain that the lattice structure is faster in response than traditional structures because interaction is not hampered by bureaucracy. The leader who has responsibility assembles a knowledge-based team to examine and resolve the issue. The team members can be recruited by the leader from any area of the company if their expertise is needed. Once the issue is resolved, the team ceases to exist and its

members return to their respective areas. Associate Bob Winterling asserted, "We have no trouble making crisis decisions, and we do it very swiftly and very quickly."

The other response is for critical issues that will have a significant impact on the enterprise's long-term operations. Associates admit that such decisions can sometimes take time to form. Chrissy Lyness, another financial associate, stated,

We get the buy-in up front instead of creating and implementing the solution and putting something out there that doesn't work for everybody. That can be frustrating to new associates, because they're used to a few people putting their heads together, saying, "This is what we're going to do. This is a solution." That's not the way it works at Gore.

Here, you spend a lot of time at the beginning of the decision-making process gaining feedback, so that when you come out of that process, you have something that's going to work, and the implementation is actually pretty easy.

The associates at Gore believe that time spent in the beginning tapping into the best ideas and gaining consensus payoff in the implementation. They believe that authoritarian decision-making may save time initially, but the quality of the decision will not be as good as one made by consensus. In addition, they believe that authoritarian decisions will take longer to implement than those made by consensus.

PRACTICES PROMOTE THE BUILDING OF EFFECTIVE RELATIONSHIPS

Shared leadership is supported by a number of innovative practices that support the concept that all associates are stakeholders in the enterprise and thus have a shared responsibility for its success. Parking lots have no reserved parking spaces for leaders. Dining areas – only one in each plant – are set up as focal points for associate interaction. As an associate in Arizona explained, "The design is no accident. The lunchroom in Flagstaff has a fireplace in the middle. We want people to like to be here."

Another way that Gore facilitates the development of teams and individuals is through training. An associate in Newark noted that Gore "works with associates who want to develop themselves and their talents." Associates are offered a variety of in-house training opportunities, not only in technical and engineering areas but also in leadership development. In addition,

the company has established cooperative education programs with universities and other outside providers.

More to the point, building relationships is at the core of Gore's approach. New associates are expected to focus on building relationships during the first three to six months of their careers. Human Resources leader Donna Frey, a current member of Gore's Enterprise Leadership Team, described the first months for a new associate at Gore as follows:

When new associates join the enterprise, they participate in an orientation program. Then, each new associate works with a starting sponsor to get acclimated and begin building relationships within Gore. The starting sponsor provides the new hire with a list of key associates he/she should meet with during the next few months.

We encourage the new hire to meet with these associates one-on-one. It's not a phone conversation, but a chance to sit down with them face-to-face and get to know them.

This process helps demonstrate the importance of relationships. When you're hiring really good people, they want to have quick wins and make contributions, and building relationships without a clear goal can be difficult. Often, new associates will say, "I don't feel like I'm contributing. I've spent three months just getting to know people." However, after a year they begin to realize how important this process was.

To ensure that new associates are not overwhelmed by what is probably their first experience in a non-hierarchical organization, Gore has a 2-day training program it calls Building on the Best. New associates are brought together with other new associates after two or three months to participate in the program, which addresses many of Gore's key concepts. The training explains who Gore is and how the enterprise works. The program includes group activities and interactive presentations given by leaders and other longtime associates.

Gore recognizes the need to build initial relationships, continuously develop new ones, and cement ongoing relationships. One way this is fostered is through its digital voice exchange called Gorecom. According to Terri Kelly, "Gorecom is the preferred media if you want a quick response." An oral culture is fostered because it encourages direct communication.

To further foster the oral culture, team members and leaders are expected to meet face-to-face regularly. For team members and especially leaders, this can mean lots of travel. As one technical associate joked,

“Probably, in the last 12 years, I spent three years traveling internationally, a couple weeks at a time.”

Overall, Gore not only practices a very dynamic and advanced form of teamwork and shared leadership, but it has put into place organizational features and systems that promote and help sustain these practices. As a consequence, Gore has evolved into a truly

remarkable example of innovative and effective team leadership.

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Developing Global Teams to Meet 21st Century Challenges at W. L. Gore & Associates.

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Last, but certainly not least, the authors would like to thank the many associates at Gore who generously shared their time and experiences to assist in an accurate portrayal of the enterprise's practices and culture. Without their assistance this article would not have been possible.

Charles C. Manz, Ph.D. is an award-winning author whose more than 20 books include *Mastering Self-Leadership*, *The New SuperLeadership*, *The Power of Failure*, *Emotional Discipline*, and *The Virtuous Organization*. His work has been featured in *The Wall Street Journal*, *Fortune*, *Fast Company* and other national publications. Formerly a Marvin Bower Fellow at the Harvard Business School he is the Nirenberg Chaired Professor of Leadership at the University of Massachusetts (Isenberg School of Management, Amherst, United States. Tel.: +1 413 545 5584; fax: +1 413 545 3858; email: cmanz@som.umass.edu).

Frank Shipper, Ph.D., is an award-winning researcher whose work has been recognized by The Academy of Management, The Center for Creative Leadership, The Association to Advance Collegiate Schools of Business, and others. His work has appeared in publications such as *The Academy of Management Learning and Education*, *Leadership Quarterly*, *Organizational Dynamics*, and *The Academy of Management Journal*. He is a professor of management and chair of the Management & Marketing Department in the Franklin P. Perdue School of Business at Salisbury University, United States.

Greg L. Stewart, Ph.D., is a professor of management and Tippie Research Fellow in the Tippie College of Business at the University of Iowa, United States. His research has appeared in *Journal of Applied Psychology*, *The Academy of Management Journal*, *Personnel Psychology*, *Organization Science*, and *Journal of Management*. He is also an author of the textbook *Human Resource Management: Linking Strategy to Practice*.