# Should You Say Good Bye to your Organization's Management Structure?



According to a former IT CEO turned author and business management consultant, Brian J.  Robertson, business management has not changed much since the beginning of the industrial revolution. Robertson explains that there is a rapidly growing need for the organizational structure of business to fundamentally change. In fact, he believes this so much he has created an entirely new business management philosophy and structure that he has called Holocracy and turned from being an IT CEO to a spokesperson for this business (learn more here http://www.holacracy.org/).  Among the few early adaptors of this structure has been US based Zappos.

Holocracy is called as a 'complete system for self-organization'. Roberts describes Holacracy as 'Order without Bosses'. He suggests a complete restructuring of the organization where there is no hierarchy or management structure but a structure based on a governance system with a constitution. Holocracy is a 'Purpose driven system' were individuals hold many roles simultaneously, where roles change frequently and where each role has its own place and purpose. There are no 'bosses' only peers who create circles, governed by rules, to discuss business needs and then act independently making autonomous choices about how to achieve their purpose.

Within this system order is fluid and emergent not imposed from top down but by the consensus of peers.

**4 elements of Holocracy include**

- A Flexible organizational structure – there is a constant realignment of roles and teams based on purpose
- A system of governance meetings geared towards action and not analysis based around a set of commonly understood and practiced rules
- Autonomy to teams and individuals to solve problems themselves without the input of bureaucracy
- Unique decision-making process that is constantly evolving the organizations structure as roles move and people move within, to and from roles

There are no managers, CEO's, directors, only elements of the manager's duties within roles assigned, imposed or selected by individuals. The system requires complete transparency where everyone has a clear picture of the use and responsibilities within the other roles.

**A Governance Constitution**

Governance process  = Self-organize via Governance through circles of self-organization

Robertson likens the organizational structure to an ‘Open Source Document’, explaining that Holocracy is the operating system and to make it usable you still need apps for some functions for like pay, benefits, discipline.

Robertson makes a point of saying that this system does not constitute a loss of structure but provides the right structure with a framework of rules that gives individuals the freedom within those rules. Under this model the leaders of the organization sign a declaration ‘ceding’ their power to the constitution.

Within the organization there are regularly held governance meetings where boundaries are established, new roles created, changed, constrained; expectations and roles are defined by everyone based on shared needs, roles then taken and then each individual has autonomy to act within the roles held.

**Organizational Tensions**

Robertson talks about the positive value of ‘tension’ in an organization as a fundamental factor in business change and growth. One of the keys to adaptability, he says, is for organizations to identify and address each ‘Tension’. Within Holocracy when teams or individuals feel “tension’ (something not being ‘right’) they are given opportunities to identify problems or gaps and identify solutions. If those solutions are theirs alone they can act autonomously, if they need to involve others they can bring their tensions to the circle and the group can work to address those tensions.

**Key Elements for success are listed as:**

- Dynamic roles – Job Descriptions are fluid Job Descriptions – the job descriptions are updated regularly by the people doing the work
- Distributed Authority – people have the autonomy and authority to do ‘anything’ to get the job done unless there is an explicit rule against it. Once assigned a role an individual has a blank approval to act and no manager to run things by, instead they have autonomy within their own ability to get the work done
- Rapid Iteration – In this structure the rules rapidly cycle. Constantly Micro re-organizations done within each team. Meet regularly to realign roles and teams by agreement.
- Transparent Rules – Leadership is organic and each person is a ‘leader’ for themselves within their roles. Each role has a purpose, domain (property of the role) and some accountabilities and responsibilities – within that framework no need to approval

**Who Would Benefit From A Holocracy Organizational Structure**

For some organizations Holocracy could be the right environment within which to thrive and remain agile. Within this model decisions and changes can be made on the ground, quickly and in real time. The elements of autonomy, dynamic roles, transparency and more are sound concepts within any organization.

Implementing Holocracy would be a significant challenge as it requires an entirely new way of looking at the way most organizations operate.  Organizations that are new, small or have small, independent teams or departments may find that Holocracy is a viable solution.  If organizations are working with project teams, independent contractors or contractor teams this model is most likely already in play as those independent teams often work autonomously. For these organizations this model may

offer structure to many elements that are already happening in their highly effective teams.

Is this model right for your organization? Robertson has written a book titled, ‘Holocracy: The new management system for a rapidly changing world’ and you can also find many online presentations where you can learn more about Holocracy.