# An alternative to command and control?

from command and control to empowerment and teamwork

This set of slides summarises a facilitated discussion on 16 December at London South Bank University. 30 people were present from various professional disciplines and sectors. An electronic voting system was used to solicit views.
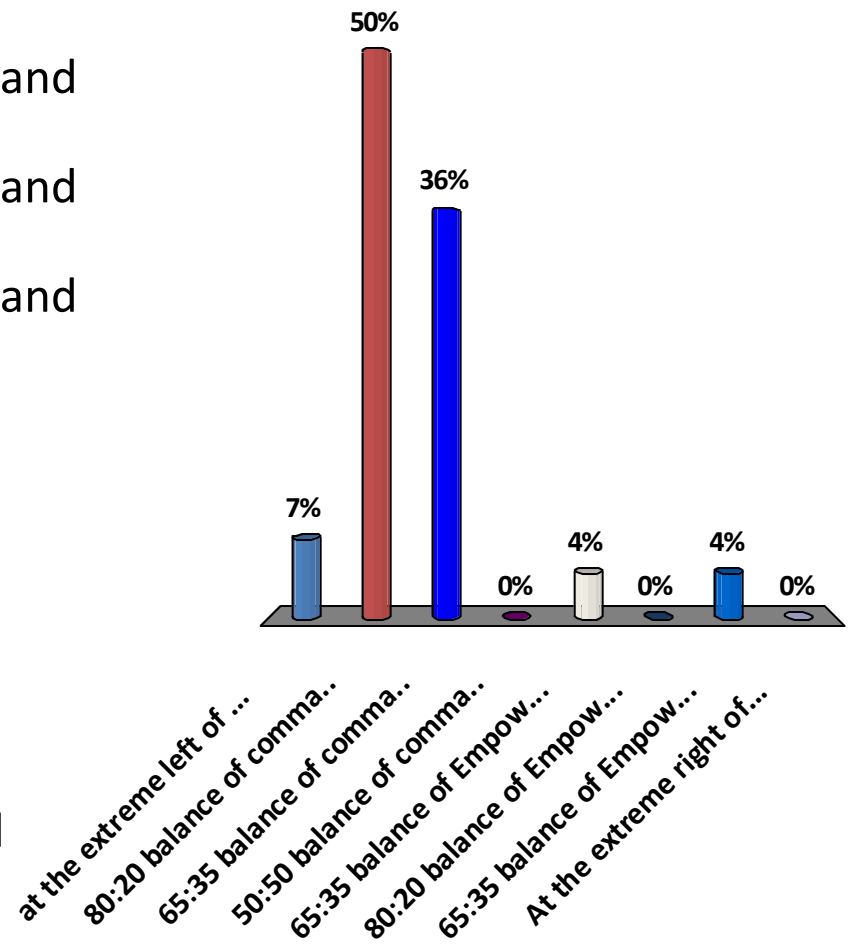
Where are most big organisations today?

Public interest

Command
and compliance
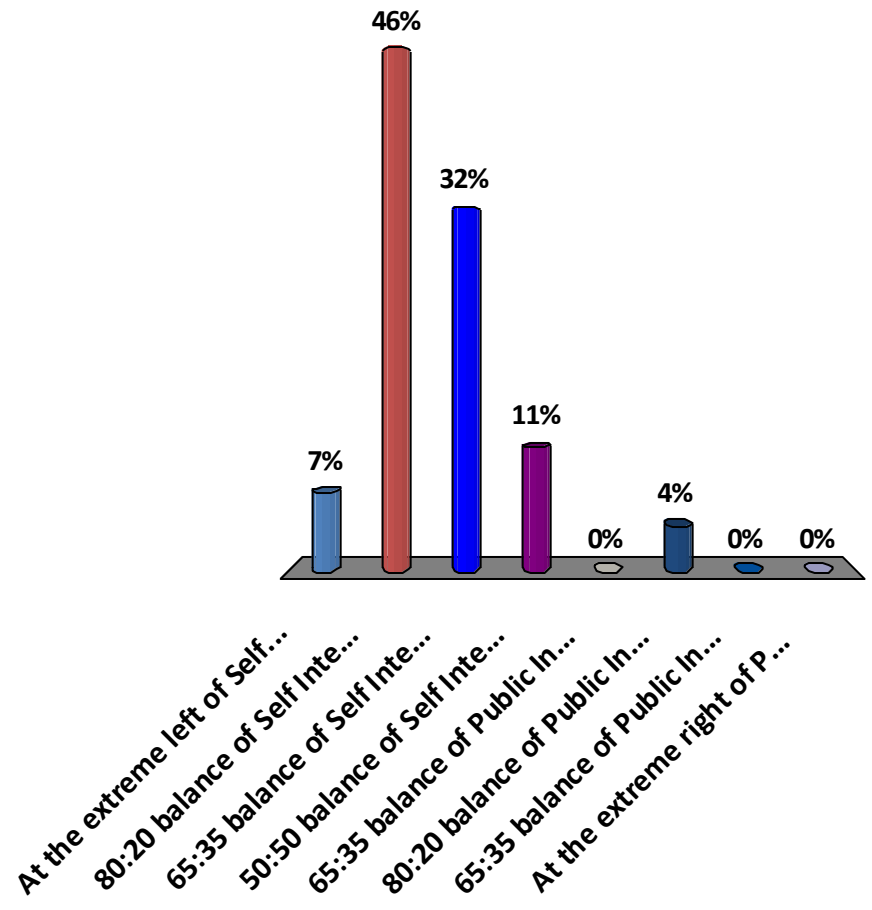
Empowerment

Self interest
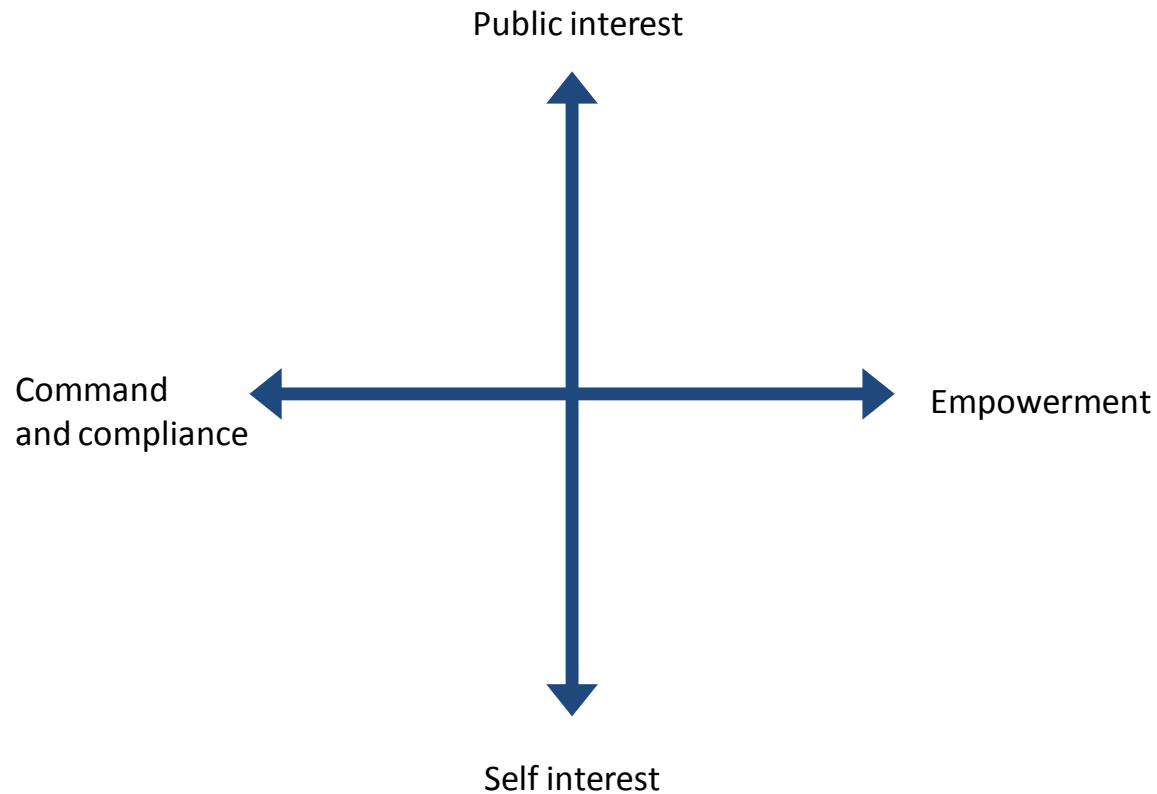
Somewhere on these two axis

Where is the UK and US multinational company on the continuum of Command & control and Empowerment?

A. at the extreme left of Command and Compliance. Staff are not empowered
B. 80:20 balance of command and control and empowerment
C. 65:35 balance of command and control and empowerment
D. 50:50 balance of command and control and empowerment
E. 65:35 balance of Empowerment and Command and Control
F. 80:20 balance of Empowerment and Command and Control
G. 65:35 balance of Empowerment and Command and Control
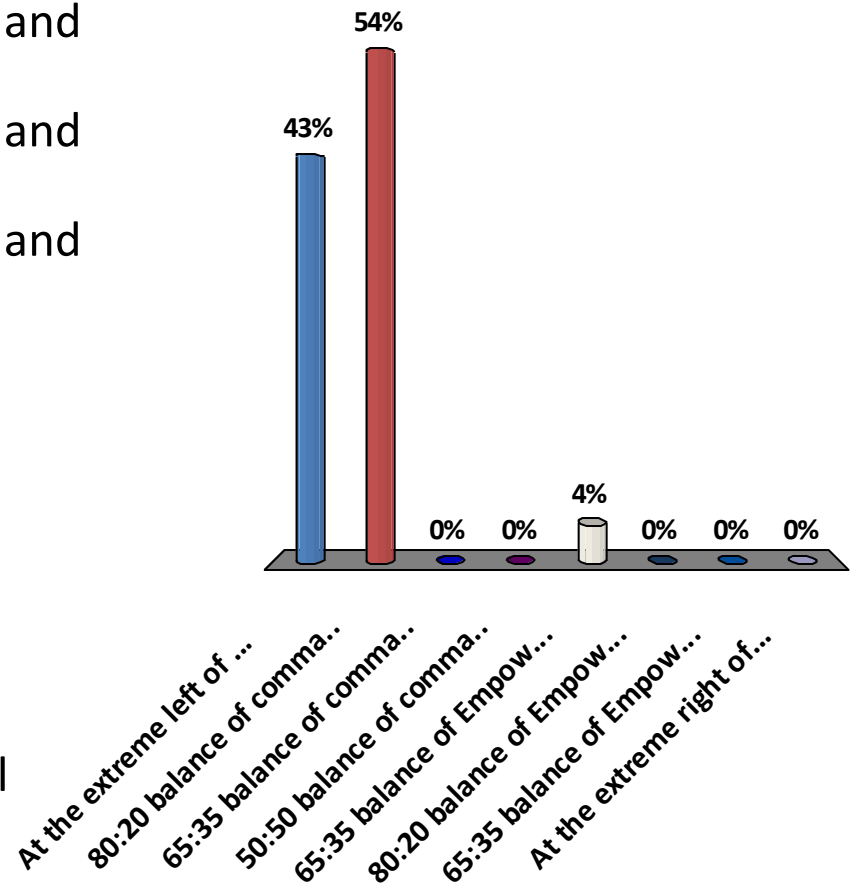H. At the extreme right of Empowerment. Staff are fully empowered and there is almost no central command and control

Where is the UK and US multinational company on the continuum of Public Interest and Self Interest?

A. At the extreme left of Self Interest

B. 80:20 balance of Self Interest v Public Interest

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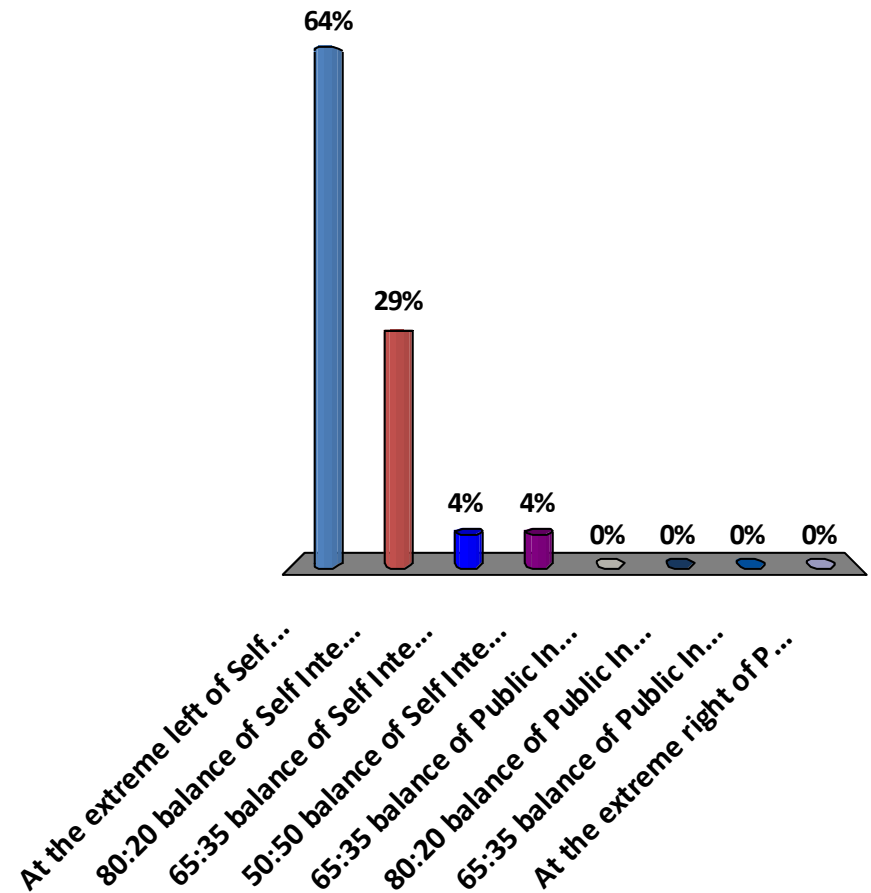
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Where is the UK and US banking institution on the continuum of Command & control and Empowerment?

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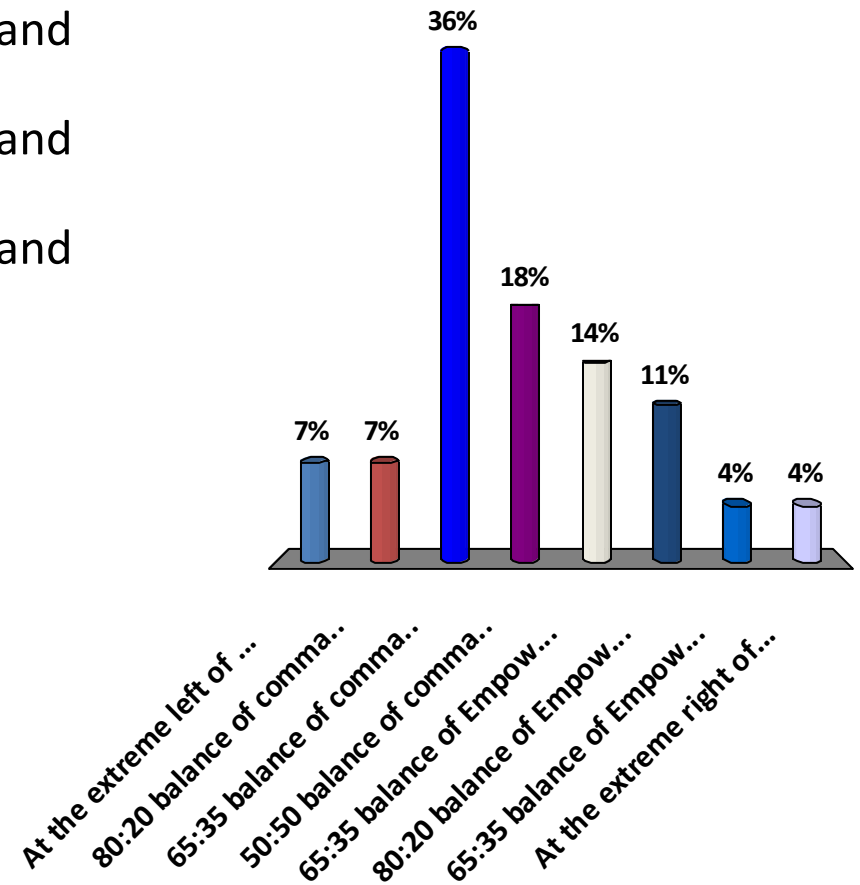H. At the extreme right of Empowerment. Staff are fully empowered and there is almost no central command and control

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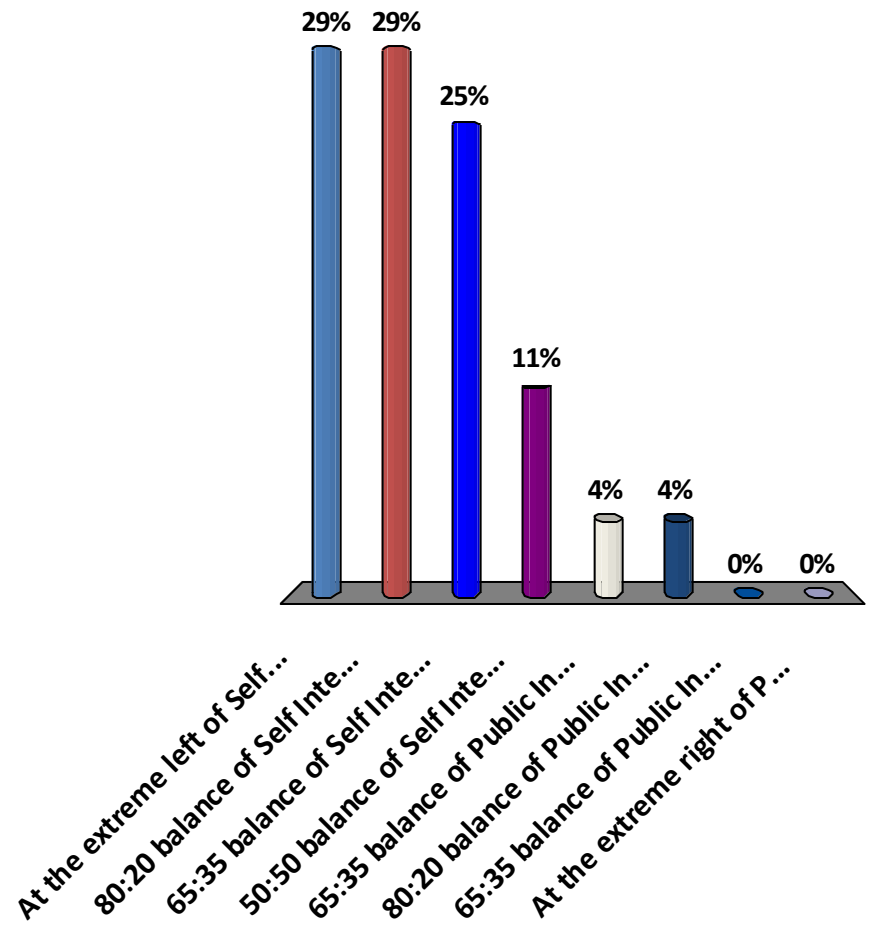
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Where are most big organisations today?
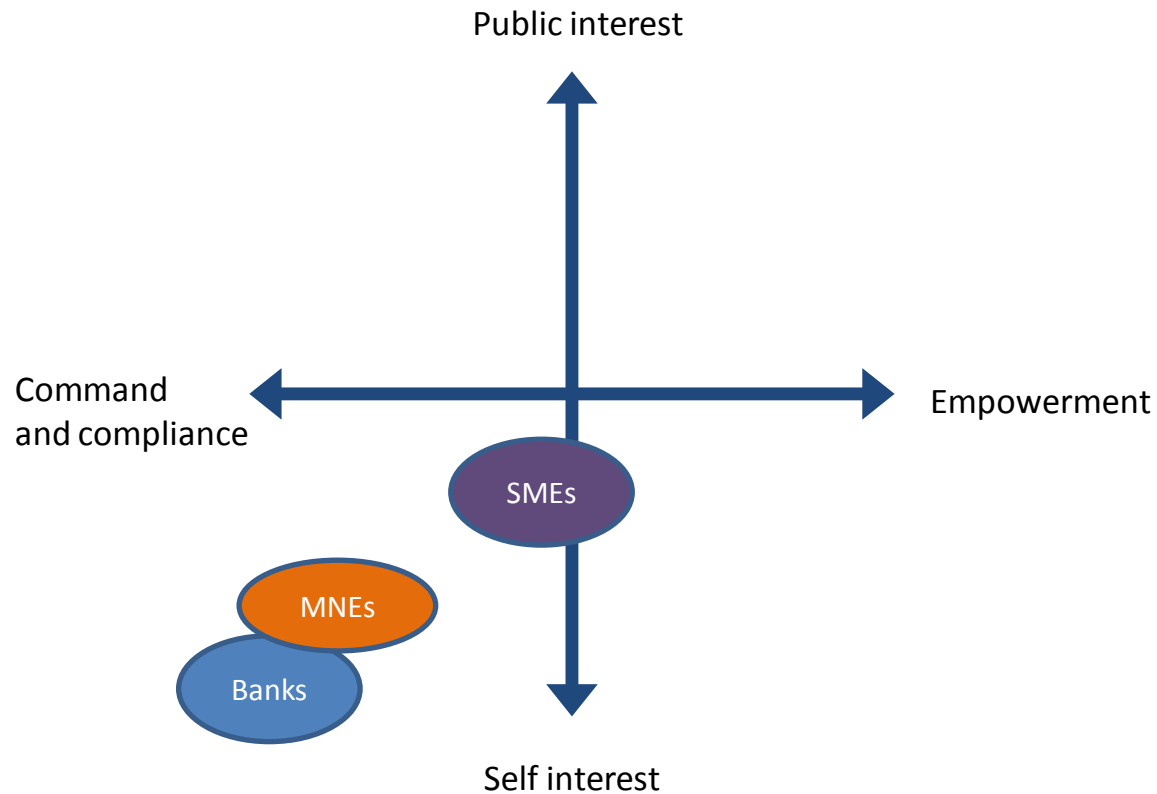
The group used electronic voting to place Banks, multinational enterprises and SMEs on these axis. The distribution could be described as disturbing.

The framework below was developed by Paul Moxey to help see where organisations are today and how they could change

Public interest

The Benevolent dictator

CEO leads and directs noble work

The Angels

Self managing teams working for good of society

Command and compliance

Empowerment

Henry VIII

CEO directs everyone to work for his/her own benefit

The Three Musketeers

Self managing teams working for their own benefit

Diagram ©Paul Moxey

Self interest
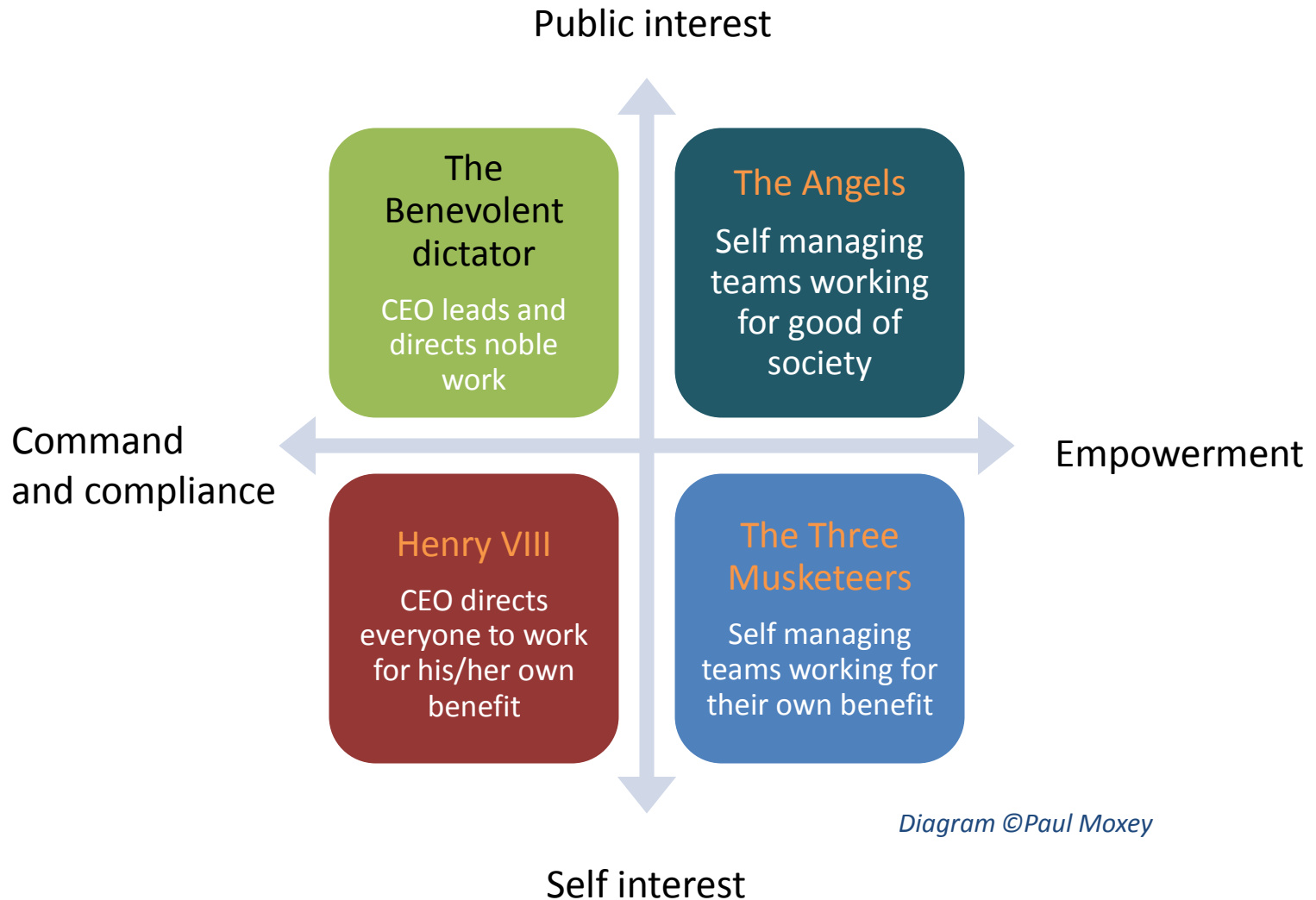
Causal Layered Analysis
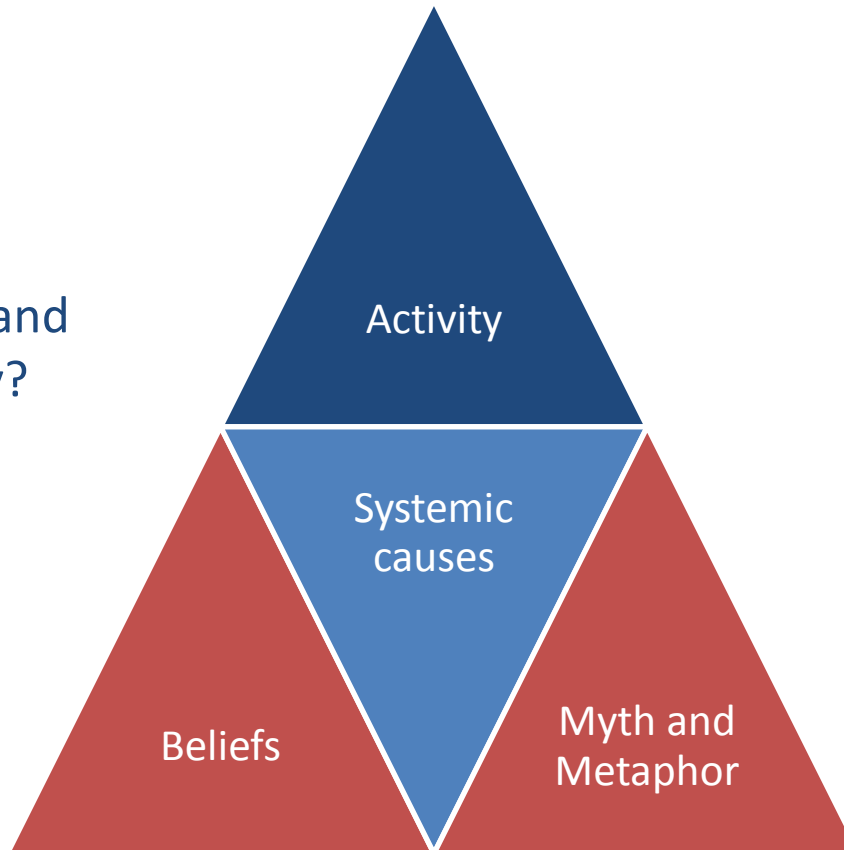
What do governance and culture look like today? How would you characterise or label them?

Activity

Systemic causes

Beliefs

Myth and Metaphor

What influences how governance is today?
What are the systemic causes and underlying beliefs or metaphors?

The group used post-it notes to list activities and traits of governance (A), their systemic causes (S) and the beliefs (B), metaphors and myths (M) underlying these

The post-it notes were grouped into: activities and traits of governance (A), their systemic causes (S) and the beliefs (B), metaphors and myths (M) underlying these

The post-it notes said:

Risk

AGM

Make profit

CEO ambition

Market share

Power of personality

Focus on EBITA

Reliance on audits

KPIs and measurement

Cost efficiency

Activity

Keep your nose clean and looking good

Reporting on corporate governance code

The rise of the back office
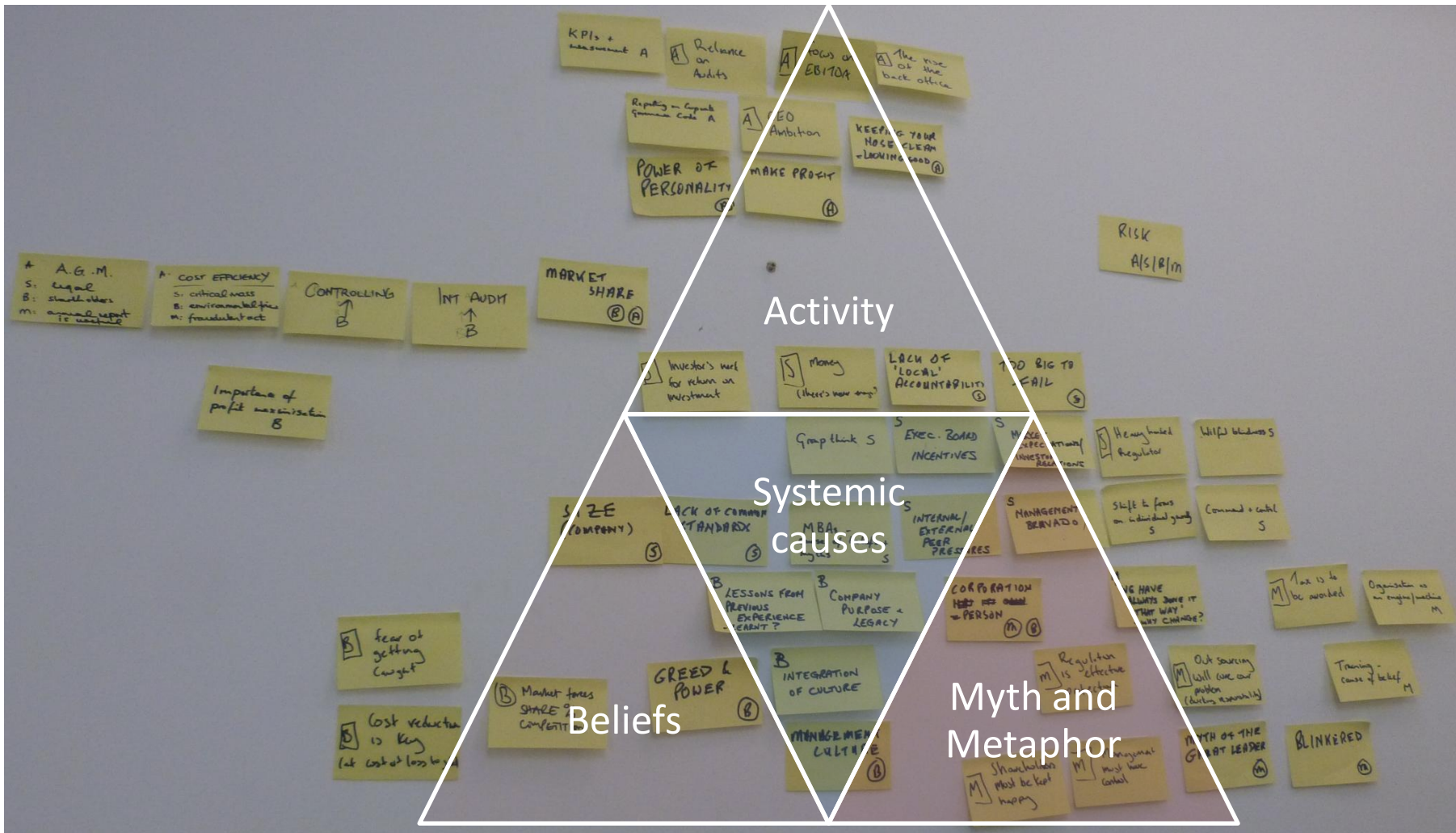
Too big to fail   Critical mass   Legal

    MBAs (cause of beliefs and myths)   Lack of common standards

    Investor relations   Shift to focus on individual generally

Systemic causes

Management bravado   Market expectations
    Internal external peer pressures

    Wilful blindness   Command and control
    Investors' need for return on investment
        Money – there's never enough
        Lack of 'local' accountability
        Heavy handed regulator
        Exec board incentives

            Size (company)

The post-it notes said:

Group think

Risk

The post-it notes said:

Risk

Controlling
Market share

Shareholders
Greed & Power

Management culture

Environmental (friends?)

Company purpose & legacy

Fear of getting caught

Corporation is a person

Market forces Share % Competition

Beliefs   Internal audit

Lessons from previous experience - learnt?

Integration of culture

Importance of profit maximisation

Profit maximisation is key (at cost of loss to jobs)
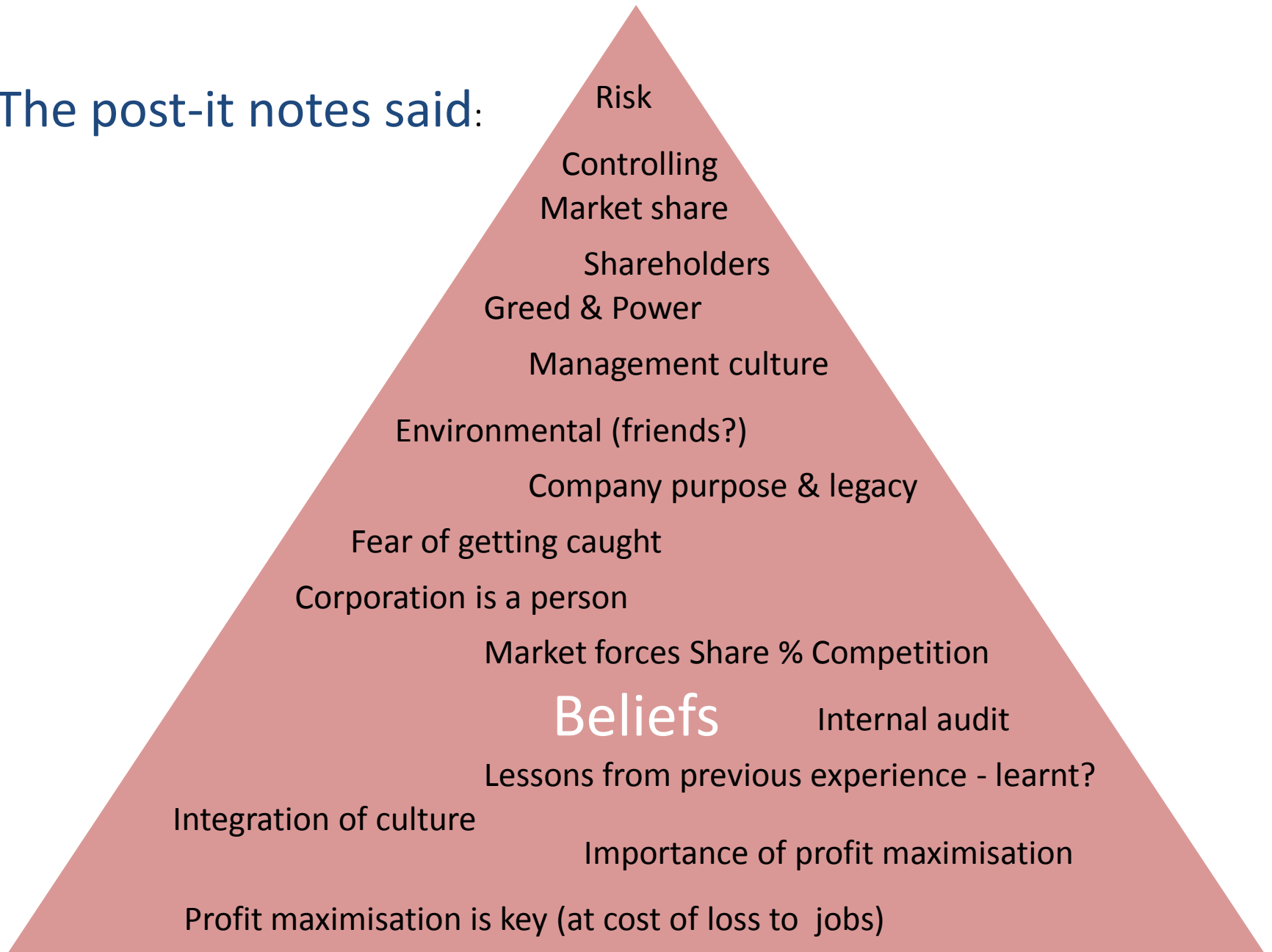
The post-it notes said:

Blinkered

Fraudulent act

Tax is to be avoided

Corporation is a person

Training – cause of belief

Annual Report is useful

Regulation is effective protection

Shareholders must be kept happy

Organisation is an engine/machine

Myth and Metaphor

Management must have control   Myth of the great leader

'We have always done it this way' – why change?

Outsourcing will cure our problem (ducking accountability)

The group discussed the clusters of post-it notes and the implications. With more time we would have gone into more depth on what the group thought and then discussed whether anything should or could be done and if so what.

F R E D E R I C   L A L O U X
FOREWORD BY KEN WILBER

Paul Moxey outlined an alternative way of looking at organisations where the dominant theme is empowered teams. The book by Frederick Laloux 'Reinventing Organisations' is a study of this type of organisation. Laloux calls them Teal organisations.

The next few slides come from the Reinventing Organisations website.

"Impressive! Brilliant! This book is a world changer!"
— JENNY WADE, Ph.D.
author of *Changes of Mind*

Reinventing organizations

A Guide to Creating Organizations Inspired by the Next Stage of Human Consciousness

http://www.reinventingorganizations.com/uploads/2/1/9/8/21988088/140305_laloux_reinventing_organizations.pdf

Human development
Overview of the main (organizational) paradigms

change factory

NB The colours and scales used here are similar to but not quite the same as those used by other thinkers e.g. Yellow in spiral dynamics corresponds with Teal here.

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change factory
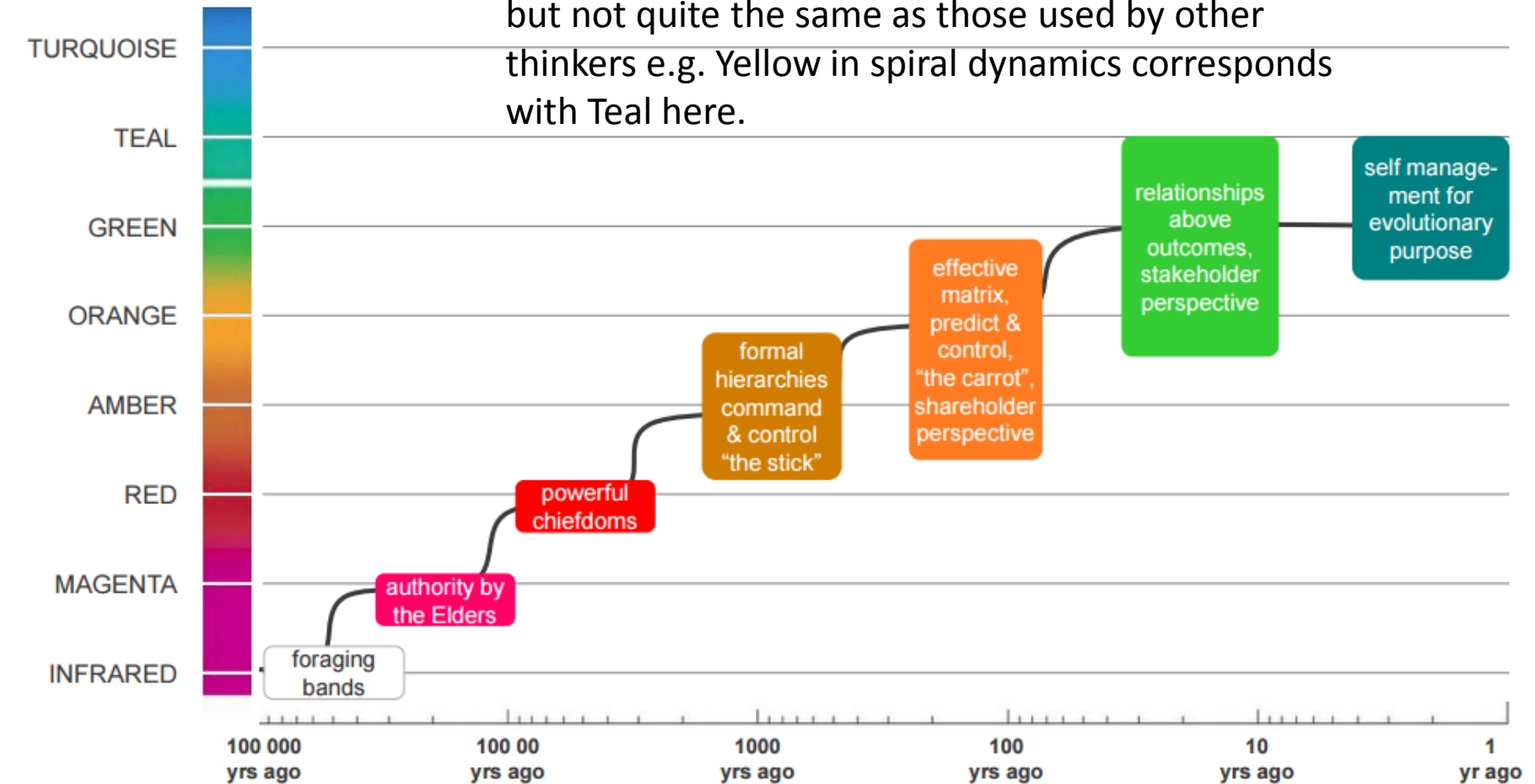
(Impulsive) RED organizations

CHARACTERISTICS

- Constant exercise of power by chief to keep troops in line.
- Fear is the glue of the organization.
- Highly reactive, short term focus.
- Thrives in chaotic environments.

LEADERSHIP STYLE

- predatory

Metaphor: WOLFPACK

EXAMPLES

- Mafia
- Streetgangs
- Tribal militias

KEY BREAKTROUGHS

- Division of labor
- Command authority

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(Conformist) AMBER organizations

CHARACTERISTICS

- Highly formal roles within a hierarchical pyramid.
- Top down command and control (what and how).
- Stability valued above all through rigorous processes.
- Future is repetition of the past.

Metaphor: ARMY

LEADERSHIP STYLE

- paternalistic-authoritative

EXAMPLES

- Catholic church
- Military
- Most government agencies
- Public school systems

KEY BREAKTROUGHS

- **Formal roles**
  (stable and scalable hierarchies)
- **Processes**
  (long term perspectives)

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(Achiever) ORANGE organizations
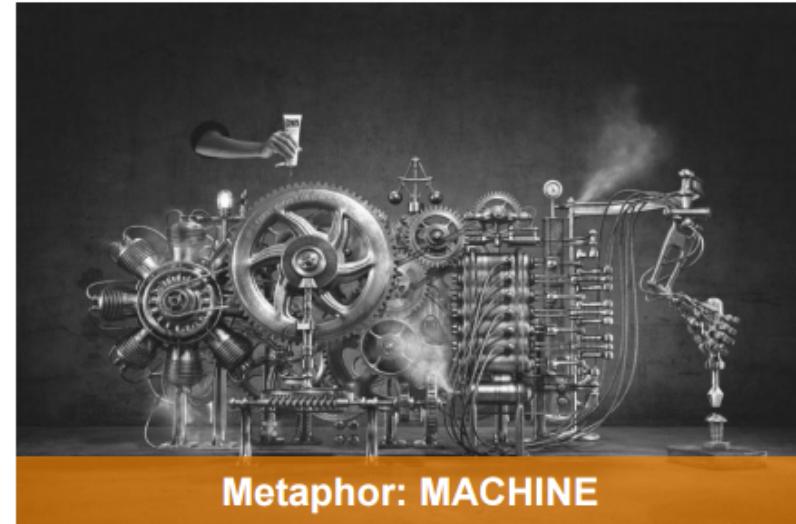
CHARACTERISTICS

- Goal is to beat competition; achieve profit and growth.
- Innovation is the key to staying ahead.
- Management by objectives (command and control on what; freedom on the how).

Metaphor: MACHINE

LEADERSHIP STYLE

- goal- and task-oriented, decisive

EXAMPLES

- Multinational companies
- Charter schools

KEY BREAKTROUGHS

- **Innovation**
- **Accountability**
- **Meritocracy**

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(Pluralistic) GREEN organizations

CHARACTERISTICS

- Within the classic pyramid structure, focus on culture and empowerment to achieve extraordinary employee motivation.

LEADERSHIP STYLE

- consensus oriented, participative, service

Metaphor: FAMILY

EXAMPLES

- Culture driven organizations (e.g. Southwest Airlines; Ben&Jerry's …)

KEY BREAKTROUGHS

- **Empowerment**
- **Values-driven culture**
- **Stakeholder model**

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(Evolutionary) TEAL organizations

CHARACTERISTICS

- Self-management replaces hierarchical pyramid.
- Organization is seen as a living entity, with its own creative potential and evolutionary purpose.

LEADERSHIP STYLE

- distributed leadership, with inner rightness and purpose as primary motivator and yardstick

Metaphor: LIVING ORGANISM

EXAMPLES

- Patagonia
- FAVI
- Buurtzorg

KEY BREAKTROUGHS

- **Self management**
- **Wholeness**
- **Evolutionary purpose**

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Example organisations

AES	Energy sector—Global—40,000 employees—For profit
BSO/Origin	IT consulting—Global—10,000 employees (1996)—For profit
Buurtzorg	Health care—Netherlands—7,000 employees—Nonprofit
ESBZ	School (Grades 7-12)—Germany—1,500 students, staff, and parents—Nonprofit
FAVI	Metal manufacturing—France—500 employees—For profit
Heiligenfeld	Mental health hospitals—Germany—600 employees—For profit
Holacracy	Organizational operating model
Morning Star	Food processing—United States—400-2,400 employees—For profit
Patagonia	Apparel—United States—1,350 employees—For profit
RHD	Human Services—United States—4,000 employees—Nonprofit
Sounds True	Media—United States—90 employees and 20 dogs—For profit
Sun Hydraulics	Hydraulics components—Global—900 employees—For profit

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Teal SELF MANAGEMENT practices

self organizing teams

coaches w/o P&L responsibility when needed

almost no staff functions

coordination and meetings ad hoc when needs arise

radically simplified project management,
minimum plans & budgets

fluid and granular roles

decision making fully decentralized (advice process)

transparent real time information sharing incl,. financials

anybody can spend any amount of money provided advice process is respected

formal multi-step conflict resolution process

focus on Team performance, peer-based process for individual appraisals

self-set salaries with peer calibration, no bonus, profit sharing

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BASIC ASSUMPTIONS/NORMS
of teal organizations self management

Trust	Information and decision-making	Responsibility and accountability
▪ We relate to one another with an assumption of positive intent.	▪ All business information is open to all.	▪ We each have full responsibility for the organization. If we sense that something needs to happen, we have a duty to address it. It's not acceptable to limit our concern to the remit of our roles.
▪ Until we are proven wrong, trusting co-workers is our default means of engagement.	▪ Every one of us is able to handle difficult and sensitive news.	
▪ Freedom and accountability are two sides of the same coin.	▪ We believe in the power of collective intelligence. Nobody is as smart as everybody. Therefore all decisions will be made with the advice process.	▪ Everyone must be comfortable with holding others accountable to their commitments through feedback and respectful confrontation.

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Why teal organizations are so successful (1)

Liberating previously unavailable energies

Through purpose	Individual energies are boosted when people identify with a purpose greater than themselves.
Through distribution of power	Self-management creates enormous motivation and energy. We stop working for a boss and start working to meet our inner standards, which tend to be much higher and more demanding.
Through learning	Self-management provides a strong incentive for continuous learning. And the definition of learning is broadened to include not only skills but the whole realm of inner development and personal growth.
Through better use of talent	People are no longer forced to take management roles that might not fit their talents in order to make progress in their careers. The fluid arrangement of roles (instead of predefined job descriptions) also allows for a better matching of talent with roles.
Less energy wasted in propping up the ego	Less time and energy goes into trying to please a boss, elbowing rivals for a promotion, defending silos, fighting turf battles, trying to be right and look good, blaming problems on others, and so on.
Less energy wasted in compliance	Bosses' and staff's uncanny ability to create policies generates wasteful control mechanisms and reporting requirements that disappear almost completely with the self-management.
Less energy wasted in meetings	In a pyramid structure, meetings are needed at every level to gather, package, filter, and transmit information as it flows up and down the chain of command. In self-managing structures, the need for these meetings falls away almost entirely.

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Why teal organizations are so successful (2)

Harnessing and directing energy with more clarity and wisdom

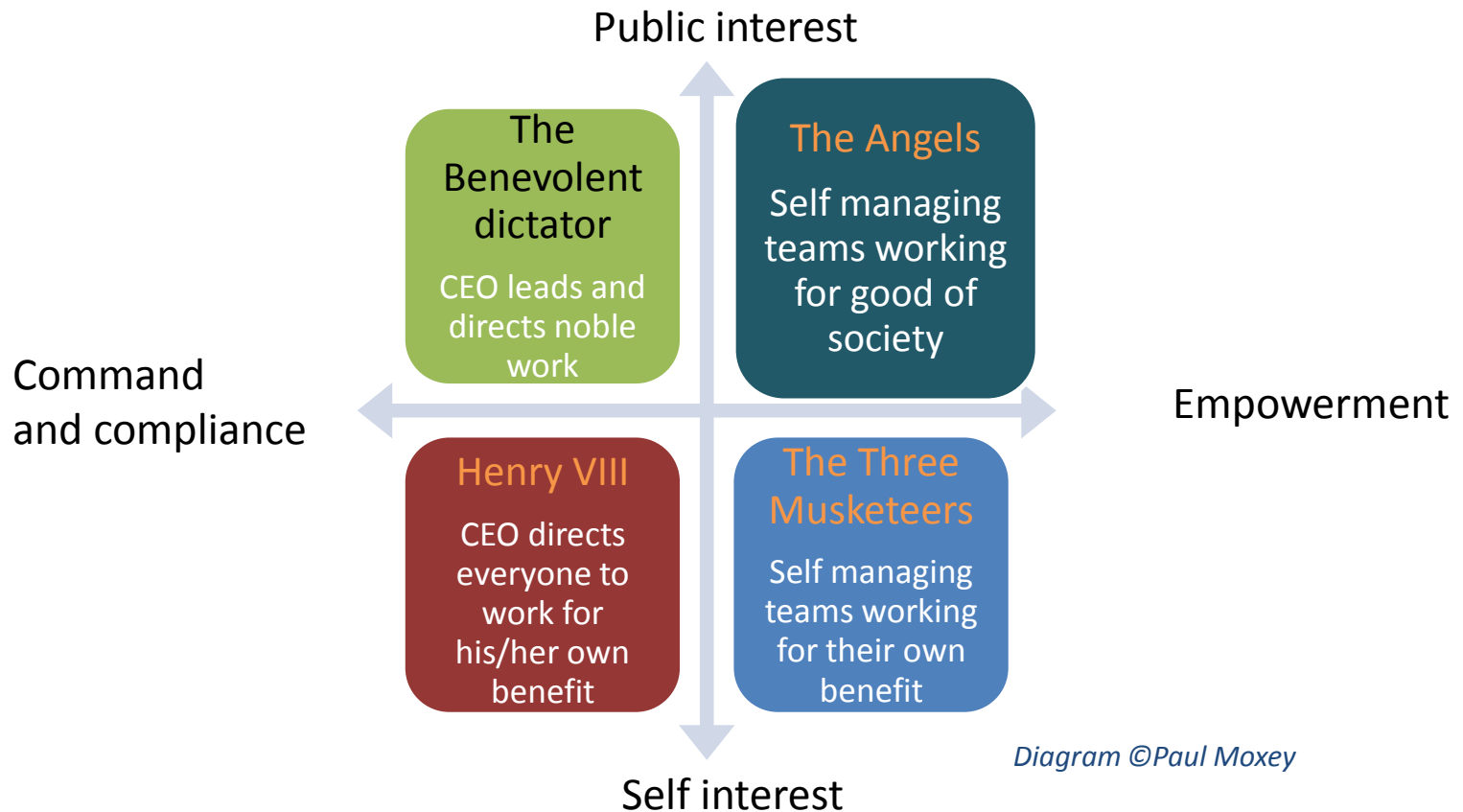|	
Through better sensing	With self-management, every colleague can sense the surrounding reality and act upon that knowledge. Information doesn't get lost or filtered on its way up the hierarchy before it reaches a decision maker.
Through better decision-making	With the advice process, the right people make decisions at the right level with the input from relevant and knowledgeable colleagues. Decisions are informed not only by the rational mind, but also by the wisdom of emotions, intuition, and aesthetics.
Through more decision-making	In traditional organizations, there is a bottleneck at the top to make decisions. In self-managing structures, thousands of decisions are made everywhere, all the time.
Through timely decision-making	As the saying goes, when a fisherman senses a fish in a particular spot, by the time his boss gives his approval to cast the fly, the fish has long moved on.
Through alignment with evolutionary purpose	If we believe that an organization has its own sense of direction, its own evolutionary purpose, then people who align their decisions with that purpose will sail with the wind of evolution at their back

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The book Reinventing Organisations describes organisations (which Laloux calls Teal) which operate in the top right quadrant (The Angels) in contrast to the majority of companies which the group felt were in the bottom left quadrant (Henry VIII). For more detail of these framework see https://samiconsulting.wordpress.com/2015/11/30/25th-anniversary-series-the-future-of-corporate-culture/

Public interest

The Benevolent dictator
CEO leads and directs noble work

The Angels
Self managing teams working for good of society

Command and compliance ← → **Empowerment**

Henry VIII
CEO directs everyone to work for his/her own benefit

The Three Musketeers
Self managing teams working for their own benefit

Self interest

Diagram ©Paul Moxey

Going to Teal

What would be the **underlying beliefs or metaphors** and what would be the systems that would support it?
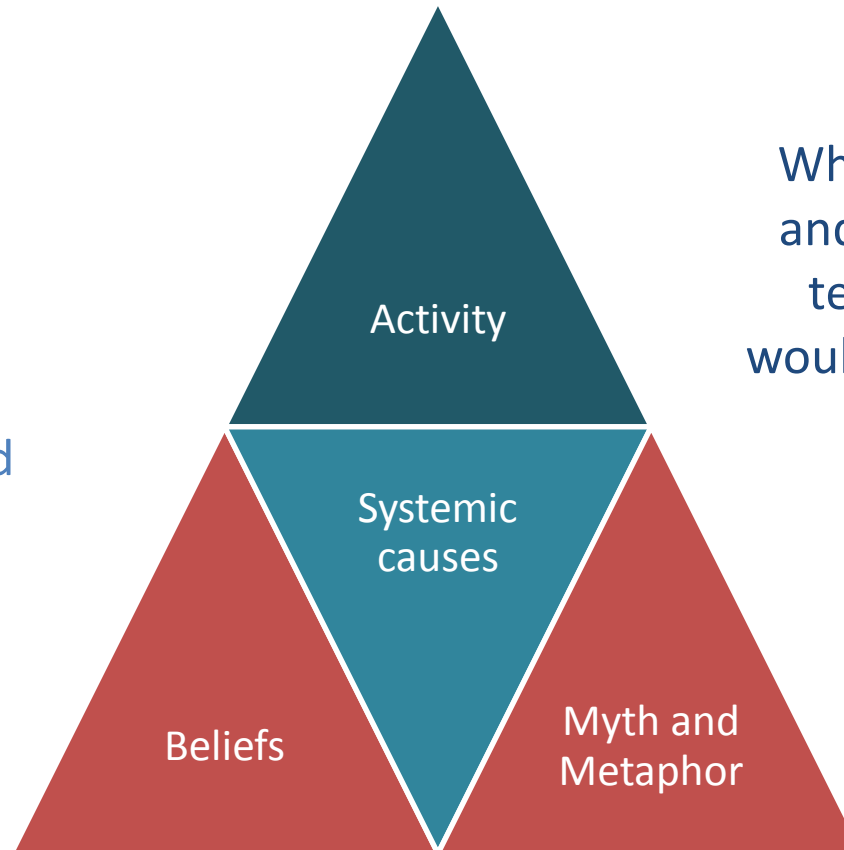
What would governance and culture look like in a teal organisation? How would you characterise or label it?

Activity

Systemic causes

Beliefs

Myth and Metaphor

What could/should/can we do to bring it about?

Next steps

With more time we could have repeated the cluster analysis using post-it notes to identify what systems, beliefs, metaphors and myths would need to change to encourage or lead organisations to find a better balance of public interest and self interest (and in the case of Teal or Angel organisations where staff work in empowered teams). Instead, in the 5 minutes remaining, the following suggestions came from the group:

- Everyone can be trusted
- People want to do the right thing
- Greater transparency needed
- Worker owned situations – change needed at ownership level
- Beliefs need to be inbred
- Can have all four quadrants of management styles (ie all four quandrants are possible in society and more than one quadrant can exist in an organisation)
- Regulators need to change
- Learn from mistakes (applies to us all)
- Holocracy and Responsibility Virus books and websites would be useful for reference

What do you think?

ie about the idea of Teal organisations

A. This is crazy
B. Sounds lovely but it will never work
C. Not sure I understand it
D. Intriguing – would like to think about it
E. Sounds lovely and we should try to make it work
F. This should be the future of work
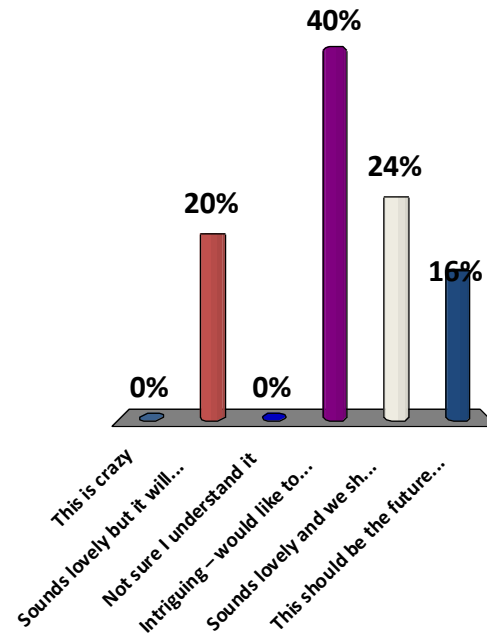
The group response was a mixture of doubters (20%), the intrigued (40%), those who thought we should try to make Teal or Angel organisations more common (24%) and those who thought it should be the future of work (16%).
The was strong support for the Forum to assist in this.

For further discussion

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for governance, culture, behaviour, uncertainty and risk manangement