Master's Thesis

The Organized Community

Exploring recent forms of organizing for human engagement

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People feel empowered when they can yell "ICEBERG" and the ship steers away from potential disaster. People feel demotivated and apathetic when they yell "ICEBERG" and the ship plows into it anyway. Empowerment is about being able to make things better when you see a better way, regardless of your formal position.

~Gervase Bushe, 1998

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The Organized Community

Exploring recent forms of organizing for human engagement

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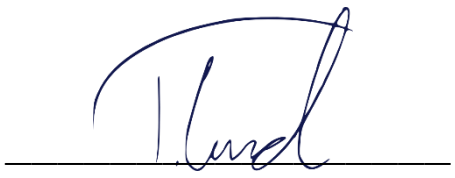
Abstract: The purpose of this master's thesis has been to explore recent forms of organizing for human engagement, here termed "organized communities". The aim has been to provide a better understanding of how organizing for human engagement can be accomplished. For this research, a sensitizing framework regarding organizing as a problem-solving process resulting in a configuration of five organizational subsystems has been developed and applied. Through document analysis of the four cases – sociotechnical systems, sociocracy, Holacracy, and teal organizations – and empirical research into the operation of these cases in practice, a coherent synthesis of the fundamental characteristics of the organized community were developed. These were found to be a driving purpose, a worldview of wholeness, a committed community, self-management, do'ocracy, formalized collaboration, evolutionary development, and radical transparency. Additionally, possible factors for the emergence of organized community forms of organizing has been identified along with the potential impact of organized community forms of organizing.



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Resume

Formålet med dette speciale har været at udforske nyere former for organisering for menneskeligt engagement. Flere eksempler på disse former er dukket op i løbet af de sidste 20 år, herunder "Holacracy", "Unboss", og "Teal organizations". Hver for sig indeholder disse former værdifulde perspektiver angående organisering baseret på engagement og tillid. Sigtet med dette speciale er at undersøge og definere fællestrækkene i de eksisterende former for organisering for menneskeligt engagement. Som en fællesbetegnelse for disse former for organisering anvendes i dette projekt betegnelsen "organiserede fællesskaber".

Udgangspunktet for udforskningen er en dokumentanalyse af fire udvalgte cases. Disse cases er "sociotechnical systems", "sociocracy", "Holacracy", og "Teal oranizations". For hver case er de konstituerende dokumenter blevet analyseret ved anvendelse af et framework udviklet til dette formål. Frameworket er bygget med et perspektiv på organisationer som komplekse systemer bestående af fem undersystemer: mennesker, opgaver, strukturer, processer, og teknologi. En konfiguration af disse fem undersystemer opstår som følge af den problemløsende proces organisering er.

Casestudierne suppleredes med en række interviews af personer med erfaring inden for organiserede fællesskaber og udlevelsen af disse i praksis. Tilsammen danner casestudierne og de empiriske studier grundlag for identificeringen af otte fundamentale karaktertræk ved organiserede fællesskaber. Disse omfatter at organiserede fællesskaber baserer sig på et drivende formål, et helhedsorienteret verdensbillede, et forpligtende fællesskab, selv-ledelse, do'ocracy, formaliseret samarbejde, evolutionær udvikling, og radikal gennemsigtighed.

Sideløbende med udforskningen af hvad der kendetegner et organiseret fællesskab, er en undersøgelse af mulige årsager til fremkomsten af forskellige former for organiseret fællesskab blevet undersøgt gennem de samme metoder. Resultaterne indikerer, at vi ser netop disse former for organisering nu, fordi vores måde at tænke arbejde på har ændret sig, fordi selve arbejdet har forandret sig, fordi den måde vi udfører arbejdet på har forandret sig, og fordi disse forandringer i det hele taget er sket, hvilket har bevirket at nutidige organisationer skal navigere i et komplekst miljø.

Afslutningsvis er den praktiske implementering af organiserede fællesskaber i etablerede organisationer blevet undersøgt, men et begrænset grundlag gør det svært at drage konklusioner desangående. Desuden har undersøgelsen af den forventede effekt ved at implementere organiserede fællesskaber vist, at det er sparsomt med viden om den reelle effekt, men at indikationer tyder på at organiserede fællesskaber er konkurrencedygtige ift. mere hierarkiske former for organisering.

Contents

1 Introduction

A few years ago, I stumbled upon a book on Holacracy. At that time, I was actively engaged in the Danish Guide and Scout Association as a member of the national board. Despite a size of approximately 36.000 members, this was a setting where people contributed to the purpose of the organization with a very limited formal hierarchy. Every member was in a sense the owner of the organization and in pursuing the purpose fundamentally equal to all other members. After all, in a voluntary organization, people are there because they find it meaningful, else they would leave. This high degree of freedom and decentralization had allowed people to contribute almost where they wanted with what they wanted which was essentially driving the organization forward in an organic fashion. True, there was a strategy and a vision, but more importantly, a strong purpose and a set of shared values somehow seemed to be the only thing really coordinating the masses. Setting a direction in this wonderful chaos was more a question of subtly constructing a shared consciousness than a question of pointing out a direction and presenting a plan for how to get there. This presented several interesting challenges. How do you coordinate a movement across 36.000 more or less independent individuals without controlling it or exerting force? How do you allow people to contribute with all they want without it ripping the organization into pieces? When I stumbled upon Holacracy, I was suddenly presented with an answer so radically different from the common answers of the textbooks but still somehow so obviously coherent with the most fundamental quality of a movement: Let people fluidly self-organize around the purpose without central control. Thus, my fascination of Holacracy, as it allowed people to contribute to their fullest while still being coordinated. I was amazed.

The fascination stuck with me, and I have since become certain, that what I stumbled upon back then was just one variation of a larger whole. A whole with a truly awesome potential. A whole, encompassed by the idea of creating organizations just as amazing as the people within them. This master's thesis is an exploration of what it looks like, when we organize for engagement and why ideas such as Holacracy has gained traction in recent years. It concludes my studies in operations and management engineering at Aalborg University.

1.1 What is my curiosity?

Our ability as humans to organize has brought us incredible advances. Since the end of the Late Stone Age, long before the emergence of organization theory as an academic field, humans have understood the concepts of causal relationships and simple role-differentiation allowing for the first crude organizations to emerge as a means to cope with the complexity of participating in multiple relationships and achieve beyond what a single individual would be capable of (Laloux, 2014). Up until this day, the search for ways of organizing that best matches the capabilities of

an organization with the environment in which it operates has continued. This search has, if one is to believe the various management consultancies and -magazines around the world, never been more intense than currently as organizations struggle to keep up with the rapidly changing world around them (Reeves, Zeng, & Venjara, 2015).

For years on end, we created organizations on the fundamental assumption that they should function as machines. By precisely defining the task of the machines and designing the mechanics inside, the functions, the parts, and the components, to fulfill this task, it could be run smoothly to produce a stable, predictable output. The components of these organizational machines are humans, effectively compensated for doing a job they are assumed to be fundamentally disinterested in by completing simple tasks, precisely monitored and controlled, to avoid any "human errors", any unpredicted sparks of creativity that deviate from the carefully designed architecture of the entire mechanical organization.

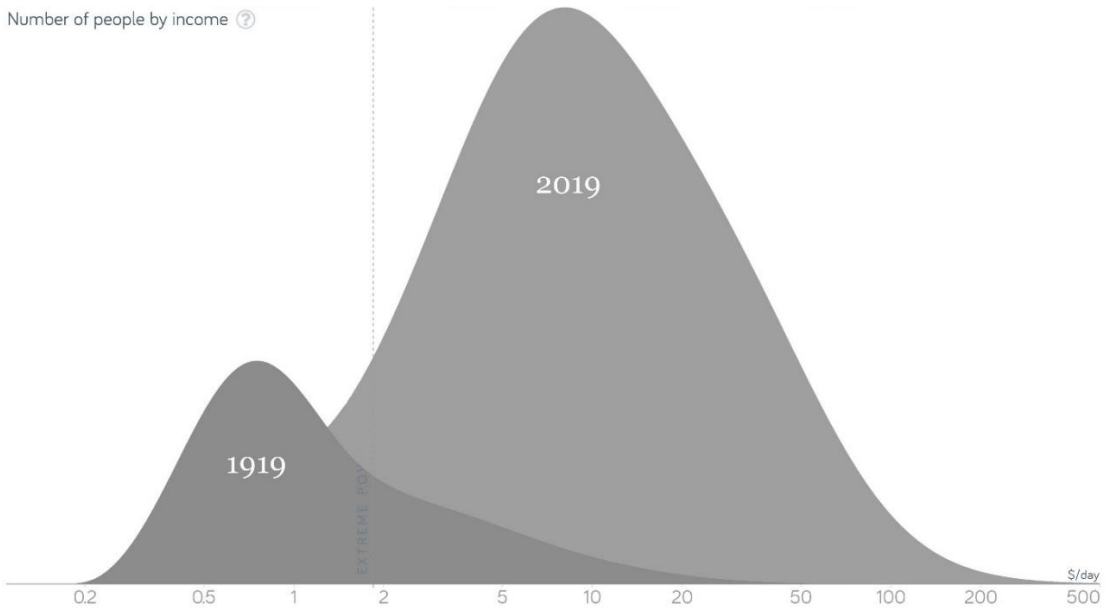

Figure 1 - Distribution of population of 1919 and 2019 by daily income. Data from https://www.gapminder.org/tools/

However, today the world looks different. Those mechanical organizations have, in a strangely positive sense, been effectively digging their own grave. The world has changed with much credit to the features of the early and modern organizations. While the term "*in the good old days*" still induce warm nostalgic feelings of the grandeurs of times past, anyone doubting the radically improved state of our global society truly should lend themselves to look beyond the common media picture to notice all the good going on – or simply type "Hans Rosling" into YouTube and have a go at the first couple of TED talks, or have a look at Rosling's "*Factfulness*". The extraordinary progress emanating from determined people working together is seen everywhere. In a 100 year perspective, the global life expectancy has increased, the child mortality has decreased, the percentage of humans with access to a basic water source has increased, all of them dramatically (Gapminder, 2019). Similarly, as seen in Figure 1, the daily income of the global population

is dramatically increased. If you wonder about the dotted line in the figure, it indicates the limit for living in extreme poverty at $1.85 a day. In 1919 69,7% of the population were below that line. That is more than two-thirds of the world population living in extreme poverty back in "*the good old days*". This figure was reduced to 10.1% in 2019. Great, but there is still some way to go. Nevertheless, the world is undeniably a better place in many senses, much thanks to the power of organizations. But something is rotten in the state of our organizations.

Some of the most fundamental assumptions and narratives upon which our organizations are built have changed. While we hear time and time again that the world of business is changing with ever increasing speed, the world is also in a much more stable position than 100 years ago. Back then, the assumption that a paycheck could be all the motivation a worker needed to fulfill a job was more valid as income was volatile but vital due to the generally low income-levels and lack of social security systems. Similarly, the assumption that simple jobs with clear instructions from superiors and supervision was preferable to more complex jobs could much more easily be justified in the significantly lower level of education of the average person in the working age (Ourworldindata.org, 2017). Today, these assumptions are far less relevant but nevertheless persist to exist in the way we shape our organizations. The analogy of organizations as machines have stuck with us, and when the organization is *broken*, we do business process *reengineering*, the human *resources* are the ones transforming *inputs* to *outputs*, and the *throughput* is *monitored*. The result is appalling. To a such extent that it can be quantified as low percentages of workers being actively engaged in their jobs, of jobs requiring originality, and of employees being consulted about objectives for their work (Hamel & Zanini, 2018). Equally, at the top of the mechanistic hierarchy, the pressure of making an incomprehensible amount of decisions without proper context, the politics, and the infightings are fueling an inner sense of emptiness (Laloux, 2014). I can think of no better way of illustrating this than with the expression "*work-life balance*" – balance is important, but have our work become so lifeless that it is the negation of life itself?!

Arguably, it has not. At least not to my knowledge. What has happened, could instead be described as life having outrun our work. Our standards of living have increased and so has our expectations towards the organizations we work in. The interdependent nature of the knowledge work that makes up an increasingly larger share of the total economy call for collaboration and trust. To be fair, the seed for this entire project was not planted by a frustration with the way work is commonly organized, but by something entirely more positive. It was planted by a curiosity and a fascination of the thought of organizations where every member can contribute to their fullest with what is meaningful to them. Organizations where the fundamental structure is not hierarchy and where everyone acts out of their own free will as no one has the power to force anyone to do anything. Organizations, where the commitment of every member is towards the community and the common purpose and will not be hindered by rigid structures. In short, organizations as amazing as the people inside them. The dream of such organizations is the seed of this project.

The essence of organizing is to achieve together, what could not be achieved alone. If one accepts this stance, we must also accept that if we are to organize successfully it will entail organizing in a way that allows for people to excel. The more people can excel within the organization, the more the organization can ultimately excel. In modern terms, we want the most from the human resources that we have got. In more contemporary terms, we want people to contribute with great engagement and realize their full potential while thriving and growing along the way. Our organizations need us to excel for them to excel. In order to adapt to the environment around the organization. Humans are excellent at noticing when something is wrong, detecting change, and sensing opportunities. If the world is indeed changing faster, then the need for organizations to be able to respond as fast as the humans inside them is increasing. Deloitte (2017) illustrate this need with the graph in Figure 2 explaining that, with the increased pace in technological change, organizations – in this graph, businesses – can achieve better rates of adaption only by reacting as fast as the individuals within them. The big question then left unanswered equals my curiosity: How does one do that? How does an organization operate in a way that allow such freedom and agility?

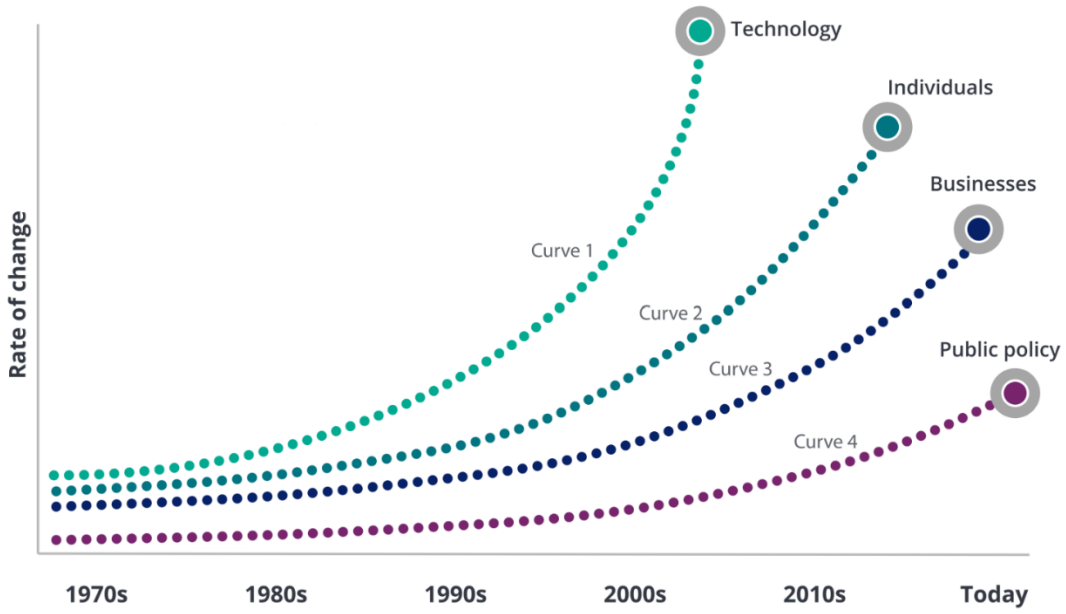

Figure 2 - The rate of change for technology and the ability of people, businesses, and public policy to adapt to this change according to (Deloitte, 2017)

Luckily, this curiosity has been addressed in a plethora of perspectives ranging from organizations that are more adaptable, flexible, agile, or engaging to organizations with broader stakeholder orientation or driven by a strong set of values. When taken individually, there is much to learn from each of these perspectives, but perhaps the union of them is even more interesting. Perhaps, all these deviations from the traditional mechanistic way of organizing, despite being different, can all be seen as complementary features of a form of organizing that can offer an alternative to modern forms of organizing. Perhaps, when these individual perspectives from time to time fail to deliver, what they promised, it is not because they are invalid, but rather

because they were attempted as a quick-fix or a long sought after remedy to a problem that is inherently much deeper. Trying to adopt an empowering leadership style in a fundamentally disempowering corporate structure or implement corporate values into an organization that will always choose profit above its values just does not make the cut. To stick with the mechanistic analogy, it is like trying to fix your essentially worn-down car by using the expensive fuel with additives. It helps, but it does not fix a system that is broken. So, what is the new system that can accommodate all these new perspectives?

All in all, the surge of interest in organizations capable of better engaging the humans they consist of and allowing them to express their full potential has brought with it a cascade of organizational forms. Holacracies, agile organizations, unlimited organizations, teal organizations, Humanocracies, sociocracies etc. all seem to be responses to the same trends or relating to the same bigger picture. Where the environment makes it appropriate, some organizations have started shifting towards these models (Deloitte, 2019), and the prize for the ones who succeed can already be glimpsed. McKinsey showed agile organizations, as they call it, have a 70% chance of being in the top quartile of organizational health, indicating long term performance, while simultaneously achieving faster time to market, greater customer centricity, lower cost and a more engaged workforce (Aghina, De Smet, Lackey, Lurie, & Murarka, 2018). However, with the outlines still blurry it can be hard to pinpoint, which management innovations are part these new organizational forms, what the underlying management idea is and how established organizations can benefit from all this. Is it possible to dissect the forms, and pick and choose which elements to apply or does one have to go all in? As Bernstein, Bunch, Canner and Lee noted in their 2016 article about Holacracy and similar organizational forms:

> *We'd be surprised if more than 20% of the Global 1000 looked "teal" in 2030, to use Frederic Laloux's term for "whole," evolutionary, self-managing organizations. But we'd also be surprised if more than 20% didn't significantly draw on some of the techniques within their corporate frameworks.*
> *(Bernstein, Bunch, Canner, & Lee, 2016)*

The recent surge of interest in organizational forms for increased engagement of humans has spawned a plethora of management innovations. It might be nothing but management fashion, but it could be the emergence of a management idea or, as some claim, an entirely new paradigm of organizing. However, at the current state, it is hard to get an overview of the activity in the area since these new forms have received plenty of attention from consultancies and business writers but the academic literature on the topic is limited and fragmented. My curiosity is thus:

What has led to the emergence of recent forms of organizing for human engagement and what fundamentally characterizes such forms of organizing?

How are these forms of organizing brought to life in the operations of established organizations and with what impact?

In exploring these questions, it can be argued, that what is being explored – the recent forms of organizing – could be regarded a set of management innovations as described by Birkinshaw, Hamel, and Mol (2008) as *a management practice, process, structure, or technique that is new to the state of the art and is intended to further organizational goals*. As examples of management innovations the authors cite, among other, the toyota production system, the spaghetti organization, quality of working life, and modern assembly line. By considering these recent forms of organizing as management innovations, it becomes apparent that one need to uncover what management practices, processes, structures, and techniques are in place in each of the considered cases of management innovation.

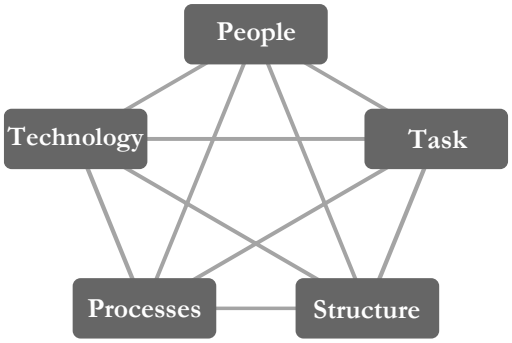

Figure 3 - Interdependent organizational subsystems model adapted from (Leavitt, 1964) and (Galbraith, 2014)

To systematically explore the management innovations dealt with in this project, a view of organizations as complex systems of interdependent subsystems is adopted. Specifically, an adaptaion of Leavitt's model of organizational subsystems (Leavitt, 1964) is proposed for this task, by combining the model of Harold Leavitt with that of Jay Galbraith (2014b) to arrive at a model of the organizational system as composed of five subsystems: people, task, structure, process, and technology as shown in Figure 3. This model will be elaborated in section 3.2.

The concept of management innovation as provided by Birkinshaw, Hamel, and Mol (2008) provides this project with another usefull perspective, namely the notion of a management idea, which the authors describe as fairly stable bodies of knowledge, assumptions, accepted principles, and rules and procedures about what proper management is. As examples of these more abstract concepts, the authors mention scientific management, total quality management, and the learning organization. The focus of this project on identifying common fundamental characteristics across a set of management innovations can then be considered an attempt to uncover the underlying management idea.

Another usefull concept related to the concept of management ideas and management innovation is management fashion as described by Abrahamson (1991, 1996). He describes management fashion as *relatively transitory collective belief that a management technique leads to rational management progress* (Abrahamson, 1996, p. 257). Birkinshaw et al. explain the relationship between management innovation and management fashion as management

innovations being potential management fashions. Abrahamson furthermore add the important distinction between fashion setters - consulting firms, management gurus, business mass-media publications, and business schools – and fashion followers. These can also be regarded as external and internal change agents in the process of management innovation (Birkinshaw et al., 2008).

1.2 Scope and Outline

The purpose of this thesis is to explore recent forms of organizing, that stand out from a traditional conception of organizations in their approach to engagement, and the experience that has been made on the practical use and impact of such forms of organizing. The aim is to better describe the nature of the forms of organizing and the management idea and innovations behind them as well as discovering how these forms of organizing are applied and with what effect. This will be done firstly, by exploring and analyzing the multitude of forms of organizing that has been documented in business journals, books, and academic literature to identify how they relate and compare to each other and what common ground they share concerning different organizational subsystems. This will be done through a multiple-case study presented in chapter 3. Chapter 4 will present a similar exploration where empirical research in the form of interviews are used to get a better picture of what these forms of organizing is. Secondly, in chapter 5 the findings from the theoretical and empirical exploration will be discussed in relation to each other to synthesize a coherent picture of a common management idea. Additionally, the implementation and impact of these organizational forms will be explored and discussed.

1.2.1 Methodology

The aim of this project is to explore recent forms of organizing for human engagement and to identify a common set of characteristics for these along with possible factors leading to the emergence of such forms of organizing. In doing so the approach will be inductively qualitative following the approach of grounded theory for data analysis very similar to the approach sketched by Bryman and Bell (2015, p. 588, fig. 24.3) and interpreted in Figure 4. The iterative approach has two major phases.

The first phase is a comparative multiple-case study of forms of organizing for human engagement. Each distinct form of organizing represents a case. The data collection was conducted through document analysis with the different forms of organizing as the different cases as illustrated in Figure 5. In this sense, the documents describing a form of organizing were deliberately limited to writings of the inventors of the respective forms of organizing and writings by authors with documented relations or co-authorships with the inventors. As these documents are only vaguely connected to the academic literature within organization theory or related fields and a

large part are very recent, an inclusive approach holding the documents as anecdotal empirical data has been taken.

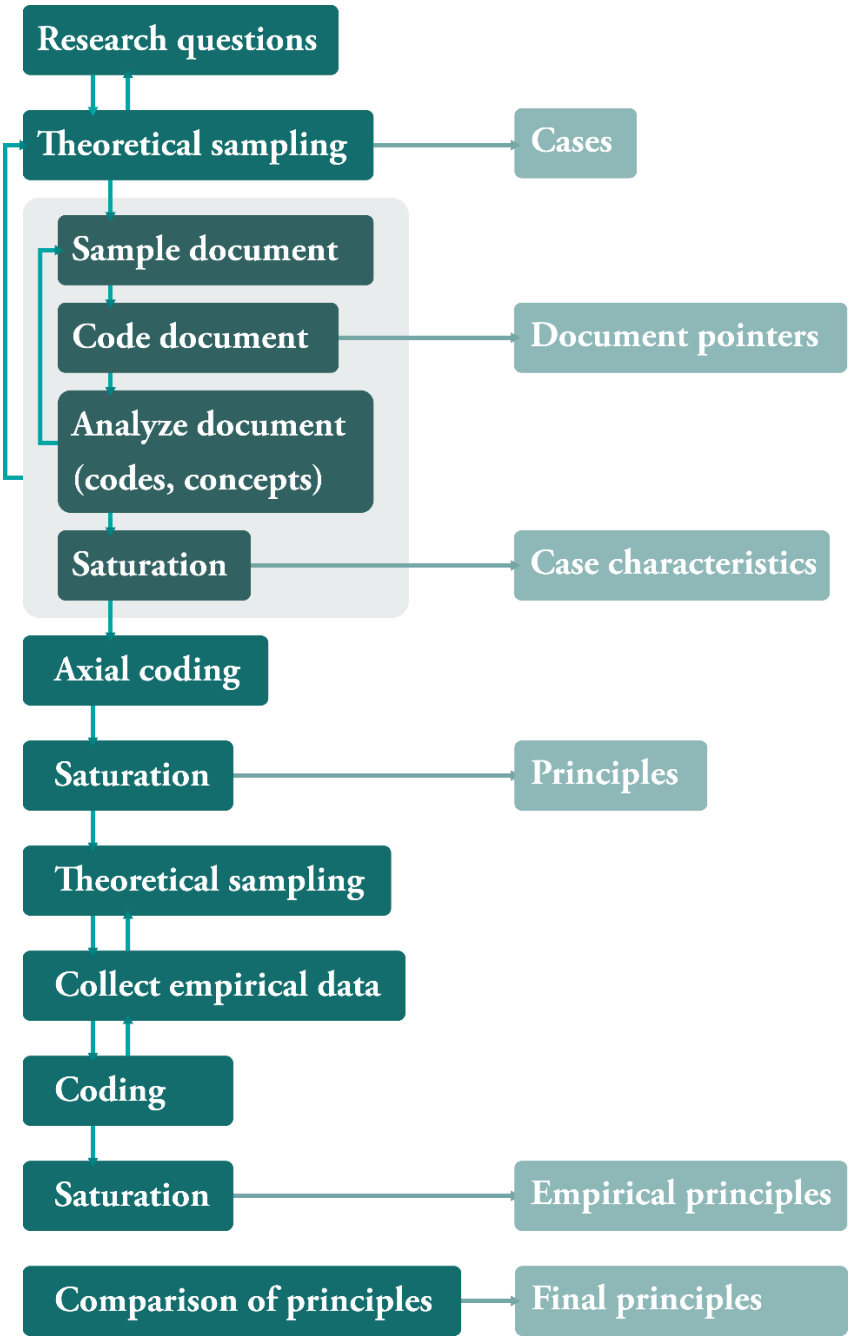

Figure 4 - Grounded theory approach for data collection and generation of hypotheses (principles)

Using theoretical sampling, the cases were selected ongoingly based on their assessed potential to contribute to the development of the theory. The identification of members of the population for sampling were done by snowballing. To narrow the total population of potential cases, cases where a practical implementation of the form of organizing had been documented were prioritized. A starting point for the sampling was taken in "*Teal organizations*" and "*Holacracy*" due

to their relation to the topic of organizing for human engagement being known to the author. For each case, another sampling took place regarding the documents representing the case. The sampling here was based on snowballing through other documents with the same author as the initial document, or documents mentioned in the initial document. A total of 18 different forms of organizing – cases – were identified and investigated for their potential to contribute to the document analysis. Of these, four cases were sampled and analyzed in detail through document analysis: Socio-technical systems, sociocracy, Holacracy and Teal organizations.

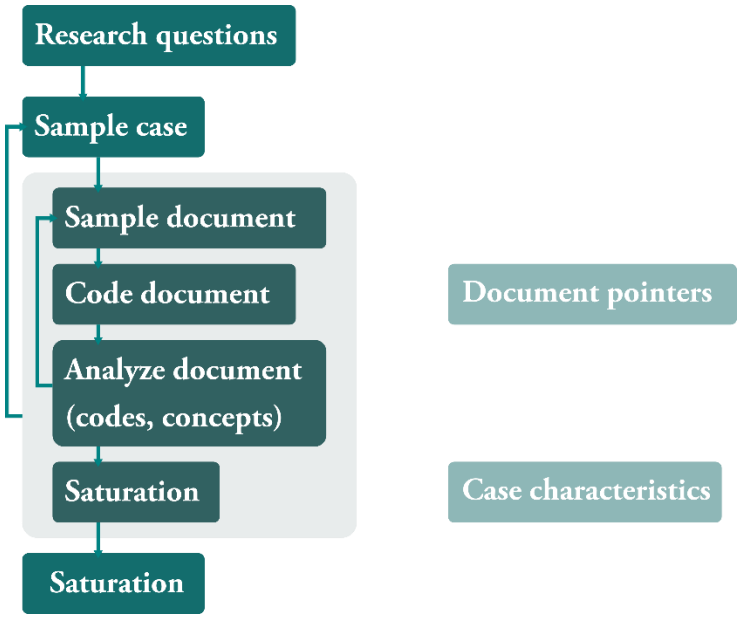

Figure 5 - Process and outcomes of the theoretical sampling of cases with the subsequent snowball sampling and analysis of documents within each case

The unit of analysis for the document analysis was the organizational subsystems of the cases. The subsystems were defined by combining the models of organizational systems by Leavitt (1964) and Galbraith (2014b) to arrive at five subsystems: people, task, structure, processes, and technology. The combined model of organizational subsystems serves as the sensitizing concept for the project, an interpretive device providing a sense of reference for the overall research throughout the project. This model will be elaborated in section 3.2. For each of the sampled cases, the documentations were scrutinized for pointers related to each of the five subsystems. Through open coding of all observed pointers within each subsystem a set of 27 characteristics were developed. This approach continued until further research produced no new characteristics and theoretical saturation had been reached. Using axial coding with constant comparison of the identified characteristics against the accounts of these in the cases, a set of principles underlying the characteristics across the five organizational subsystems were generated and saturated.

Parallel to the generation of principles all cases were investigated for accounts of factors explanatory to the emergence of the specific cases. Through coding of these accounts, a set of reasons for the emergence of the different forms of organizing were identified. These suggested reasons

were enriched through a review of the literature within the different topics to provide a basis for discussion of the suggested reasons.

The second phase of the project aims at testing and further saturating the identified principles and reasons for emergence through qualitative semi-structured interviews with practitioners and connoisseurs within the researched forms of organizing. The candidates for interviews were identified through snowballing departing from three individuals selected for their known relation to the topic of the project. A total of five interviews were conducted with different individuals with knowledge and experience within the scope of the project from their roles as consultants, authors, top-level leaders, or project leaders. All interviews followed the same interview guide with allowance for follow-up or additional questions. Following the interviews, a resumé of each was constructed as a summary of key points from the interview. The key points extracted from the interviews were used as triangulation to qualify and saturate the principles and reasons for emergence developed from the cases.

The findings of this project will be a consolidated set of proposed principles for organizing for human engagement along with suggestions as to why these forms of organizing exist in the current society and a presentation of anecdotal evidence of the practical operation and performance of them.

1.2.2 Terminology

Form of organizing– A form of organizing is defined here as the specific system of mutually dependent subsystems arising from a set of solutions to the four universal problems that any organization must address (Puranam, Alexy, & Reitzig, 2014), closely related to the concept described by Galbraith (2014b) as organizational design. The subsystems involve the structure, technology, people, processes, and tasks of the organization.

Management innovation – Management innovation is, in the terms of Birkinshaw, Hamel and Mol (2008), *"the generation and implementation of a management practice, process, structure, or technique that is new to the state of the art and is intended to further organizational goals"*

Management idea – A management idea notions a more abstract level than management innovation and covers a fairly stable system of assumptions, principles, rhetoric, and knowledge about what is proper management

Organizational design – The activity of designing an organization is the process of making conscious choices about the subsystems of the organization from which a particular form of organizing result (Mohr & Amelsvoort, 2016a, Chapter 2).

2 Early developments

The thought of human engagement in relation to organizations is by no means new. As early as in the 1800's, John Stuart Mill advocated worker cooperatives where all equity were controlled by the workers who also selected their own management (Claeys, 1987). Still, there are quite some way from these early thoughts, arising from and aiming at different perspectives on organizations, to the more recent, more elaborate actual forms of organizing. While the early works are undoubtedly fundamental to the later emergence of the forms of organizing we see today, they are of a more conceptual nature and does not lend themselves as easily to comparison due to their partial or high level nature. Instead of attempting to scrutinize these early works, they will here be presented with an emphasis on the elements that has later been picked up by more recent forms of organizing.

2.1 Influential developments

In the 1910's, about simultaneously with the popularization of scientific management by Frederick Taylor who had released his epoch defining "*The Principles of Scientific Management*" just years earlier, scholar and consultant Mary Parker Follet developed and started publishing her ideas (Follett, 1918) on how some of the same principles contributing to strong social communities could be applied to create successful organizations and promoting employee involvement (Hatch, 2006). Follet went on to propose a management theory based on the principles of self-government, claiming it to facilitate *"growth of the individuals and the groups to which they belonged*" (Follett, 1924) accompanied by pioneering findings on how workers, in the most productive companies, identified strongly with the organization as "their" company. At the same time, she observed that no currently existing structure allowed such identification to be founded in reality (Buck & Endenburg, 2006).

The works of Follet is some of the first to describe what is essentially the non-hierarchical, networked, and self-governing forms of organizing that is currently receiving much attention. Follet pointedly stated that organizations within democratic societies should themselves embrace democratic ideals.

> *"You cannot coordinate purpose without developing purpose, it is part of the same process. Some people want to give workmen a share in carrying out the purpose of the plant and do not see that it involves a share in creating the purpose of the plant."* (Follett, 1924)

The missing structure, noted by Follet, began emerging later, pieced together incrementally as new perspectives on organizing arose. The works of Chester Barnard, notably his *"The Functions*

of the Executive" (Barnard, 1938), contributed with perspectives on managing the *informal* organization, a concept proposed by Émile Durkheim and later reinforced through the Hawthorne Studies that revealed the importance of the social needs in the organization. Barnard suggested methods to develop organizations into cooperative social systems through communication of goals and attention to motivation of workers. Simultaneously, he gave considerations to issues such as values and sentiment in the organization.

The Hawthorne studies sparked an interest in the motivation of workers, and contributors such as Abraham Maslow began identifying different needs and motivational factors suggesting that human needs progressed hierarchically and thus that organizations seeking to motivate workers through compensation and job security confined human development to lower levels of this hierarchy of needs. Almost simultaneously the members of the Tavistock Institute of Human Relations in England documented their work revealing that considering only the technical/economic systems of work (i.e. the production processes) in design was in many regards insufficient. They theorized, that work was also governed by a social system and these two systems, the technical/economical and the social, are inseparable and will always have consequences for each other. This understanding of work as *socio-technical systems* is particularly well illustrated in the institute's studies of British coal mining, where notably Trist and Bamforth (1951) explored why new technical-system processes in mining did not improve performance and in some cases even reduced it. The Tavistock researchers uncovered the relationship between the system's technical and social system and thus revealed that improvements in one part of the system did not automatically result in improvements in the other.

> *The researchers discovered that many problems in the social system (increased absenteeism and a higher number of conflicts and accidents) were driven by shifts in the mine's new technical system. "Advances" in the technical system had failed to bring about the expected performance increase, due to unintentional design changes in the social system driven by shifts in the mines technical system. The link between this classical form of organization (i.e., increased division of labor) and the negative social consequences (increased absenteeism and a higher number of conflicts and accidents) and the negative economic consequences in terms of low productivity was thereby established.* (Mohr & Amelsvoort, 2016b)

Several organizational psychologists such as Chris Argyris and Douglas McGregor began suggesting how organizational models could be modified to create motivating jobs and encourage people to exercise their creative capabilities. The modifications consisted of structures and processes to give workers as much autonomy, responsibility and recognition as possible and led to more participative, democratic and employee-centered organizations and leadership than what had resulted from scientific management and classical management theory (G. Morgan, 2006, p. 36). While self-managing teams gained popularity, different perspectives were developed in different geographical settings. The concepts of participative management and industrial

democracy were being developed in Europe. More famously, the developments in Japan merged into many of the practices and philosophies seen in The Toyota Production System with quality circles and continuous improvement efforts.

As the picture of organizations widened to include more perspectives than just the technical, this new complexity was neatly captured in the *open systems approach* inspired by the biologist Ludwig von Bertalanffy. Focus was paid to the environment in which organizations were operating, the constitution of organization of multiples subsystems, beyond just technical and social, and organizations as subsystems in greater systems of ecosystems or society. Furthermore, the congruence between subsystems received attention, the need to "match" the configuration of the different subsystems to each other due to their interdependence was emphasized (G. Morgan, 2006, pp. 38–42). These developments, along with empirical studies challenging the classical management belief of finding the one best way to organize, developed into contingency theory essentially assuming that the most appropriate way of organizing – the congruent configuration of subsystems – depends upon the environment in which the organization operates, the tasks which the organization deals with, the technology it utilizes, the people inside it, or some other factors. The form of organizing is contingent on many factors and to be successful must align these factors (Hatch, 2006, p. 41).

One of the most significant early contributions to contingency theory came from T. Burns and G. M. Stalker who did research on firms in a variety of industries to establish the distinction between "mechanistic" and "organic" organizations in the 1950's. Burns and Stalker (1994) illustrated how, in organizations operating in an environment characterized by change, open and flexible forms of organizing were required. Since the establishment of contingency theory, considerable additional efforts have been made to uncover which forms of organizing are successful under what circumstances. The notion of organization "design" became synonymous with identifying organizational configurations suitable for different contingencies. The task of designing organizations was centralized and decoupled from the "doing" part of the organizations. It was the task of senior-management to identify which configuration would be most appropriate for the organization. Typically, the suggestions of academic writers were a choice between just a few alternative configurations (e.g. functional, divisional, product, or matrix) (see e.g. Mintzberg, 1980) (Mohr & Amelsvoort, 2016a, Chapter 2). Despite the ever-increasing scope of contingencies to consider, the prescriptive approach of identifying organizational configurations that would be successful for a certain kind of tasks or environments has led to the proposal of countless forms of organizing. Prominently, Henry Mintzberg (1978) presented five proposed universal structures of organizations on different design parameters and coordination mechanisms and suitable for different environments. Both Mintzberg and Warren Bennis (1965) noted the change towards the more informal configuration called Adhocracy. Thus, also forms of organizing aiming directly or indirectly at the promotion of human engagement can be found among these, and it is some of the most significant of these we will now look further into.

3 Multiple-case study

This chapter will cover the content analysis conducted on four sampled cases of documented forms of organizing. The selection and composition of these cases will first be detailed followed by the development of a sensitizing framework for the comparison of the cases. The four cases are then analyzed for pointers to specific characteristics which are then coded to identify the underlying characteristics they are indicating. Subsequently, axial coding is used to identify concepts across the different characteristics to eventually synthesize a set of principles for organizing for human engagement.

3.1 Case selection

In line with the approach of grounded theory, selection and analysis of cases has been conducted concurrently. Two cases were selected as a starting point for the analysis, namely Holacracy and Teal organizations. As the analysis progressed, several other potential cases were discovered and screened for their potential to contribute to the saturation of the characteristics resulting from the initial content analysis of the cases. Through this theoretical sampling approach cases were sampled based on maximization of opportunity to discover variations, the availability of documentation, the specificity of the case, and the degree of adoption of the case. The availability of documentation proved to be the most challenging parameter as many cases were founded in a very limited set of documents. The degree of adoption was generally assed through investigation of occurrences of the case in academic databases along with the search volume of the concept on google.com as illustrated in Figure 6.

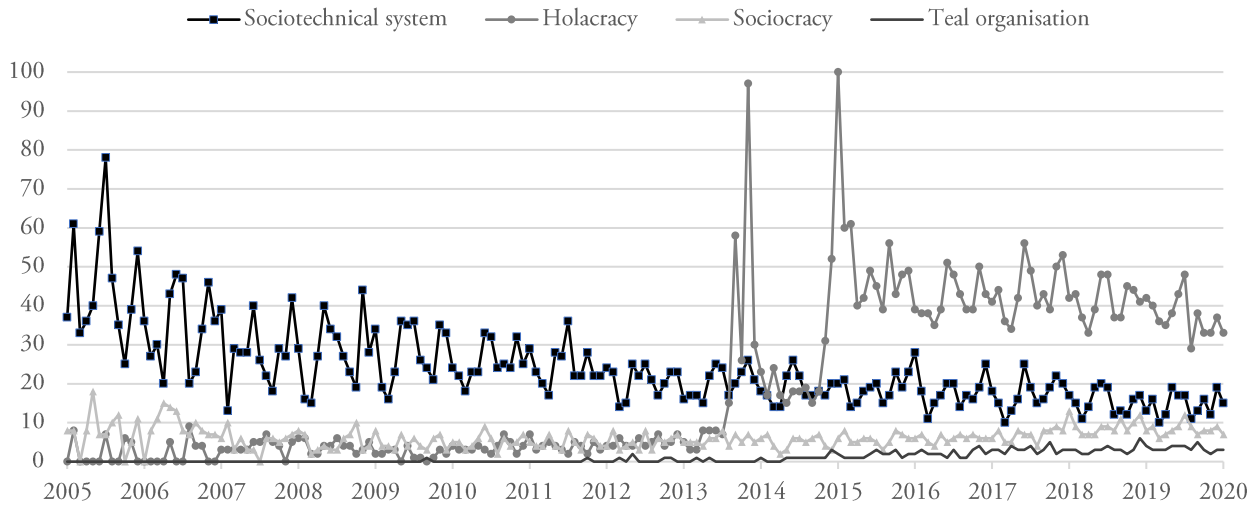

Figure 6 - Google search volume for the topics sociotechnical systems, Sociocracy, Holacracy and Teal organizations. Relative volume, index 100 = maximum search volume over period. Based on data from Google Trends

The theoretical sampling led to the original two cases being supplemented with two additional cases: sociocracy and sociotechnical systems theory. These cases were well documented, had a fair degree of adoption – much higher than most other identified cases – were temporally different from the two initial cases, and offered variations not necessarily contained in the two initial cases. Additionally, sociocracy had a precursive connection to Holacracy which made it interesting to investigate for a more thorough analysis of both cases.

3.1.1 Other cases

Additional to the four cases described in the document analysis, fourteen other cases were identified concurrently with the analysis of the four cases. These additional cases have not been included in the detailed analysis for various reasons, often due to the very limited amount of documentation or highly diffuse nature of the individual cases. For some of the cases where sufficient documentation could be identified, it was assessed that the case would not contribute with sufficient variation to be sampled compared with the already sampled cases. Nevertheless, the cases will be briefly described here based on what fundamental documents have been identified, as they do provide a context to the analyzed cases and the characteristics derived from these and thus offer a chance to provide perspectives to the findings of this project.

3.1.1.1 Organizational agility

The notion of "the agile organization" is a commonly used and highly contemporary expression covering organizations that are able to quickly respond to change by means of various organizational features. Originating from agile software development, emphasizing iterative, incremental development, the concept has found broad application in management and seem to be especially popular among providers of management consulting services. The widespread adoption has however, resulted in agile organizations being a very vaguely defined concept with an incomprehensible scope. Despite the clear commonalities with other forms of organizing for human engagement, see for example (Aghina et al., 2018), the vagueness and the emphasis on organizational responsiveness rather than human engagement has resulted in this case not being selected in the sampling process.

3.1.1.2 Humanocracy

While the term "Humanocracy" was originally coined by Aldridge, Macy and Walz in their 1982 "*Beyond Management: Humanizing the Administrative Process*" (Stains, 2018), the term has interest as a case for the document analysis in its recent form conceptualized by Gary Hamel and Michele Zanini in their presently unpublished book "Humanocracy" (Hamel & Zanini, 2020). As the work is yet to be published, the documents available for analysis is limited in scope to a few documented interviews with the founders.

Humanocracy, in the contemporary version, is founded in the authors frustration with the inabilities of current organizations, especially bureaucracies, to allow the humans within them to utilize their full potential of adaptability, creativity and problem solving (J. Lawrence, 2019). Structurally, Humanocracy emphasize decentralization of power and distribution of decision-making. Additionally, technology for enabling the employees at the front to be aware of the situation of the organization to make smart decisions is a centerpiece of Humanocracy. With this perspective, Hamel suggest that the structural decentralization must happen in part by decentralizing or distributing knowledge so that no accumulation of knowledge lead to an accumulation of power. In this way, technology is given a central role in the shifting of power from managers to employees.

> *"Think about how you use the technologies that your firm has, or can get access to, to improve the capacity of people at the front line to make smart decisions. How do you empower decision-making by them in real time?"*
> Gary Hamel to i-cio.com (J. Lawrence, 2019)

Hamel state that an aim with Humanocracy is that decisions can be made rapidly and frequently at the frontline where information is rich rather than a few big information-poor decisions being made centrally (J. Lawrence, 2019).

Humanocracy are built around a set of principles (Payne, 2018) and Corporate Rebels quote them as being:

- *Everyone acts like an owner*
- *Operating units are small (less than 50 individuals)*
- *Leaders are chosen by the led*
- *There are no internal monopolies*
- *Control comes from 'around' not 'above'*
- *Tasks are chosen, not assigned*
- *Coordination is the product of collaboration*
- *Decisions reflect the wisdom of the crowd*
- *Organizational boundaries are seamless*
- *Everyone reports to the customer*
  (Minnaar, 2019)

Despite the very interesting early indicators of this case, it has been deselected in the sampling due to the very limited background documents presently available.

3.1.1.3 Self-tuning organizations

Originating in a 2015 article from Harvard Business Review (Reeves et al., 2015), the self-tuning enterprise is conceptualized as a set of algorithmic principles for making frequent adjustments

to the organization without being centrally directed. There are several similarities between the self-tuning concept and some of the fundamental thoughts in the two initial cases, however the documentation of self-tuning organizations is too limited to be used as a case.

3.1.1.4 Flatarchy

The flatarchy is, as the name implies, a notion of an organization where the hierarchy is in some instances flattened. This can be in the creation of specialized ad hoc teams for solving problems or running project, or in the form of an internal incubator, where ideas are picked up from the more stringent structure of the overall organization and isolated in a less hierarchical structure (J. Morgan, 2015). While the term "flatarchy" have received some interest since 2015, it remains vaguely defined, and not suitable as a case.

* * * *

Additional to these four cases that was not sampled, the following cases have been screened, but not sampled for the case study.

- Open organization – Organizations based on the open source principles. Origins from Jim Whitehurst's "*The open organization"* (Whitehurst & Hamel, 2015) where it is defined as "*an organization that engages participative communities both inside and out—responds to opportunities more quickly, has access to resources and talent outside the organization, and inspires, motivates, and empowers people at all levels to act with accountability*."
- Unbossed organization – Organizations based on the unboss process as laid out by Kolind and Bøtter (2012), also dubbed the "unlimited organization". The unbossed organization are built around a purpose that inspires to actions. The "unlimited" refers to the boundaries of the organization being open for collaboration and the potential of the organization being "unlimited".
- Virtual organization – Emerging in the 1990's several interpretations of the term exist generally concerning forming temporary partnerships, both internal and external, to meet customer needs. These organizations rely heavily on IT to operate their partnerships.
- Living organization – Founded in early systems theory in the 1960's, living organizations are a very wide term spanning a range of forms of organizing that is different from the mechanistic forms of organizing. Recently represented by Norman Wolfe as organizations centered around meaning and purpose with evolutionary growth (Wolfe, 2011).
- Podular organization – Comparable to Holacracy, podularity notions an organization that is fractal: every "pod" is an autonomous fractal unit that represents, and can function on behalf of, the business as a whole. Podularity in this way emphasize a structure of autonomous teams focused on direct value creation. The concept stems from "*The connected company*" by Gray & Vander Wal (2012).

- Do'ocracy – A role-based form of organizing emphasizing distribution of power by attaching responsibility and authority to people who make actions rather than positions. The concept seem to stem from the BurningMan community (Prodromou, 2006)
- Appreciative organization – Organizations based on the appreciative inquiry. Essentially based on the assumption that the continuous creation and sharing of meaning is crucial to the full engagement of individuals. Portrayed by Anderson et al. (2008) and elaborated by Whitney (2008).
- Networked organization, learning organization, evolutionary organization – All very wide spanning terms covering aspects of organizing with emphasis on adaptability, teams, and incrementality. Concatenated here as each term spans to widely to describe in brief.

3.2 Basis for comparison

To be able to assess and compare different forms of organizing a sensitizing concept serving as a common frame of reference will be employed. The intension here is to provide an explanation of the background and fundamental assumptions of the comparison of different forms of organizing. Two key perspectives inform the comparison: (1) the perspective of the activity of organizing as problem solving and (2) the perspective of organizations as complex systems consisting of interdependent subsystems. By combining these two perspectives a framework useable as the sensitizing instrument for the comparison of forms of organizing is developed.

3.2.1 Organizing as a problem–solving process

In Puranam et al. (2014), the authors argue for a view of organizing as a problem solving process. The basic idea being, that the reason people organize is to solve a problem more practically solved by a group than by an individual. This idea rest on two fundamental assumptions of agency theory, the first that actors within the organization have limited capacity for accessing and processing information. This, the bounded rationality assumption, simply tell us, that the actors of the organization are not capable of acting perfectly rational, not due to bad will, but due to the limits of time, information and thinking capacity. The second fundamental assumption, the self-interest assumption, is that actors of the organization must be compensated for their effort. This compensation, in contrast with more classical interpretations, is not limited to any monetary or even material kind, but could include intrinsic factors (Davis, Schoorman, & Donaldson, 1997). Puranam et al. (2014) show that many authors have concluded that any functioning organization where actors have these attributes must have solved two fundamental problems: the division of labor and the integration of effort. The process of organizing as a problem-solving process thus entails solving these two problems and their following subproblems including how the goals of the organization are mapped into task, how tasks are broken down, how tasks are assigned to people, and how collaboration and coordination is achieved. Any problem solved by organizing

people entail a solution to these problems; which pieces of the problem is worked upon and by who, how is the problem made interesting to each actor, and how are the pieces put back together into a solution (Fjeldstad, Snow, Miles, & Lettl, 2012). In effect, a solution to both problems result in a set of tasks believed to contribute to a goal assigned to a set of agents who are rewarded for and informed about executing those tasks. Division of labor refers to the breakdown of goals into tasks and the allocation of these tasks to individuals. Integration of effort refers to the mapping of rewards to actors to achieve cooperation and the coordination of actions through provision of information.

Any functioning solution to these problems results in a form of organizing. The way in which the problems are solved are expressed by the form of organizing, specifically the subsystems of the organization.

3.2.2 Organizations as systems of subsystems

The second perspective informing the comparison of forms of organizing deals with the organization expressed through the solution to the universal problems of organizing. As any solution to these problems yield a form of organizing specifically intended to solve a given problem, we can consider forms of organizing as contingent on the problem they are attempting to solve. In contingency theory, that is, the organization with its subsystems are contingent on the environment and various environmental factors (Kristensen & Shafiee, 2019). As the organization must organize to best solve the problem at hand to be successful, the form of organizing naturally follow the problem it attempts to solve and the environment around the problem. This entails the assumption that no single form of organizing is optimal under all conditions. Instead, the organization must be adapted to fit the current goals and environment. As several authors have noted, adapting the organization is however, not a question of merely adapting a single feature in the organization, but rather about tweaking mutually dependent subsystems of the organizational system (Galbraith, 2014b; Leavitt, 1964; Mintzberg, 1978; G. Morgan, 2006, Chapter 3).

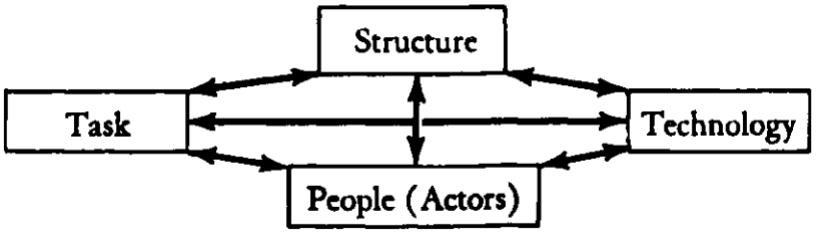

Figure 7 - Leavitt's diamond model of organizational variables (Leavitt, 1964)

In attempting to operationalize the insights of the thought of organizations as interdependent subsystems, many different models for illustrating this interdependence has been proposed (Falletta, 2014). Two notable examples due to their adoption is the diamond model by Harold J.

Leavitt (1964) shown in Figure 7 and the star model by Jay R. Galbraith (2014b) shown in Figure 8.

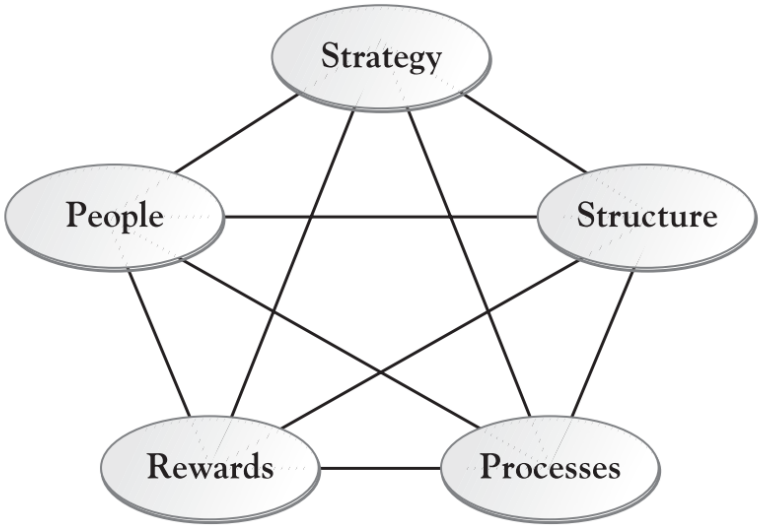

Figure 8 - Galbraith's star model of organizations as complex social systems of subsystems (Galbraith, 2014b)

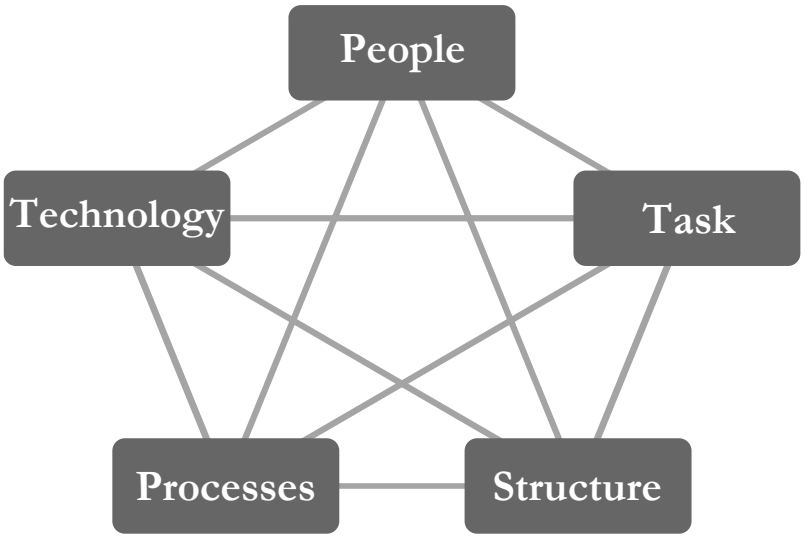

Figure 9 - Interdependent organizational subsystems model adapted from (Leavitt, 1964) and (Galbraith, 2014b)

As it can be seen, there is a fair degree of commonality between the two models which is also the case for several of the other models reviewed by Falletta (2014), which all share the message of organizational subsystems being interdependent on each other and dependent on the task or strategy of the organization. For this project, a synthesis of the models, illustrated in Figure 9 is employed as a reference point when discussing organizational subsystems. These subsystems are considered complementary, meaning that any change in one subsystem will affect and change the other. A solution to the universal problems of organizing inevitably yield a configuration of these subsystems. A successful configuration is one where the subsystems positively complement each other (Kristensen & Shafiee, 2019). A positive complementarity between the

subsystems is achieved, when a solution to the universal problems of organizing in one of the subsystems increase the ability of the others to do the same. The use of this framework as a sensitizing concept allows for an investigation of the subsystems and their combinations into forms of organizing with complementary subsystems.

3.2.2.1 People

The subsystem of people is concerned with the actors within the organization and their skill sets, mindsets, and motivation. When the environment of the organization changes these dimensions can be affected by the change and must be addressed accordingly. To achieve the right skill sets organizations might employ training of current members of the organization or aim at attracting and recruiting new talent. Similarly, organizations might hire new members based on their alignment with the values and mindsets of the organization or attempt to shape the values and the mindsets of their current members. The motivation and growth of the members of the organization is another dimension of this subsystem, and in this sense, it includes the perspectives of Galbraith's "rewards" subsystem. It is concerned with how people are rewarded and recognized, how progression and challenge are ensured and balanced, and how relationships and trust are built. While much of the culture of an organization is expressed through other subsystems, the people subsystem is where it resides.

3.2.2.2 Task

The task subsystem is concerned with the *raison d'être* of the organization. The reason for the existence of the organization is given by some problem or dynamic in the environment of the organization. In the task subsystem, what an organization is going to do, and what it is not going to do is determined. The way tasks are broken down into different chunk sizes, the way objectives are defined and followed, and the way tasks are prioritized are important dimensions of the task subsystem. In this sense, there is a correspondence between the task subsystem, as defined here, and the "strategy" subsystem in Galbraith's model. The specificity of the tasks within the organization and what Mintzberg (1980) call the specialization is another central dimension concerning the number and breadth of tasks and the actors control over these tasks.

3.2.2.3 Structure

The structural subsystem of organizations is perhaps the most researched of the subsystems due to its close connection to "classical" organizations theory (Leavitt, 1964). It is about the distribution of power and authority throughout the organization. This distribution is created, consciously or unconsciously, through different systems of authority, information, and work flow (Bushe, 1998). Beyond specialization, which is here placed in the tasks subsystem, several dimensions of structure has been proposed, some of the most popular being standardization, formalization, centralization (Hatch, 2006, p. 106; Mintzberg, 1980; G. Morgan, 2006, p. 19; Pugh, Hickson,

Hinings, & Turner, 1968). Hatch (2006) further add differentiation to this list. They are all central dimensions to understand the structural subsystem of an organization, and therefore a brief explanation of each is in place.

- Standardization – The extent to which procedures for operations and activities are standardized, that is legitimized by the organization and frequently occurring. Standardization is opposed to the use of individual judgement and initiative.
- Formalization – The extent to which rules, procedures, communications, and instructions are written. Additionally, the extent to which task, jobs, and roles are documented or written. Formalization is opposed to informal relationships based on face-to-face interactions.
- Centralization – The extent to which power over decision making in the organization is concentrated. Centralization is opposed to decentralization where power is dispersed among the members of the organization.
- Differentiation – Is the "shape" of the structure. In the vertical dimension it is the number of levels or job positions between the chief executive and members working directly on the output. In the horizontal dimension, it is the span of control, or number of employees, units, or departments reporting to a point.

3.2.2.4 Process

The subsystem of processes notions the information and decision processes through which work is processed. These processes can be informal or formal. The informal processes are the voluntary, spontaneous, intuitive behaviors people enact to perform their work and interact with their peers. The formal processes can be considered as business processes and management processes. The business processes are the more or less automated processes that are predictable, understandable, and replicable and take place frequently. The business processes are often lateral and serves to coordinate work between different entities. The management processes are the processes that execute the goals of the organization by allocating resources and prioritizing opportunities. The management processes ensure alignment and coordination of objectives.

3.2.2.5 Technology

The technology covers the technologies employed by the organization to reach its goals. These could be production or manufacturing technologies, planning technologies, or project management technologies, among others. While the subsystem is often seen as merely supportive of the other subsystems, the technology subsystem is frequently a starting point for organizational change when new technology is introduced and people must be trained, processes must be adapted and sometimes structures is changed. The technology subsystem cover in its broadest sense the organizational technologies employed by the organization to reach its goals in the current environment.

3.2.3 Sensitizing concept

The two informing perspectives on the process of organizing and the organization as a system of subsystems provide the foundation for a framework for comparison of different forms of organizing. This framework, as seen in Table 1, represents a total of ten intersections between the two perspectives for which organizational characteristics can be observed. The framework will be used in the analysis of different forms of organizing for recording the different characteristics of each of them. By application of the framework, the documents constituting the cases can be analyzed for any pointers towards any of the elements of the framework, e.g. structures for integration of effort. By identifying these pointers, a coherent representation of the form of organizing portrayed by each of the cases can be constructed and used for subsequent analysis.

Table 1 - Framework used as sensitizing instrument for comparison of forms of organizing

Organizational subsystems	Universal problems	Division of labor The breakdown of the organization's goals into contributory tasks and the allocation of these tasks to individual members	Integration of effort The resolution of cooperation and coordination problems through providing necessary motivation and information
People	Choosing the skill sets and mindsets that align with the company's goals. Ensuring necessary talent and generating skills and mindsets	How are people onboarded? What skills and mindsets are necessary? Etc.	How are people trained? How are people rewarded? How are people incentivized? Etc.
Task	Raisons d'être. What the organization is doing and what it is not doing	How is purpose defined? How are objectives defined? How is chunk size decided and what are the norm? How are people allocated to tasks? Etc.	How is strategy defined? What values are adhered to? Etc.
Structure	The distribution of power and authority	How is power distributed? How is work divided? How is structure formalized and standardized? Etc.	How is work structurally coordinated? How does information flow? How is feedback structured? Etc.
Processes	The information and decision processes through which work is processed	How are priorities decided? How are tasks created? How are decisions made? Etc.	How is work coordinated? How are conflicts resolved? Etc.
Technology	Direct problem-solving technology like work-measurement techniques or computers or drill presses.	How is technology used to inform division of labor?	How is technology used to integrate effort?

3.3 Cases

This section presents the sampled cases along with the initial content analysis of them. The analysis is done by application of the sensitizing framework presented above. For each of the cases, the documents constituting the case is analyzed for pointers on the form of organizing portrayed by the case. Such pointers can be any mentioning of elements of the respective case that can be

related to one of the quadrants in the sensitizing framework. In this way, each case is used to populate the framework to provide a coherent overview of the form of organizing for each of the cases. The populated framework can for each case be considered a condensed summary of all observed pointers to the form of organizing represented by the case. This provides a common point of departure for the later comparison of the cases.

3.3.1 Socio–technical systems (STS)

The case of sociotechnical systems is covered by the documentations of (Cherns, 1976, 1987; Clegg, 2000; De Sitter, Den Hertog, & Dankbaarl, 1997; Emery, 1959; Mohr & Amelsvoort, 2016a; Mumford, 2006; Trist & Bamforth, 1951).

Despite not denoting a specific form of organizing or methods for designing organizations but rather being more akin to philosophies, socio-technical systems theory (STST) deserves a subsection of its own as it has, for a remarkably long period of time, provided principles and insights highly relatable to the later cases we will look into. Since the work of the Tavistock researchers in the late 1940's, STST has been developed and refined to a point where it today serves several different perspectives, such as organization design, product design, job design, analytics tool, implementation of computer systems, and networks design, and thus covers from a narrow micro perspective (e.g. individual interacting with technology) to a wide macro perspective (e.g. interactions in networks of organizations). Additionally, at least four slightly different "schools" can be distinguished within the field: The North American, the Scandinavian, the Australian and the Dutch (or "Lowlands") each with their own distinct lenses on socio-technical systems. This subsection aims at presenting the common lines of all these different pictures with point of departure in the state of socio-technical systems around the 1960's-1980's where many of the fundamental thoughts were codified.

> *The central tenet of the STSL* [sociotechnical systems – Lowlands, ed.] *approach is to move from complex organizations with simple jobs to simple organizations with complex jobs* (De Sitter et al., 1997)

It can be said that what critically distinguish STST from the other cases we will encounter shortly, is the pragmatic viewpoint of STST. Throughout the development of the field, attention has been directed towards improving working life quality in existing systems and organizations through the employment of socio-technical methods or principles, initially focusing on job design and later progressing to a more holistic view. Rather than proposing an entirely new form of organizing to engage humans, STST is more concerned with establishing the general philosophy of improved working life quality. This feat is however central to the later developments of the concretized systems we will investigate, as it was the STST that made several important connections between work and life quality. This is perhaps best illustrated in the way European countries adopted STST into legislation in the 1960's and 1970's to improve working conditions (Mumford, 2006). In Norway, "*The Norwegian Industrial Democracy Program"* resulted in the

creation of a national strategy for the humanization of work which was incorporated into laws giving workers the right to demand jobs conforming to socio-technical principles of good work practice including own decision power, learning opportunities, social recognition, organizational support, and variety. In Sweden, the "*Joint Regulation of Working Life Act*" was introduced in the 1970's covering areas such as self-managing groups, better personnel management and in general better coverage of the interests of the employees. Concurrently, at Volvo's Kalmar plant, a breakthrough was made when Per Gyllenhammar introduced the 'dock assembly' system. Instead of workers having to adapt to the needs of the technical system – the assembly line – the technical system was adapted to the workers as the traditional flow line system of car production was substituted with group working. In this system an entire car would be assembled by a single group. Related initiatives were seen throughout Europe, and quite effectively illustrate that STST was part of a movement that put focus on the human side of work and thereby probably paved the way for later forms of organizing for human engagement by creating the foundational values on which these were build. In a sense, socio-technical systems sparked the interest in how work could be organized to better engage humans.

The various implementations of STST also produced crucial learnings on the interaction between the social and the technical systems. The case of Volvo in Sweden, apart from marking a breakthrough in moving from job design to organizational design, revealed several necessary conditions for this new way of organizing. It was realized that the activities of self-managing groups separated in time and space are harder to coordinate and control that activities in a bureaucracy. This revealed the need for transparency and elaborate information systems, and the need for the groups setting objectives based on this knowledge. Additionally, as the groups had no managers, a new dynamic of mutual adjustment had to be understood for coordinating work internally in the groups instead of coordination happening through direct supervision.

The offset of STST is found in a group of therapists, researchers and consultants associated to the London Tavistock Clinic in post-war Britain who sought to use the techniques developed to assist war-damaged soldiers regain their psychological health on organizations as a means for optimizing the intelligence and skills of human beings in associations with new technologies (Mumford, 2006). Their research into the British coal mines' introduction of new production technologies - long-wall mining fusing Taylor's scientific management with Ford's assembly line – identified for the first time, the relationship between the system's technical and social subsystems. Many of the insights came from an anomaly in the industry, the Haighmoor seam, which Eric Trist describes:

> *"The work organization of the new seam was, to us, a novel phenomenon, consisting of a set of relatively autonomous interchanging roes and shifts with a minimum of supervision. Cooperation between task groups was everywhere in evidence; accidents infrequent, productivity high. The men told us that in order to adapt with the best advantage [to the newly introduced technology] they had evolved a form of work organization based on practices*

> *common in unmechanized days when small groups, who took responsibility for the entire cycle, had worked autonomously."* (Trist & Bamforth, 1951)

In Haighmoor, multiskilled autonomous groups, interchanging roles, and shifts with minimal supervision allowed the miners to mine coal 24 hours a day, without waiting for a previous shift to finish. The high performance of the Haighmoor seam stood in contrast to the performance of other mines where new technologies had been adopted without attention to the social system around them. The link between the more classical form of organizing (i.e. increased division of labor and automation of the assembly line) and the negative social consequences of absenteeism, accidents, and conflicts, along with the negative economic consequences of low productivity was thereby established. The following realization that organizations consist of multiple interrelated systems and that improvements in one system was not necessarily related with better results if the other systems are not correspondingly adapted is by no means insignificant (Emery, 1959). The idea of involving multiple disciplines and even the workers in designing this socio-technical work system was revolutionary (Mohr & Amelsvoort, 2016a, Chapter 1). With this as the starting point and the aim of improving everyone's quality of working life, the developments already described followed. However, despite the initial traction, STST has never reached widespread popularization and has gone largely unnoticed since the 1980's. There are many possible reasons for the lacking adoption of STST in popular discourse and the intent here is not to give a detailed discussion of these. Meanwhile, some of the likely reasons also holds clues to the circumstances that make STST attractive to employ, and is thus worth briefly exploring as these circumstances might be similarly important to the forms of organizing we shall look further into shortly.

Some of the first clues revealed themselves already at the implementations of STST in Scandinavia. In Norway, resistance to the democratization of work was generally grounded in a belief on the part of the workers that management initiated change would be for the worse, while the engineers and designers saw some of the initiatives as threatening to their positions and status. Experiences in Denmark suggested that stability and financial health of the organization was necessary for a successful implementation of STST along with a wage system emphasizing group performance and good levels of education among employees. In the USA, many STST projects were initiated by top-management with the aim of increasing organizational effectiveness along with quality of working life. These projects were received skeptically by unions. However, despite all these initial challenges, STST were progressing in the 1970's with similar reasons for the progression across all participating countries: Industry was expanding and many firms had labor difficulties and needed to attract and retain qualified workers. When the labor markets changed as industry came under pressure to cut costs in the 1980's, many STS initiatives were abandoned as they were seen as excessively expensive and risky. Managers reclaimed control, and as computer-assisted production systems became popular, the era of what Moldaschl and Weber (1998) dubbed "*computer aided neo-Taylorism*" arrived. The arrival of Lean production and practices involved team work, multiskilling, direct feedback and continuous improvement to some extent resembling STST, but rather than making work more interesting and flexible, it

became faster, streamlined and more stressful with the primary difference between Lean and STST being the method of controlling and coordinating work (Mumford, 2006). Where lean emphasize standardization of work processes, STST emphasize minimum critical specification and decentralization (Mumford, 2006). During the cost cutting exercises of the 1990's practices such as business process reengineering, and lean production won great popularization while STS went largely unnoticed.

Presently, STST are still being practiced and developed. The downsizing of the 1990's brought flatter hierarchies and the focus on innovation has led to the emergence of high-performance autonomous teams and structures, usually through empowerment from higher levels. Meanwhile, the principles and values of STST can still be extracted with the overarching message that although forms of organizing change, the employees "*must be given as high a priority as those of the non-human parts of the system*" (Mumford, 2006).

3.3.1.1 Principles

Across the different schools of STS, a number of principles or fundamental assumptions are shared. The most comprehensive review of these was presented by Albert Cherns (1976) in his aptly named "*Principles of Sociotechnical Design"*. In 1987 Cherns published a revised list of principles which serves as the foundation for this summary along with the more recent review by Clegg (2000).

- *Redundancy of functions* - Work needs a redundancy of functions for adaptability and learning. For groups to be flexible and able to respond to change, they need a variety of skills. This is related to multiskilling.
- *Whole tasks with minimum critical specifications* – No more should be specified than what is absolutely essential. But the essential must be specified. Give employee groups clear objectives but leave them to decide how to achieve these.
- *Job enlargement and enrichment* – Jobs should be reasonably demanding with opportunities to learn, have an area of responsibility, have social support, have the opportunity to relate work to social life, and be able to lead to a desirable future. Because an important objective of the socio-technical approach is to increase knowledge, the design of work should lead to an increasing amount of variety for the individual and the group so that learning can take place.
- *Work is done in semi-autonomous groups* – Groups are in themselves responsible for their own regulation and supervision and for relating the group to the wider system.
- *Power follows responsibility* – Those who need equipment, resources, or materials to carry out their responsibilities should have access to them and authority to command them. Workers should as a minimum participate in the making of decisions that concern their responsibilities.

- *Power follows knowledge and expertise* – Those who have knowledge of or expertise within certain actions should have the authority to act.
- *The organization adapts to the elements in its environment by adding or modifying roles* – Being it the overall organization of the different groups within the organization, there is a need to adapt to the elements of the environment. This adaption happens by modifying and adding roles to ensure that learning is captured.
- *Variance should be controlled at the source* - Deviations from expected norms and standards, if they cannot be eliminated, must be controlled as close to their point of origin as possible by the group that experiences them.
- *System components should be congruent* – Systems of social support must be designed to reinforce the desired social behavior – i.e. if group performance is desired objectives and incentives should be designed accordingly.
- *Boundaries in the system should not hinder sharing of knowledge and experience* - Boundaries should facilitate the sharing of knowledge, learnings, and experience. They should occur where there is a natural discontinuity – time, technology change, etc. – in the work process.
- *Information for action should be available to all and first to those whose task it is to act* – While information for record, comprehensive and detailed information on the operations, should be readily available only when and as needed to not tempt managers to intervene, information required to act should be directed to those who act and freely available.
- *Design is iterative and requires evaluation* – New demands and conditions in the work environment mean that continual rethinking of structures and objectives is required. The organization is never "finished". A sociotechnical perspective explicitly assumes a commitment to evaluating the performance of new systems against the goals of the organization and the people in it.

The pointers to the characteristics of socio-technical systems that has been extracted from the document analysis are summarized in the sensitizing framework in Table 2. All pointers are presented in the words used in the analyzed documents.

Table 2 - Summarized pointers to characteristics of sociotechnical systems theory

	Division of labor	Integration of effort
People	- Necessary new skills are taught to workers, not provided temporarily by experts	- By having authority of own work and access to information on it learning is encouraged - Wage systems emphasizing group performance
Task	- Tasks are grouped into jobs that are grouped into roles - Organization is adapted by adding new roles or modifying old ones - Jobs are enlarged and enriched	- People who do the work is always participating when work is redesigned - Tasks are specified no further than what is absolutely essential - Objectives are specified with minimum critical specification of method
Structure	- Empowerment is central as autonomous self-managing teams make up primary structure - Leadership and supervision are internal in teams - All formalization is done with minimal critical specification - Due to minimal critical specification power is decentralized as teams are allowed to specify "how" and "who" as they see best - Power follows responsibilities - Individuals have authority to command resources they need to carry out their responsibilities - Groups and individuals should be multiskilled or have redundancy of functions	- Sharing of information, knowledge and learnings should not be impeded by boundaries - All information required to act should be first available to those supposed to act - Information for record should be available only when and as needed - Power follows knowledge and expertise
Processes	- Decisions are reached through consensus - Organization is constantly evaluated and adapted	- Variance gets controlled as close to the source as possible (i.e. workers make themselves responsible for the quality of their work)
Technology		

3.3.2 Sociocracy

The documents sampled for the case of sociocracy are (Ackoff, 1989; Bockelbrink, Priest, & David, 2019; Buck & Endenburg, 2006; Eckstein, 2016; Lekkerkerk, 2016; Mohr & Amelsvoort, 2016a, Chapter 6; Van de Kamp, 2014; Van Vlissingen, 1991)

In the 1970's a Dutch engineer, Gerard Endenburg, began publicizing a form of organizing based on the philosophies of the Quaker movement, principles from the field of cybernetics, and the thoughts of August Comte in the early nineteenth century on what Comte called "sociocracy" (Buck & Endenburg, 2006). Endenburg had experimented with implementing these thoughts on decentralized power and self-management into an actual organization on his electrical engineering firm, Endenburg Electrotechniek, to prove that a business where workers assumed responsibility for the policy decisions affecting their work would be more profitable than traditional forms of organizing. Endenburg began academically publishing his theories in 1981 and sociocracy has since spread around the world becoming known also as "circular organization", a somewhat similar concept developed by Russel L. Ackhoff (Ackoff, 1989), however without any large scale implementations (Lekkerkerk, 2016). The most obvious reason being that almost the entire documentation of sociocracy was in Dutch and was rarely available in translated versions.

Endenburg has used the terms sociocracy and dynamic governance, the fundamental process of sociocracy, interchangeably but has shifted towards referring to the two as just dynamic governance in more recent times (Buck & Endenburg, 2006). In the early 2000's Brian J. Robertson presented what some consider to be a more refined version of sociocracy under the title of "Holacracy" which we will look further into shortly. Subsequently, Bernhard Bockelbrink and James Priest conceived Sociocracy 3.0 around 2014 with elements of Agile and Lean philosophy and practices synthesized with sociocracy (Bockelbrink et al., 2019). While this recent development has been noted and used for perspectivation throughout the project, the documentation and foundation in academic literature of Sociocracy 3.0 is too narrow to present a reasonable analysis of this concept and the motivation of Sociocracy 3.0 lies in making companies able to organize for a volatile, uncertain, complex, and ambiguous (VUCA) environment rather than organizing for human engagement. Therefore, it not included in the further use of the term sociocracy.

While sociocracy by and large leaves the production structure of an organization as it is at implementation, it offers an approach to involve employees from different hierarchical levels in making governance decisions, decisions on how the work is organized. Sociocracy, or dynamic governance, is thus a decision making and governance method that allows an organization to manage itself as "*an organic whole*" by decentralizing power. The method relies on four critical components: 1. Shared decision making based on consent, 2. Circles as semi-autonomous units, 3. Connecting circles by double-linking, and 4. Electing people to functions and tasks. (Eckstein, 2016)

3.3.2.1 People

While not explicitly formulated in the foundation of sociocracy, through the principles and practices of sociocracy there is an inherent attempt to get rid of the infightings and personal disputes of traditional hierarchy and policy making by distributing power. Resultingly, instead of people owning power and authority due to a specific position, people are elected, often for limited periods, to fulfill certain responsibilities and commitments. An example is the introduction of double links between hierarchical layers, where the addition of a representative link from lower to higher level de-conflicts the traditional role of a middle manager which had to both direct and represent and thus frequently could be found in compromising situations with opposing interests. The element of double-linkage in sociocracy led Mohr and Amelsvoort (2016a, Chapter 6) to note sociocracy seem to fit well with STS as an operational model. Additionally, the consent principle changes the focus of disagreements from trying to influence and convince an opponent towards jointly searching for a solution to a clearly stated problem with the solution.

3.3.2.2 Task

In sociocracy, there is a focus on aligning objectives in such a way, that the relationship with the customer, or receiver of the output both internal and external, is made explicit. Along this line,

the openness of information is important for sociocracy as power is distributed and thus members of the organization need access to all available information in order to make good decisions. Van Vlissingen (1991) notes on the works of Endenburg, primarily his two books on sociocracy, that:

> *Throughout all the materials, the need for information, and the need to make it publicly available and accessible is emphasized as a high priority since it is the driving force for change* (Van Vlissingen, 1991).

3.3.2.3 Process

As sociocracy can be regarded a method of making decisions, it should come as no surprise that the process subsystem is the most elaborately described subsystem in the workings of Endenburg. One key principle is fundamental to all processes in sociocracy: the principle of consent. Consent as a decision mechanism was introduced by Endenburg as a subtle shift away from consensus decisions. Where consensus decisions are made when all involved members can say yes to the decision, a consent decision is arrived at when no member has a reasoned objection to the decision. The "reasoned objection" must be emphasized here, as the consent principle is not one of veto-power. Members cannot argue against a decision without a reasoned and paramount objection to the decision. Here, paramount is taken as if the decision would put the ability of the group to reach their joint goal at risk. In sociocracy, consent is the fundamental decision-making mechanism for decisions on governance, while other decision-making mechanisms, such as autocratic, consensus, or democratic, can be employed for day-to-day decisions if there is consent about this choice. In this regard, sociocracy does two things; 1) It explicitly defines a mechanism to modify governance structure resulting in a fluid structure and indeed dynamic governance able to adapt to the circumstances of the organization. 2) It emphasizes a workable solution above the best solution, as a workable solution can be decided by consent, implemented quickly and modified later when learning has occurred, thereby letting the best decision emerge over time (Van de Kamp, 2014).

By employing the consent principle, sociocracy seeks to integrate all key perspectives into a decision without watering it down to a compromise between several opposing views. This principle is utilized in the formalized meeting processes also described in sociocracy. Specifically formatted circle meetings are utilized to work on the governance of the circle thereby making an explicit process to modify the governance structure of a circle.

The same is true for the principle of electing people, which is also done by consent unless another mechanism has been chosen – by consent. The election process is used to assign tasks and jobs to people including the roles as links between circles which we will now look at in the structural parts of sociocracy. A final note on both consent and the elections based on them is that decisions in these processes often include a timestamp to set a defined time for the revisiting of the decision.

3.3.2.4 Structure

The structure of sociocracy is associated with a decentralization of power. This decentralization happens, however, without necessarily affecting the existing hierarchy. Instead, bottom-up power is ensured balanced with top-down power by introduction of a double link structure. The hierarchy as it is, is kept in place but for every link from one layer of management and downward, a corresponding and reversed link is introduced representing the lower level upwards. However, sociocracy is typically associated with some degree of flattening of the hierarchy as decision power is decentralized and consent processes is introduced making excessive layering of the organization redundant.

In sociocracy, the hierarchy consists of semi-autonomous circles, which are policy-making groups of members of the organization with the same work objective (Van de Kamp, 2014). Every circle must be a complete functional work unit with its own objective and incorporating responsibility for three functions: leading, doing, and measuring. Thus, a circle is responsible for doing the work it is committed to (doing). Additional to this, the circle has the responsibility and authority to manage this work and make policies for it (leading). Finally, it is the responsibility of every circle to "measure" their work. This responsibility covers in a crude version, what we will meet in Holacracy as "sensing tensions", the activity of evaluating the current state of things and decide appropriate responses to reach a desired state. By these three functions, the circles are self-managing and self-organizing with connections and commitments to circles above and below, as they can do their work in the way they want, measure and evaluate it and for themselves decide on adaptions to the way the work is done. A circle is free to make any decisions that does not have consequences beyond that circle. If a decision does have consequences beyond the circle, the affected parties must consent to the decision. The double link provides feedback to circles above and gives the circle additional means of leading itself as it can effectively influence its operating environment through its representative link in hierarchically superior circles.

> *If a strategic decision (e.g., a redesign of its service, entering a new market, would have no consequences beyond an operational circle so then that circle decides). Of course, if it needs a substantial amount of investments to carry out its decision, other (higher) circles are immediately involved* (Mohr & Amelsvoort, 2016a, Chapter 6).

3.3.2.5 Technology

Sociocracy does not include any particular views on the technology subsystem.

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The pointers to the characteristics of sociocracy that has been extracted from the document analysis are summarized in the sensitizing framework in Table 3. All pointers are presented in the words used in the analyzed documents.

Table 3 - Summarized pointers to characteristics of sociocracy

	Division of labor	Integration of effort
People	- Slight separation of identity and positions through elections - As power is dispersed, struggle for power is exchanged with collaboration to find solutions	
Task	- People are elected (often for limited time) to functions/tasks - Circles defined by common aim	- Objectives aligned based on "customer" (internal or external)
Structure	- Hierarchy of semi-autonomous circles - Double linkage between levels - Hierarchy of domains of authority and not of power, control, or coercion - Structure is dynamic as circles adjust governance frequently - Workers are empowered by higher layers - Unspecified size of circles - Circles have autonomy to lead, do and measure own activity as they find best - Representative are elected, leaders are appointed from above	- Information available and accessible to all - Circles are connected to sub-circles by double-link to separate interests of super-circle from those of the sub-circle - Perspectives of super-circles are represented by circle leader - Perspectives of sub-circle are represented by elected representative - Autocratic decision power can be assigned to roles through integrative decision making - Circles are responsible for their own development - Circles develop themselves through training and learning
Processes	- Emphasis on making workable decision over making best decision (evolutionary) - All decision processes based on consent - Standardized governance process - People are involved in decisions that affect them	- Feedback from sub-circles to super-circles is crucial to constant adaption of system - Feedback processes build into all other processes - Objections to decisions are constructive challenges, not roadblocks, and are encouraged
Technology		

3.3.3 Holacracy

For the document analysis of Holacracy, the following documents were sampled (Robertson, 2007, 2015)

Holacracy is the brainchild of entrepreneur Brian J. Robertson (2015) and his team at Ternary Software who sought a way to organize that did not impose a limitation on members ability to express and contribute anything they had to offer which Robertson and his two cofounders had found traditional forms of organizing to be. Instead, they wanted to find a way to live and work together "*in the fullest possible way*" (Robertson, 2007). Holacracy is in itself rather an approach or operating model than a specific form of organizing. However, the operating model, expressed by a complementary set of structures, processes and tasks, in its way of operating significantly shapes the entire organization thus resulting in a form of organizing. The structure of a Holacracy is referred to as a holarchy. The most striking feature of a holarchy being, that the *holons* constituting the holarchy is both a part and a whole in themselves. In such, the holarchy resulting from Holacracy is not a structure without hierarchy as holons exist at different levels of the

organization. It is, however, not meaningful to identify a definite top or bottom level in the holarchy. Rather, as in the case in nature where atoms make up molecules that make up macromolecules all the way to organisms and societies, the holons at different levels are all a whole and a part of a whole in themselves. Holacracy is the complementary set of structural and processual systems along with the technology, people and task systems that make up a functioning holacratic organization.

The key metaphor of an organization in Holacracy is that of a human body as the distributed-authority system that rapidly responds to change without central coordination.

> *...if the human body weren't a distributed-authority system, with the various cells, organs, and systems each holding clear autonomy, authority, and responsibility, the conscious mind would have all the management burden. But because our conscious energy is not needed for the moment-to-moment decision making of our physical functioning, it is freed up to engage with all the extraordinary creative endeavors that define human culture.*
> (Robertson, 2015)

3.3.3.1 People

In a Holacracy people are engaging in a number of roles rather than having a specific title. Roles are adaptable sets of accountabilities with a clear purpose trickling down from the purpose of the organization. An important perspective of this approach is that it breaks with the connection between people and their titles and the vague connection between titles and the actual work of the person and thereby a static hierarchy by "*separating role from soul*". The roles that a person is actively energizing can at any time be changed, new roles can be added, and roles can be dropped through formalized processes. In line with the evolutionary perspective on organizations, Robertson suggest that roles should not be considered as ultimately defined from the beginning but rather as evolving sets of accountabilities. Sometimes, when a role has picked up too many accountabilities, it is split into more roles and by that may form a new circle.

3.3.3.2 Task

The tasks in an organization based on Holacracy emerges from the purpose of the organization and the way the members of the organization live that purpose. Robertson gives a central role to the concept he calls "tensions". A tension can be an opportunity or an issue or any perceivable difference between the current state of things and a desired state of things. The way tasks emerge and are distributed in a Holacracy is based on the sensing of such tensions between what the organization is trying to achieve and what currently is and the initiative to respond to these tensions.

In this way, the purpose is broken down into accountabilities which are attached to the roles. All roles have a defined purpose, set of accountabilities and domains of exclusive control. Whenever a member of the organization wants to address a tension, he or she is free to do so, as long as it does not cause harm and all roles whose domains are implicated are consulted.

3.3.3.3 Structure

The structure in Holacracy is a holarchy made up of self-organizing teams called "circles". The structure of circles is fluid and is constantly adapted through formalized processes. The power in the structure is decentralized in such a way that any member of the organization can initiate or address any tensions they experience through the structured processes elaborated later. Circles, as well as roles, self-manage based on a defined purpose, accountabilities and set of responsibilities for that entity. It is free to define the roles necessary for it to reach its aim.

Circles are connected through a double link with their super/sub circles to coordinate between circles. The double link separates the task of representing the sub-circle in the super-circle and making sure the environment in the super-circle is conductive to the sub-circle from the task of aligning the sub-circle with the super-circle.

3.3.3.4 Processes

While Holacracy is certainly not mechanistic in its structures, it is highly formalized in its processes and governed by a "constitution". The aim to make every member of the organization powerful by putting the power into a constitution covering the operations of the organization. At the core of the processes in Holacracy is the tensions sensed by the members of the organization and a principle of continuous processing of these tensions. Robertson illustrates, how this core deviates from a traditional process core centered around "predict and control", with an example of riding a bike.

> [The traditional approach] *is like riding a bicycle by pointing at your destination off in the distance, holding the handlebars rigid, and then pedaling your heart out. Odds are you won't reach your target, even if you do manage to keep the bicycle upright for the entire trip.*
>
> *In contrast, if you watch someone actually riding a bicycle, there is a slight but constant weaving. The rider is continually getting feedback by taking in new information about his present state and environment, and constantly making minor corrections in many dimensions (heading, speed, balance, etc.).* (Robertson, 2007)

The central point is, no matter how well you plan and prepare for the predicted ride on your bicycle, you will be better off by embracing the impossibility of controlling your ride based on a

fixed plan and instead continuously sense and respond to what adaptions are necessary to keep you on your bike as you go. Robertson calls it the "dynamic steering paradigm" which involves constant adjustments in light of real, rapid feedback. This paradigm is translated into the processes of Holacracy by sensing and responding to tensions. It is noteworthy that tensions can involve future scenarios and may require a certain degree of prediction, as not every decision can or should be taken without considering the future state of things. The idea is merely to steer the bike continuously given the present and foreseeable circumstances.

Tensions are divided into two categories: tensions on operations and tensions on governance. By making this distinction Holacracy introduces two formalized processes: one for dealing with tensions in operations, what is done in the organization, and one for dealing with tensions in governance, how things are done in the organization. Both processes are, however, based on what Robertson call an integrative decision-making process which is a process for rapid integration of key perspectives in any decision. The process ensures that every key perspective from the members of a decision making is integrated, however, it does not rely on consensus but rather on finding a viable solution to which no one objects and then put the decision into action, as it can be revisited at a later point if any flaws should have emerged or circumstances changed. The objective is not to find a "best" decision but rather to quickly come up with a workable decision to test and learn from.

The governance process is setup as a formalized meeting at a set frequency, typically once a month, and serves as a forum in a circle where roles and accountabilities as defined, adapted and withdrawn. At a higher frequency, the operational process is conducted also through a formalized process with daily stand-up meetings for coordinating effort and weekly tactical meetings for to assess and coordinate work at hand and arrive at actions for the coming week.

3.3.3.5 Technology

To function properly Holacracy requires transparency in roles and circles and their associated purposes and accountabilities. This is normally accomplished through a software system or a sort of internal social network where members can create, edit, or delete role descriptions. Another software system that has been related to Holacracy is a "*Role marketplace*" where people can rate the roles they currently fill or are interested in filling based on match with motivation, competence, and talents.

* * * *

The pointers to the characteristics of Holacracy that has been extracted from the document analysis are summarized in the sensitizing framework in Table 4. All pointers are presented in the words used in the analyzed documents.

Table 4 - Summarized pointers to characteristics of Holacracy

	Division of labor	Integration of effort
People	- Detachment of identity from roles (both of self and of others) - People energize different roles in the organization, both should not let their ego take control of the will of the organization	- Extensive training in culture and teamwork
Task	- The organization has a will of its own that will guide all activity within it - Accountabilities are grouped into roles that are fluid and granularly defined - All members are encouraged to address tensions anywhere in organization - Self-assignment based on interest, capacity, and capability - Dynamic steering – continuous sense and respond - Roles are defined as circles see best fit based on purpose (of organization and of circle) - People are elected to formal roles and (self) assigned into operational roles	- Circles have purpose related to organizational purpose - Roles have defined purposes and accountabilities - Accountabilities defined as towards "what" not "who" - Accountabilities evolve incrementally and are not defined from beginning - Roles have assigned domains of exclusive control
Structure	- Structure based on self-governing teams (circles) - Some hierarchy as sub-circles are part of super-circles (empowerment) - Boundaries are task driven - Circles have autonomy to lead, do and measure own activity as they find best - Circle structure emerge based on tensions	- Circles are connected to sub-circles by double-link to separate interests of super-circle from those of the sub-circle - Lead-link and rep-link both part of both circles - Autocratic decision power can be assigned to roles through integrative decision making
Processes	- Standardized scheduled governance process - Integrative decision making - decisions made by consent – no one has to say 'yes', but anyone can argue for 'no' - Emphasis on clarity of governance to avoid politics	- Standardized operations meetings - To adapt organization, all issues can be revisited - Emphasis on workable solution over "best" solution
Technology	- IT is a required infrastructure for transparency of division of labor and power	- Internal social network required for coordination

3.3.4 Teal organizations

For the document analysis of teal organizations, the following documents were sampled (Laloux, 2014, 2015, 2018)

The notion of teal organizations stems from the work of Frederic Laloux presented in his book "*Reinventing Organizations"* (Laloux, 2014) on organizations shaped by a new level of human consciousness. The concept is based on Laloux's own research on pioneering organizations which he couples with human history and developmental theory. The color reference of "teal" is drawn from Ken Wilber's color-based descriptions of the stages in human development where humanity has already experienced several earlier stages each carrying with them a distinct organizational paradigm. The teal stage of consciousness, that according to Laloux is emerging now, thus carries with it a distinct organizational paradigm bringing with it new forms of organizing, teal organizations.

A teal organization is fundamentally anchored in, what Laloux describes as, three breakthroughs of the teal stage: self-management, wholeness, and evolutionary purpose. These three underlying principles shape the organizational subsystems and what Laloux found was that across the different organizations he researched, despite no mutual awareness of each other between the pioneering organizations, strikingly similar solutions, structures and processes had emerged from this foundation allowing Laloux to present an outline of a teal organization.

3.3.4.1 People

The breakthrough of wholeness associated with the teal stage of development and thus a form of organizing based on the teal paradigm is probably most clearly seen in the subsystem of the people in the organization. The wholeness perspective marks a breakaway from the separation of your whole personality from your involvement in the organization. Laloux argues, that by bringing not just a professional, rational, masculine mask with us into an organization but also our emotions, empathy and entire personalities, we can much better contribute to our full potential and connect and interact with our colleagues. The essence of the breakthrough seems to be, that by bringing more of our life into our organizations, our organizations will become more alive.

For organizations based on the teal paradigm to work, significant effort must be put into training and practicing healthy and productive collaboration. As Laloux argues, given our cultural heritage, bringing our whole self into an organization requires courage and trust. The mutual trust, which is fundamental to the teal paradigm, must be safeguarded. Several of the organizations in Laloux research has thus established ground rules and assumptions about the nature of being in their organizations. The ground rules can be seen as actionable breakdowns of the organizations' values. To give life to the ground rules training and onboarding is generally applied. Additionally, a wealth of practices and rituals are employed by the organizations to nurture the wholeness for example through check-ins and outs at meetings, reflection and meditation practices, story sharing and gratitude expression rituals.

Another facet of the wholeness perspective in teal organizations are the way these organizations consider themselves and their members as parts of a larger whole, the global society and ultimately the inhabitants of Earth. With this perspective also comes a determination to value doing the right thing above doing what is profitable. Interestingly, regardless of how environmentally, socially, or in other regards aware the researched organizations were, neither of them was accounting on multiple bottom lines. The wholeness perspective of the teal organizations, Laloux suggest, provides them with a strong inherent integrity that might be deemed too complex to capture quantitatively. Another reason might be in the self-managing nature of the organizations where several initiatives and efforts are constantly being effectuated because it fits with the purpose and wholeness of the organization.

Instead of people being employed in a position, in teal organizations people fill out a number of roles. There are different approaches to the specificity and granularity of the role descriptions. Laloux mentions that in some knowledge intensive organizations with emphasis on adaptability, role definitions were less formalized compared to an organization with continuous production with a stable environment where roles were very narrowly defined with each colleague taking as many as 50 roles.

The freedom, and with that responsibility, that comes with being a part of a teal organization puts special demands on the recruitment of new members of the organization. As roles and tasks change frequently, hiring is based more on the fit between a candidate and the organizations purpose and values and even more importantly between the candidates and their potential colleagues. That is one of the reasons why most of the researched organizations have handed over recruitment from HR to the team requesting a new member.

Total responsibility is another central attitude of people in a teal organization. The expression "*not my problem*" is unacceptable as it is the responsibility of anyone in the organization to address a tension they have noticed, usually by engaging with the role(s) related to the tension, which we will look further into under processes. Conversely this also adds to the separation of roles and souls as roles have responsibilities but does not have turfs and thus the expression "*this is none of your business*" is equally unacceptable.

Motivation and performance management in teal organizations relies heavily on intrinsic motivation coming from the feeling of purpose and the freedom to make decisions and sufficient resources to work towards that purpose rather than direct or indirect pressure through stretch goals and pep talks. Many of the traditional performance measures like results, productivity, profit, and similar are, however, still present in teal organizations at a team level. An important difference lies in the utilization of this data that is monitored by the teams themselves for them to respond when issues arise rather than a manager tracking the team.

Compensation in a teal organization is, like most other things, based on self-management and peer relationships. While there are different practices across the organizations researched by Laloux, the general pattern is that compensation is by some process defined by a broad base of peers rather than by a single boss. Some organizations do, however, experiment with self-set payment where members of the organization define their own pay based on involvement of an elected committee or an advice seeking process which is further explored in the process paragraph.

While the compensation makes sure that the contribution of people is fairly valued and that people have their basic needs covered, the idea of using incentives as motivation to perform, a clearly extrinsic motivation, has been abandoned in teal organizations. Neither individual nor team based bonusses are paid for high performance. Instead, in very profitable years, many of the organizations researched by Laloux chose to either split the bonus equally between all members

or split as a fixed percentage of compensation to acknowledge everybody's contribution to the result.

3.3.4.2 Task

The tasks of a teal organization emerge from the purpose which serves as the guiding star in all activities of the organization. The purpose in a teal organization – contrary to the traditional mission statements and purposes – is not a plaque somewhere in the reception that no one remembers anyway but rather an active energizing force shaping the organization. Laloux compares the active pursuit of a purpose against the self-preservation of traditional organizations who, he claims, are in a game where the focus is on winning with that being the goal in and of itself. When teal organizations instead actively pursue a purpose, it shapes the way strategy and budgets are developed and followed, how targets are set, and members recruited and motivated and a wide range of other practices. A fundamental expression of this approach is the sense that the future of the organization cannot be predicted and planned but will emerge from members living the purpose. This emergence happens through several processes and practices allowing the members of the organization to sense the purpose and live it amongst which Laloux mentions Theory U (Scharmer, 2009) and Appreciative Inquiry (Cooperrider, Sørensen, Yaeger, & Whitney, 2001).

Another central perspective of the task of the organization lies in the way teal organizations deal with the information ingrained in the organization. The principle goes, that any member of the organization should have full unrestricted access to any information within the organization at any time. While there are many factettes of this principle the overall idea is, that if any member is to know how best to advance the purpose of the organization, e.g. which tasks to solve and how, that member must be able to know the organizations standpoint. Similarly, transparent performance data allows the teams of a teal organization to self-manage by knowing their position and being able to self-evaluate or compare performance with teams with comparable work.

3.3.4.3 Structure

The structure in a teal organization is strongly decentralized and autonomous with work happening in small, autonomous teams whether nested in circles like the holarchy or in parallel teams. Rather than a fixed hierarchy of power, in a classical pyramid of boxes fashion, the structure resembles a network where power is directed towards those with expertise, interest or initiative and those affected by the power. Fluid hierarchies based on competence, role, and initiative.

The fluidity of the structure in teal organizations is best shown in the way that teams and taskforces are effectively created, adjusted and dissolved when their purpose has been reached or they are no longer of value in reaching the purpose of the organization. The best way to describe the structure of a teal organization is perhaps to quote Gary Hamel on his study of Morning Star,

a tomato processing organization with a strong emphasis on self-management identified as Laloux as a (partially) teal organization:

> *Morning Star is a collection of naturally dynamic hierarchies. There isn't one formal hierarchy; there are many informal ones. On any issue some colleagues will have a bigger say than others will, depending on their expertise and willingness to help. These are hierarchies of influence, not position, and they're built from the bottom up. At Morning Star, one accumulates authority by demonstrating expertise, helping peers, and adding value. Stop doing those things, and your influence wanes—as will your pay.* (Hamel, 2011)

The team based self-managing structure has a significant impact on the support functions of an organization as staff functions such as legal, HR, planning, etc. are shrunk significantly or entirely dissipated as teams take upon themselves these roles.

In serving their guiding purpose, teal organizations often need to reach beyond their own organization to work closely with both customers and suppliers and even the general crowd. This is reflected in a structure where the boundaries are not as inherently well defined as they can be in traditional organizations. An example comes from one of the researched organizations, a clothing company called Patagonia with a strong commitment to produce its products with as little negative impact – in all possible senses – as possible. Patagonia decided to work with their suppliers to create total transparency in their supply chain. Resultingly, all available data on footprint, water consumption, emissions etc. along with video and tape recordings and still images from all its factories were made publicly available on the internet. The initiative sparked unexpected reactions from customers, biologists and efficiency experts all providing suggestions on how to further improve the supply chain of Patagonia effectively engaging a far larger number of minds than just the members of Patagonia's organization.

3.3.4.4 Processes

A central process comes from the autonomy of the members of the organization. Laloux has dubbed this fundamental process the advice process. Whenever a member sense a tension, being it an opportunity or an issue that calls for attention, that member is free to address the tension by the best possible means as long as the member seeks out advice from anyone to whom the tension relates. This means that any member can make any decision conditioned on the fact that that member has consulted everyone who is meaningfully affected by the decision and anyone with expertise within the field. This implies that small decisions can be made quickly by whoever takes the initiative while large decisions will be made with the wisdom of the crowd in mind. Essential in keeping this process from becoming tedious, is that decisions are not made through consensus. The initiator of the decision must seek advice and of course be morally engaged by this, but it is up to the initiator to decide how the advice gets used. While it might sound risky, Laloux argues that what he experienced was that decisions were generally better, faster and with

greater adoption as those with a relation to the decision had already partaken in making it and those making it were morally obliged by having faced everyone who were to be affected by the decision. It is worth noting, that the format of the advice seeking process can of course be adapted to suite the size of the decision. While a small decision can be solved by simply facing the people involved, advice on large decisions may require the use of emails or postings on a social network of the organization.

In more team-centric organizations, the advice process may take the shape of the governance process from Holacracy intended at frequently and quickly adjusting, clarifying, creating, or discarding roles based not on consensus but on the fact that there is no argued oppositions to the suggested actions. While Laloux also mentions other comparatively similar processes, the central point is, that teal organizations use a process, resembling the advice process, for allowing individuals to address a tension by seeking an acceptable solutions and test it without compromising other members ability to fulfill their commitments.

Voting with their feet is fundamental to teal organizations. Many experiments will be conducted, those that catch ground and gets adopted by people are the important once. Similarly, prioritization of tasks and coordination of efforts happen fluidly as people choose the projects that interests them, and they feel are best for advancing the purpose of the organization.

Conflict resolution is another central process in teal organizations as there are no higher hierarchical level to push the conflict onto. The process is basically structured such that any disagreements must be settled between the two disagreeing members, who can be assisted by a third member they both trusts. If this is insufficient to resolve the conflict a panel is brought in to mediate the conflict. This process is essential, as it is the way members hold each other accountable for their commitments. Generally, Laloux describes the conflict resolution approaches of the organizations he studied to be based on the fundamental principle, that force cannot be used against any member of the organization. Thus, conflicts are not resolved by asking a mediator or a panel to act as judges, but rather to help explore possible solutions to the conflict. In the case of a conflict of dismissal, which Laloux notes is rare, the process usually either finds a way of restoring trust, or the person being the center of the conflict realizes that there is no reasonable way to restore trust and thus decides to leave based on this realization rather than with a feeling of being unfairly treated or having unsettled business.

A key characteristic of the processes in teal organizations, being it planning, budgeting, product development, decision making or something completely different is the emphasis on continuous rather than discrete. In planning this comes to surface as a departure from traditional planning where a heavy process results in a plan for the long term with control mechanisms to ensure that the organization is following the plan as time passes. Instead of this process, teal organizations rely on rapid sensing and correction in small iterations. Laloux draws on the example presented by Robertson comparing the traditional and new approach with riding a bike (see subsection 3.3.3). In a sense, this is captured in a philosophy of not trying to predict the future and punish

deviations from the prediction but instead doing the best you can every single day knowing that it will ultimately lead to the best possible result

3.3.4.5 Technology

While the technology of teal organizations is not explicitly described by Laloux, several examples mentioning the use of internal social networks, company wikis, digital information systems, and general coordination software can be found in his works, and can in many of the examples be regarded as fundamentally enabling for the functioning of the organization.

* * * *

The pointers to characteristics of Teal organizations that has been extracted from the document analysis are summarized in the sensitizing framework in Table 5. All pointers are presented in the words used in the analyzed documents.

3.4 Comparison of cases

Through qualitative content analysis of the sampled cases, pointers to the characteristics of each case was captured in the sensitizing framework. For each of the five subsystems in the framework, the observed pointers of the cases have been coded to identify underlying characteristics. From this approach, a total of 27 characteristics across all four cases have emerged from the document. The characteristics, the codes, are intentionally formulated as observable characteristics wherever it has been possible while honoring the original intention in the foundational documents. Some characteristics are shared by all four investigated cases, while some are exclusive to a single of the cases. This approach provides a means of analyzing the differences and similarities of the cases, in order to arrive at a synthesis of the concepts to answer the second part of the first research question of this project: what fundamentally characterizes these forms of organizing?

Table 5 - Summarized pointers to characteristics of teal organizations

	Division of labor	Integration of effort
People	- Engagement based on personality, personal purpose and calling - Tasks are allocated to roles rather than souls - People driven by intrinsic motivation - No general job description to allow people to shape roles based on selfhood - Personal freedom and responsibility for training	- People are inherently assumed to be engaged in the organization and advancing its purpose - Interactions based on mutual trust and shared aim - Appraisal from peers, not managers - Adjusting behavior/actions based on moral feeling, not forced - Extensive training in team dynamics, conflict resolution, ground rules (culture), decision making etc.
Task	- Organizational purpose seen as inherent and evolving, not defined, and adjusted - Total responsibility – all members are responsible for the organization doing well - Collective intelligence ensures progress towards purpose by sense and respond - Integrity of the organization as yardstick – doing *the right* thing - Tasks staffed based on self-assignment - Tasks and responsibilities grouped into fluid and granular roles (contingent on size/environment)	- Purpose drives decisions, initiatives, and "evolution" of the organization through employees - Prioritization done organically - "Performance" is a team concept, not individual - Values translated to explicit ground rules - Accountability towards commitments and responsibilities not persons
Structure	- Structure of self-organizing teams close to informal structure (can be network, holarchy, parallel etc.) - Fully decentralized, distributed power with influence flowing towards capabilities and initiative - Teams are self-managing – sometimes coaches (no authority) cover multiple teams - Reverse delegation – everything is done at frontline unless else is specifically decided - Staff-functions are strictly advisory - Boundaries fluid as crowd, competitors and environment is embraced in the pursuit of the purpose	- All information is accessible and available to any member of the organization upon need - Rotation programs or other practice to encourage lateral understanding
Processes	- Standardized governance process - All decision making based on advice process (or holacratic/sociocratic consent process) and purpose - Practice to encourage experimentation and learning	- Ad hoc meetings to coordinate - Specific meeting practices to give voice to all and keep ego in check - Accountability upheld by peers – moral calibration of decisions - Any member can initiate any decision (e.g. hiring, spending, project) based on advice process - Decisions challenged and refined by peers - Standardized conflict resolution process - Practices to cultivate ongoing reflection and exploration of values, ground rules and purpose
Technology	- Knowledge dispersion infrastructure required for decision making	- Internal social networks required for coordination

3.4.1 People

From Table 6 it can be seen, that the most commonly shared characteristic of the cases in the people subsystem is that of training people. For sociocracy and Holacracy, due to the distinct operating model, this covers mainly the extensive training and onboarding in the way of operating people receive to integrate the efforts people put into the organization. In this case, it is this operational training in the processes, structures and dynamics of the organization along with skills within teamwork that are in focus to coordinate people through a common way of working not entirely unrelated to Mintzberg's "*standardization of skills*" (Mintzberg, 1980). In teal organizations, training holds a similar role in integrating effort, including training in conflict resolution processes, but the training here also serves as a means in the division of labor as training and reflection sessions on the purpose and values of the organization is fundamental to continuously allow people to develop the purpose and the tasks emerging from it.

Table 6 - Characteristics of the people subsystem in the analyzed cases. Characteristics are present at different levels:
X: Somewhat possess this characteristic
I: Possess this characteristic in integration of effort
D+I: Possess this characteristic both in division of labor and integration of effort

Characteristic	*STS*	*Sociocracy*	*Holacracy*	*Teal*
People are coordinated through extensive training in operations and culture		I	I	D+I
People's behavior is guided by explicit "ground rules" translating values into actions				D+I
People are encouraged to continuously learn and develop as they see best fit for personal and organizational desire	X			D+I
People are part of a committed community – coaching is peer based, mutual adjustment, performance and moral obligation is all relative to peers	I			D+I
People bring their whole personality to work and it shapes their engagement and interactions in the organization			X	D+I
Separating the ego from the job - People advance the purpose of the organization through their roles, not their purpose for the organization through themselves		X	D+I	D+I

Another characteristic that is common across Holacracy and teal organizations are the notion of roles instead of jobs. People of the organizations take upon them a number of roles with associated tasks and responsibilities. The distinction of roles from individuals emphasize the fluidity of the organization and the tasks people fulfill in it. Additionally, the distinction between roles and individuals changes the dynamics between people and roles as tensions resulting from conflicting interests can be attributed to conflicting roles rather than a personal conflict and thus more readily approached and resolved. The impermanent and fluid nature of roles and the energizing of them by people partly counteract the possibility of people defining and defending turfs for the sake of the position and the power in itself and not for the benefit of the organization.

> *Sometimes the conflicts we have in organizational life are actually clashes of the roles involved, yet we mistake them for clashes between the people filling those roles. And other times we completely forget there are actually people underneath the roles we fill – people with passions and emotions and values and purpose. Sometimes our modern organizational culture ends up reducing everyone to being little more than the function they fill in the organization, missing entirely the soul behind!* (Robertson, 2007)

Holacracy has a very formalized definition of roles as having a purpose, a set of accountabilities, and a set of domains, while Laloux describe various degrees of formalization of roles, the important thing being, that people and their interests are separated from roles and their accountabilities. One way this is expressed in teal organizations, but not in neither Holacracy or sociocracy, is through various practices in meetings and everyday operations to avoid situations where a person starts advancing own interests of purposes instead of the interests and purpose of the organization. Laloux mentions a meeting practice where one participant is given a pair of tingsha bells or a similar instrument and tasked to ring it every time the person perceives that values are being neglected or that the meeting are serving egos rather than purpose. For the time it takes the sound to fade out all participants are to silently reflect on if their interests are in service of the topic of the meeting and the organization. Several other practices and examples are used by Laloux and partly also in Holacracy and sociocracy on how to keep egos in check and keep interactions productive and aimed at the common purpose.

Sociocracy, despite not using the concept of roles also features elements of distinction between the ego of people and the tasks they solve by electing people to take upon them tasks and functions, often for a limited period emphasizing once again the separation of the individual and the tasks of the organization.

From Table 6 it is apparent, that the teal case is more comprehensive in details on the people subsystem than what is the case for the other three cases. Laloux (2014) address the majority of these characteristics within the people subsystem as a breakthrough of "wholeness", where people, rather than taking on a professional, objective, rational mask when they enter their workplace, bring their entire personality, their values and aspirations and let all their whole-self affect their engagements in the organization. Interestingly, some of the characteristics of wholeness can also be found in STST where the individual's training and learning based on own curiosities and a broadness of skill approach is emphasized along with the emphasis on peer relationships and team based performance which are both features of a committed community.

The committed community exhibited by teal organizations and in part also in STST on several parameters resemble that of a form of community dubbed "collaborative community" by Adler and Heckscher (2006). A community, as they describe it, is a set of shared institutions that establish and enforce mutual expectations, so that people in the community have an idea of how other people in the community are likely to react and behave. As opposed to other types of

community, typically seen when other forms of organizing such as a hierarchy is in place, a collaborative community solves the division of labor and integration of effort through shared values and norms. The reliance on values and their translations into ground rules along with the assumption that people will act to best honor the values in their effort to reach a common purpose is the basis for a mutual trust and coordination in the community. As coordination happens through mutual adjustment towards one's peers control becomes relative to a moral obligation towards one's peers and the common values and ground rules. The emphasis on community in teal organizations and in part also in STST is a clear distinction from Holacracy and sociocracy.

In dealing with community teal organization further underline the wholeness perspective. People in the interdependent fluid self-organizing structures wherein they hold several roles and accountabilities must be able to reconcile multiple, at times conflicting, identities without a specific source of authority and morality as guidance. People must construct a sense of wholeness from their interactions and bringing a whole personality with them into this process will help them and their peers in this endeavor. Resultingly, peer interactions, both formalized and informal, are a central element in teal organizations where mentoring and coaching is fundamental to provide stability and assistance for both personal development and team performance coordination.

3.4.2 Task

Table 7 present the characteristics of the cases identified in the task subsystem. It is quickly seen that there are more commonalities between the cases in this subsystem than what is the case for the people subsystem. These commonalities center around the liquid nature of tasks in all the cases as something being specified and re-specified frequently by those with responsibility for the tasks.

The first characteristic which is common across all the cases, however with different nuances and to a different degree, are that tasks and their assignment to people are not static. Rather, tasks and responsibilities that are closely connected are grouped into roles that people fill as described in the people subsystem. The different cases all possess this characteristic however, especially for the case of sociocracy, to a different extent. In sociocracy a number of formal roles exist as e.g. team secretary, team leader, team representative etc. These roles are quite formalized as they are recurring across the entire organization with identical functions. While these formal roles are more or less static, they can be adapted with responsibilities. Similarly, all major responsibilities are also formalized and divided based on election, another characteristic we will discuss shortly. This construction, while being surpassed in fluidity by the other three cases, give sociocracy the characteristic of to some level of granularity defining responsibilities and assigning them to people dynamically. One key intent behind this characteristic for all the cases are the clarity it provides as responsibilities are brought into the light in discussions and formally assigned to people or roles. The capacity of this concept to clarify and constantly improve on the

division of labor and integration of effort is emphasized in different terms in both STST, Holacracy and teal organizations.

Table 7 - Characteristics of the task subsystem of the analyzed cases. Characteristics are present at different levels:
X: Somewhat possess this characteristic
D: Possess this characteristic in division of labor
D+I: Possess this characteristic both in division of labor and integration of effort

Characteristic	*STS*	*Sociocracy*	*Holacracy*	*Teal*
Fluid bundles of responsibilities have replaced static job descriptions	D+I	X	D+I	D+I
People are elected to roles		X	D	X
Tasks are evolved incrementally by those closest to the actions of the role and are not defined from onset	D+I	D+I	D+I	D+I
People have direct influence on the variety and kind of tasks, responsibilities, and accountabilities they have	D+I	D+I	D+I	D+I
Any members can at any time take initiatives to bring the organization closer to a desired state (white-space mastery and total responsibility – there is no "not my problem")			D+I	D+I
Tasks, responsibilities, and accountabilities are continuously discovered from the inherent purpose of the organization			D+I	D+I

The constant effort to improve the organization and its performance is reflected in STST theory which provide some foundational elements that are shared throughout the four cases. The minimum critical specification principle (see 3.3.1) gives rise to two distinct characteristic that are present in all four cases. The first is the direct influence of people on their engagements. In its simplest version it is seen as those closest to the actions affected by the specification are the ones who should modify this specification – or for STST at least participate in this specification. Elaborating on this characteristic there is a difference in the level of participation across the four cases. STST emphasize participation but, as is the case with sociocracy, is fundamentally still based on a hierarchical power structure and participation in specification of tasks and accountabilities is not universal. In sociocracy, while major responsibilities are distributed through elections where anyone can potentially nominate themselves for the responsibility, the more operational responsibilities are not inherently included in this process. In Holacracy, the characteristic is once again seen in a stricter version where all responsibilities and roles are assigned through elections and team discussions and thus, any person could be said to have direct and total influence on the engagements of that person. While elections are not necessarily part of a teal organization personal freedom to engage in any activity is emphasized.

The second dynamic is the rapidly iterative nature of the task subsystem where division of labor and integration of effort is constantly being evaluated and adapted as all adaptions are made to the minimum critical specificity aiming for a good fast solution rather than a 'best' solution. The practice is emphasized by Holacracy and teal organizations as the evolutionary mechanism of the organizations – frequent rapid adaptions through trial and error rather than infrequent major

changes. While not emphasizing the same metaphor, both STST and sociocracy has similar characteristics where the organization is adapted by adding new roles or adapting current ones.

Both Holacracy and teal organizations include a characteristic of individual freedom to act and engage in any task as long as it is not obstructing the work of any other member of the organization. This characteristic is related to the one of personal influence on one's engagements but focus on the organization instead of the person. Robertson (2015) use the term tension in Holacracy and state that a key intention of Holacracy is to allow all members of the organization to effectively sense and respond to tensions. This include the adaption of the organization and one's engagements but also the things that fall outside of one's engagements. While simple in formulation the consequence for an organization is quite radical. Both teal and Holacracy encourage members of the organization to take actions beyond their engagements, no barriers and no control functions, as long as the members have sought to integrate perspectives of those who might be affected by the actions and as long as the actions does not impede the actions of anyone else. This is a clear distinction from both STST and sociocracy indicating the more traditional structure related to these two cases which will be discussed shortly.

Another characteristic shared by both teal and Holacracy is the concept of purpose in the organization. As a central part of the community in the two cases, a shared purpose is fundamental to the decisions withing and development of the organization. The purpose serves as a guide for all decisions, both operational and for governance which, in Holacracy, can be seen in the way the purpose is broken down into roles or circles defined with a purpose of their own acting to serve the greater purpose of the organization. However, the purpose is not set in stone, but rather something evolving as the organization evolves. This idea of purpose directly driving actions within the organization is not shared by STST and sociocracy.

The final characteristic within the task subsystem is the election of people into roles. As also touched upon in the people subsystem, both Holacracy and sociocracy possess this characteristic. While people are elected to formal roles and sometimes functions and major responsibilities, and thus primarily uses the elections as a means for dividing work in sociocracy, Holacracy use elections for all role assignments. Teal organizations are not unequivocal on the use of elections as some organizations may use them to reinforce the separation of ego from job.

3.4.3 Structure

Undoubtedly, the most significant structural difference between the four cases are their approach to hierarchy. STST, born in a time where hierarchy was still largely unchallenged as the norm for social organization (see 3.3.1), is fundamentally aimed at improving quality of working life by, among other things, empowering workers in their daily jobs. While this was at the time a controversial deviation from the popular principles of scientific management, it was not intended to replace or obstruct with the hierarchy of the organization.

Table 8 - Characteristics of the structure subsystem of the analyzed cases. Characteristics are present at different levels:
X: Somewhat possess this characteristic
I: Possess this characteristic in integration of effort
D+I: Possess this characteristic both in division of labor and integration of effort

Characteristic	*STS*	*Sociocracy*	*Holacracy*	*Teal*
Structure to organize work and tasks rather than people and positions		D+I	D+I	D+I
Structure is continuously organically adapted and evaluated	X	D+I	D+I	D+I
Power follows responsibility, accountability, and expertise	X	X	I	D+I
Work happens in self-managed teams with autonomy and ownership of governance, operations, and development	D+I	D+I	D+I	D+I
Separation between roles of delegate and leader		D+I	D+I	
Authority, responsibility, and power lies at frontline unless else is specifically decided			I	D+I
All information flow to those whose actions it concerns and is available to all members	D+I	D+I	X	D+I

For Sociocracy, both Buck & Endenburg (2006), Romme and Endenburg (2006), Romme (1995) and Eckstein (2016) assert that the hierarchical structure of the organization is necessary and left in place by sociocracy which instead emphasize feedback and autonomy within this structure. The clearest example is provided by Eckstein:

> *In a typical hierarchical organization the top assigns people to steer, lead, or manage a next lower circle. For example a department manager is assigned by the business unit in order to run the department. This is also true in Sociocracy – so the existing hierarchy stays intact.* (Eckstein, 2016)

While power, in both sociocracy and Holacracy, is more distributed than what is the case in a traditional hierarchy, this is primarily reflected in the process subsystem. Robertson (2007) stated this point and several authors have later elaborated on the coexistence of Holacracy and hierarchy from different perspectives as a necessity to maximize efficiency, clarify accountabilities, and effectively address governance tensions (Bernstein et al., 2016; Bodie, 2017; Krasulja, Radojević, & Janjušić, 2016; Roelofsen, 2017; G. Romme, 2015). A characteristic of both Holacracy and sociocracy that serves as an amendment to classical hierarchy is the separation between the role of leading and the role of representing. By introducing representatives, or replinks in Holacracy, parallel to the team leader, or lead-link, a new governance mechanism is introduced into the hierarchy ensuring feedback from and representation of sub-circles. Similarly, the hierarchy in Holacracy and sociocracy is typically "flatter" than the case would be in more classical forms of organizing, as each member has control of their role's accountabilities and domains and cannot be ordered to perform them in particular ways. Still, the lead-link to an extend

resembles a manager and a supervisor and the hierarchy of circles will inevitably push important decisions to a high-level circle where only a limited group of people participate.

While Holacracy exploits the benefits of hierarchy, it is important to notice the fluidity of the hierarchy in Holacracy which significantly distinguishes it from a more traditional hierarchy. The various responsibilities and accountabilities are captured in roles and circles, which are constantly adapted to best reflect the requisite structure that best promote the purpose of the organization. This serves as a formalized structure to create efficiency and clarity but is at the same time fluid and changes when people feel the need for it.

> *Although the processes within and between each self-organizing circle will be different from what we're used to, notice how the overall organizational structure is not all that surprising. At the broadest level, the Board of Directors and the CEO form a Board Circle, integrating the concerns of the outside world into the organization. Below that, the CEO and the department heads (the executive team) form a General Company Circle, with scope over all cross-cutting operational functions and domains, except those specific functional areas which are delegated to department sub-circles* (Robertson, 2007)

The essential difference from the holacratic approach to hierarchy and the teal is this temporary formalization in Holacracy which is rarely present in teal organizations. Instead the hierarchy in teal organizations is completely fluid and based on expertise and initiative. In this sense members of the organization are not just empowered, as the notion of empowerment signifies that someone has given that person power, but powerful as there is no hierarchy with decision making power over them. That does not mean that hierarchy is not present in teal, they are merely too brief to capture in formal structures. Laloux (2014, p. 68) gives the example of a team of nurses making decisions. In this case, there will always be someone to whom power flows due to more experience, more interest or willingness to help. Some nurses build reputations within certain areas and may be consulted by other teams for input on certain topics. In that way, power is never based on a position in a hierarchy but merely on the expertise and willingness to act. This is further reinforced by the principle of reverse delegation practiced by one of the organizations researched by Laloux (2014, p. 79) which simply states that front line teams does everything themselves except for things they deliberately decide to push upwards.

For the self-management to function, including the ability to access and evaluate the contribution of oneself and the general situation of the company, both STST sociocracy and teal explicitly emphasize the need for total access to information across all members. In lack of managers and higher levels with a broader perspective to coordinate the work, self-managing teams and members must have access to all information that allows them to obtain this broad perspective themselves. Holacracy does not explicitly include the same focus on all information being available to all members but does in many instances emphasize the need for clarity and transparency.

3.4.4 Processes

The processes subsystem is significant across the four cases, or in this case the three cases as STST is not detailed in this subsystem, through three different themes: the standardization of processes, the incrementality of processes and the decision making. While both sociocracy and Holacracy involves standardized processes for clarifying operational and governance elements of the organization, this is only slightly the case for teal organizations, primarily due to inconclusion across the cases researched by Laloux on whether this is included or not. Teal on the other hand seem to consistently involve standardized conflict resolution processes – a characteristic not explicitly touched upon by any of the other case. The emphasis on standardized governance processes in sociocracy and Holacracy intend to provide clarity and transparency while formally resolving tensions in the organization. On the other hand, the fluidity of teal encourages constant organic adaption of governance and operations and does not in this respect go as far to standardize the processes. Nevertheless, teal also includes a perspective on practices for continuously evolving the values and purpose of the organization along with the members relation to these. Laloux mentions several different practices and philosophies for making whole decisions individually, and in small and large groups, based on the values and purpose of the organization and simultaneously developing the values and purpose. Along with these are several practices for maintaining the separation of ego from roles, which is not as processually elaborated in Holacracy. Overall, Holacracy distinguishes itself from the two others in being much more specific and defined in its processes where the other two cases rely more on principles.

Table 9 - Characteristics of the process subsystem of the analyzed cases. Characteristics are present at different levels:
X: Somewhat possess this characteristic
D+I: Possess this characteristic both in division of labor and integration of effort

Characteristic	*STS*	*Sociocracy*	*Holacracy*	*Teal*
Decisions are made through consent and argued, and paramount objections are valued		D+I	D+I	D+I
Incremental learning by doing is fundamental to processes		D+I	D+I	D+I
Processes and practices for development of governance are standardized		D+I	D+I	X
Processes and practices for development and coordination of operations are standardized and at fixed frequency		D+I	D+I	
Standardized process for resolving conflicts				D+I
Immersion and reflection to develop culture, values and purpose are frequently practiced				D+I
Practices for maintaining separation of egos from roles are upheld		X	X	D+I

Fundamental to all three cases are the decision-making mechanism of consent, the idea that any decision can and should be made if there are no reasoned and paramount objections against it. This mechanism is in all cases combined with a mechanism for searching for objections. In

sociocracy it is termed “objection hunting” in Holacracy Robertson emphasize “integrative decision-making” a process for incorporating objections into decisions, and in teal Laloux explains the “advice process” which similarly searches for advice with those affected by a decision attempting to let key perspectives inform any decisions made.

Together with the emphasis on consent, all three cases associate this with an emphasis on the incremental nature of decisions. In different terms, all three cases support a view that all decisions should be made quickly and aim for a good solution rather than being made meticulously aiming for a best solution. The underlying assumption is that the incremental nature of fast decisions will eventually reach a better decision through trial and error than if the decision had been intended to be final from the making.

3.4.5 Technology

Table 10 - Characteristics of the technology subsystem of the analyzed cases. Characteristics are present at different levels: D+I: Possess this characteristic both in division of labor and integration of effort

Characteristic	*STS*	*Sociocracy*	*Holacracy*	*Teal*
IT system for capturing and communicating granular structure of the organization and distributing knowledge and information			D+I	D+I

The perspectives on the technology subsystem in the materials on the four cases are limited. It is however fair to say that despite this, both Holacracy and teal relies heavily on IT to provide sufficient transparency across the fluid structures of the organizations. Specific IT systems has been developed for Holacracy for keeping track of structure and people including GlassFrog and Holaspirit (Bernstein et al., 2016). Similarly, teal organizations rely on different IT solutions to provide the necessary transparency across the organization including internal social networks and similar solutions to Holacracy for clarifying structure.

3.4.6 Overall comparison

The differences and similarities of the four cases in the organizational subsystems can all be compared on the higher system level of the entire organizational model. Table 11 present the summarized characteristics of the four cases.

Table 11 – Summarized characteristics of the four forms of organizing

People	*STS*	*Sociocracy*	*Holacracy*	*Teal*
People are coordinated through extensive training in operations and culture		I	I	D+I
People's behavior is guided by explicit "ground rules" translating values into actions				D+I
People are encouraged to continuously learn and develop as they see best fit for personal and organizational desire	X			D+I
People are part of a committed community – coaching is peer based, mutual adjustment, performance and moral obligation is all relative to peers	I			D+I
People bring their whole personality to work and it shapes their engagement and interactions in the organization			X	D+I
Separating the ego from the job - People advance the purpose of the organization through their roles, not their purpose for the organization through themselves		X	D+I	D+I
Task	STS	Sociocracy	Holacracy	Teal
Fluid bundles of responsibilities have replaced static job descriptions	D+I	X	D+I	D+I
People are elected to roles		X	D	X
Tasks are evolved incrementally by those closest to the actions of the role and are not defined from onset	D+I	D+I	D+I	D+I
People have direct influence on the variety and kind of tasks, responsibilities, and accountabilities they have	D+I	D+I	D+I	D+I
Any member can at any time take initiative to bring the organization closer to a desired state			D+I	D+I
Tasks, responsibilities, and accountabilities are continuously discovered from the inherent purpose of the organization			D+I	D+I
Structure	STS	Sociocracy	Holacracy	Teal
Structure to organize work and tasks rather than people and positions		D+I	D+I	D+I
Structure is continuously organically adapted and evaluated	X	D+I	D+I	D+I
Power follows responsibility, accountability, and expertise	X	X	I	D+I
Work happens in self-managed teams with autonomy and ownership of governance, operations, and development	D+I	D+I	D+I	D+I
Separation between roles of delegate and leader		D+I	D+I	
Authority, responsibility, and power lies at frontline unless else is specifically decided			I	D+I
All information flow to those whose actions it concerns and is available to all members	D+I	D+I	X	D+I
Processes	STS	Sociocracy	Holacracy	Teal
Decisions are made through consent and argued, and paramount objections are valued		D+I	D+I	D+I
Incremental trial-and-error is fundamental to processes		D+I	D+I	D+I
Processes and practices for development of governance are standardized		D+I	D+I	X
Processes and practices for development and coordination of operations are standardized and at fixed frequency		D+I	D+I	
Standardized process for resolving conflicts				D+I
Immersion and reflection to develop culture, values and purpose are frequently practiced				D+I
Practices for maintaining separation of egos from roles are upheld		X	X	D+I
Technology	STS	Sociocracy	Holacracy	Teal
IT system for capturing and communicating granular structure of the organization and distributing knowledge and information			D+I	D+I

A comparison on the system level can be made between the cases by investigating their relatedness to three generic ideal forms of organizing – hierarchies, markets, and the communities. The question of how to organize and govern productive activity is central to organization theory and has often been based on two of the three forms, market or hierarchy marking two extremes of a spectrum. As a response to the rise of the knowledge economy with its emphasis on trust and collaboration, Adler (2001) proposed a third ideal form suited for collaborative knowledge production with trust as the main mechanism for coordination. The community distinguishes itself from the two other types by institutional properties and design principles, which will be briefly described here.

Table 12 - Three principles of social organization from (Adler & Heckscher, 2006, p. 16)

	Hierarchy	Market	Community
Coordinating mechanism	Authority	Price	Trust
Primary benefits	Control	Flexibility	Generation and sharing of knowledge
Resources produced	Organizational capital	Economic capital	Social capital
Fits tasks that are	Dependent	Independent	Interdependent

Hierarchies are systems where units are ordered such that lower level are subordinate to units in the immediate higher level. Authority is used to create division of labor and integrate effort. Markets are arenas relying on the price mechanism for coordinating the exchange between competing autonomous parties. Communities are networks of autonomous and interdependent participants coordinated through shared values and norms. The three types are summarized by Adler and Heckscher (2006) in Table 12.

Table 13 – The three ideal types' solutions to the universal problems of organizing. Adapted from (Kolbjørnsrud, 2018)

		Hierarchy	Market	Community
Division of labor	Task division	Managerial decision (authority), centralized	Scope of transacted good typically set by buyer, division of tasks to provide good supplier	Distributed identification and division of tasks by general members
	Assignment	Managerial decision (authority), centralized	Bidding/price, decentralized in dyads (can be facilitated by centralized platforms)	Self-assignment, decentralized (can be facilitated by centralized platforms)
	Resource allocation	Managerial decision (authority)	Price mechanism	Actor based mobilization of shared resources in commons
	Quality/task approval by	Manager	Customer	Peer
Integration of effort	Incentives	Typically, compensation for inputs (e.g. time) (weak)	Compensation for outputs via price mechanism (strong)	Benefits from use of complementary, non-rival goods; other intrinsic and extrinsic rewards (weak)
	Information flow	Directed, primarily vertical	Via networks, information intermediaries (private and public)	Transparent, via networks and commons
	Information aggregation via	Hierarchical channels	Price mechanism, market intermediaries, and information aggregators	Commons, collective problem, and solution representations

Kolbjørnsrud (2018) offers another elaboration on the three types of social organization. In this view, presented in Table 13, the solutions for the universal problems of organizing (Puranam et al., 2014) is shown for each of the three ideal types.

For this comparison, the three ideal forms will be representing the extreme points of a spectrum on which forms of organizing can be situated as hybrids of these three pure forms. A such spectrum is presented by Kolbjørnsrud (2018). The four cases are mapped into this spectrum along with other investigated cases in Figure 10. As it can be seen, teal is the one of the four cases closest to an ideal form. Here it should be noted, that ideal should not be understood as "optimal" but rather as "pure". The emphasis Laloux put on wholeness and the practices and fluid structures this involves corresponds well with the community form with its self-allocation, peer-based performance, shared values and purpose, and transparent information. Holacracy is seen as being more of a hybrid between community and hierarchy but still with less resemblance with hierarchy than sociocracy has. This is primarily due to the notions in Holacracy of shared purpose and the separation of egos from roles. STS is hard to place within the spectrum as it does not to a full extend represent a form of organizing but rather a set of principles to apply to an organization that will nevertheless affect the organization. The fundamental assumptions of STS are however based on an organization resembling a hierarchy and can be said to intend to bring the hierarchy closer to a community. Thus, its placement in the map closer to hierarchy than any of the other three.

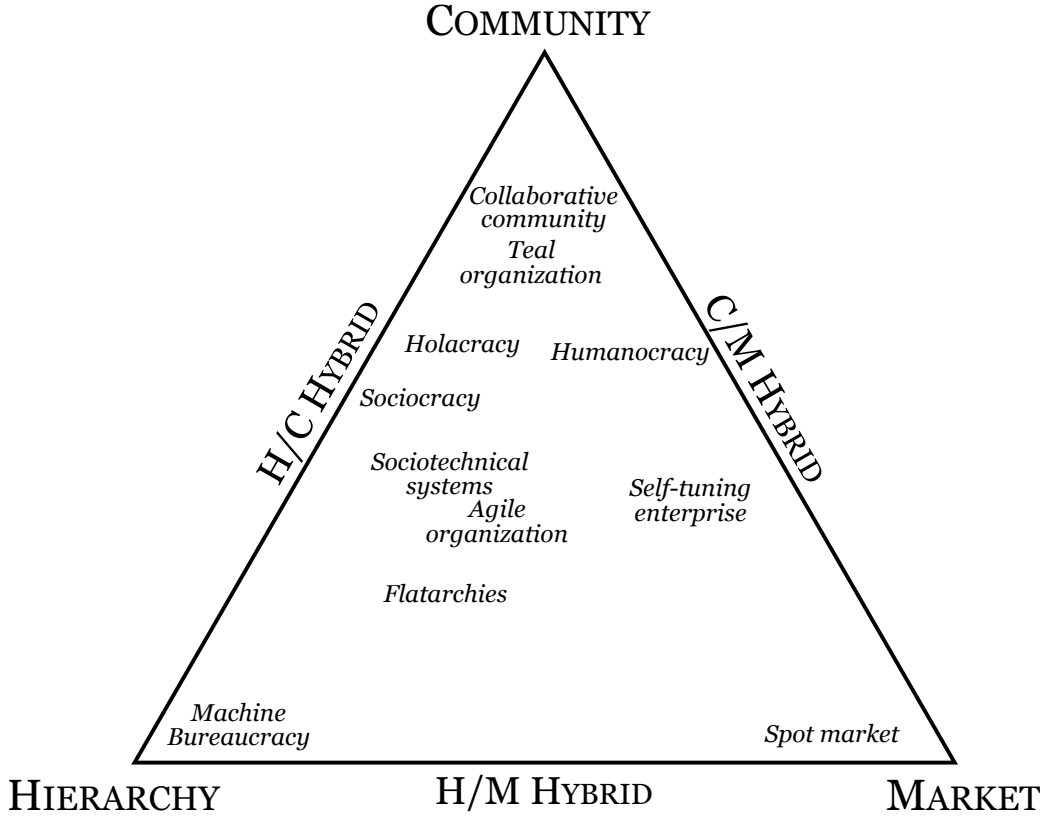

Figure 10 - The spectrum of ideal types of social organization with forms of organizing for human engagement mapped onto it

3.5 Synthesis of principles

By using the sensitizing framework, it has been possible to compare the four forms of organizing based on their five organizational subsystems. However, from that analysis it has become apparent that several of the characteristics within the different subsystems seem to relate to other characteristics outside their own subsystems and are thus interrelated. This interrelation is interpreted as a set of underlying common principles across the entire organizational systems and their subsystems. Thus, rather than attempting to divide the characteristics further into parts, this section aims at presenting an integration of the different characteristics across the five subsystems into a number of principles fundamental to the forms of organizing observed in the document analysis. The approach will be to synthesize the union of the four cases as the set of principles that best cover all the cases. This is done by grouping the characteristics observed in the subsystems together independently of the different subsystems to reflect commonalities across. From this approach, nine principles for organizing for human engagement is identified as a conclusion on the document analysis:

- Purpose drives the organization and the members
- Whole individuals in a committed community
- Work happens in fluid self-managing teams
- Decisions are made through integration and consent
- Do'ocracy – power flow to expertise, initiative, and commitment
- Powerful processes for developing the organization and building trust
- Incremental continuous development
- Ego is separated from work
- IT infrastructure for clarity and information flow

These principles are, as in the case of STS, not necessarily connected with one specific organizational model. They should rather be understood as the fundamental characteristics common across forms of organizing for human engagement. Based on these principles, these forms of organizing will from here on be referred to as organized community as a notion for the form of organizing for human engagement shared by the investigated cases. In the following subsections each of the principles will be further explored.

3.5.1 Purpose drives the organization and the members

Fundamentally different from the ideal hierarchical organization where the work is centered around reaching the goals of the owner (i.e. the shareholders) and planned and controlled thereafter, what drives the members of an organized community is advancing the purpose of the organization. While the difference might be subtle, the change of focus from winning, beating competition and in the end, self-preservation, to focus on what makes it worthwhile winning is the root of this principle. The purpose in this sense, is not a plaque on the wall in the reception but

rather a shared desire. Laloux describes it as an energy that inspires and gives direction (Laloux, 2014). Robertson uses the metaphor of parents raising a child to live its own purpose rather than projecting their own hopes and dreams onto the child to illustrate the tacit nature of the organizational purpose (Robertson, 2015). The purpose is not something that is defined, but a shared understanding among the members of *why* the organization exists, what the world is asking from them. It is a force of motivation. As society globally progress to a higher and higher standard of living, people move up through Maslow's hierarchy of needs and find themselves looking beyond a source of income. Be not fooled, however, without the income people will not reach the self-actualization stage just like the organization needs profit to fuel its continued effort. The profit is a means of reaching a purpose, not a purpose in itself.

> *None of the organizations I researched has a strategy document. Gone are the often dreaded strategy formulation exercises, and much of the machinery of midterm plans, yearly budgets, cascaded KPIs, and individual targets. Instead of trying to predict and control, they aim to sense (Laloux, 2015)*

This relatively pragmatic conception of a purpose brings with it some changes to practices. The purpose is not defined by a small group of selected individuals in the organization. Agreement on the purpose across the entire organization is vital and members need to understand it and commit to it. Therefore, the purpose must be a matter of open and inclusive discussion and reflection for the adoption and continued review of the purpose. Practices such as Appreciative Inquiry can be a part of continuously identifying and developing the purpose of the organization.

The practice of identifying and discussing a purpose as a large group activity is not revolutionary to current management practice. It is however, only one of two basic processes around the purpose in organized communities. The other closes the loop by inviting members into the continuous task of identifying tasks from the purpose, reflecting the strategic direction of the organization through their actions based on the purpose. In Holacracy circles and roles are defined with a purpose all reflecting the overarching purpose of the organization. People gather around the purpose of circles and the purpose of the organization. In teal organizations this mechanism is strengthened as people can initiate any purposeful project, but the project is only viable if other members can see the purpose and the fit with the organizational purpose. If not, they are neither motivated to work on it, nor to provide other resources for it. In organized communities, the purpose drives the members as they drive the organization. The purpose creates meaning, and as people design their everyday engagement in the organization to be meaningful for them, the organization takes shape from the intersection between the meaningful purposes pursued by its members.

3.5.2 Whole individuals in committed community

The committed community exhibited by teal organizations and in part also in STST on several parameters is a set of shared institutions that establish and enforce mutual expectations, shared

values, so that people in the community have an idea of how other people in the community are likely to react and behave. A collaborative community solves the division of labor and integration of effort through shared values and norms. The willingness of people to act based on a reliance in other people is the essence of trust which is fundamental for a community to exist. The interdependence of members in the organized community makes mutual trust important for the coordination and collaboration between people without having to introduce control and management.

Thus, in an organized community, a strong set of shared values govern the behavior of the members of the organization. When the organization is governed by values, all members are equal in the sense that they are all oriented towards the values and purpose they are all committed to. For this to be possible, extensive onboarding, training, and immersion in the values of the organization are critical to the dissemination of them. This, along with extensive training in the self-governing way of operating ensures cooperation and collaboration in the organized community. Similar to the purpose, the values are not something either set in stone, as would be the traditional assumption, or something belonging to the individual as in the modern assumption, but instead something that must be collectively processed and understood.

> *Ground rules take shared values to the next level. They spell out the mindsets and behaviors that foster or undermine a safe and healthy work environment*. (Laloux, 2014)

By translating the values into explicit ground rules, the values become activated in the organization. Laloux (2014, pp. 151–153) describe how the different organizations in his research had broken down the values of the organization into concrete ground rules or guides including spelling out unacceptable behaviors, summarizing learnings on good governance practice, or establishing fundamental operational habits. Holacracy grounds all operations in a constitution, a slightly more formalized version of ground rules, with a shift, in Robertson's words, from personal leadership to constitutionally derived power (Robertson, 2015).

A central element of the committed community is the sense of personal freedom with responsibility for the community. It is up to the individual to decide how best to advance and develop the organization and oneself but at the same time the individual will always be morally obliged towards the fellow members of the community. Thus, individual training and development is a matter of personal interest and interpretation of the need of the organization. Similarly, it is the responsibility of the individual to help and encourage other individuals to develop. This necessitates the capability of people in the organization to act as mentors and coaches towards other members of the organization. Peer-to-peer relationship serves as the foundation for mutual adjustment and thus coordination of the work in the community. Correspondingly, performance, being it related to quality, sales, efficiency, or something completely different, is a measure at team level, not at individual level, as there is no meaning in individual performance in an interdependent world. An example of this practice, reflected both in STS and teal, is the idea that

quality assurance happens at the source, i.e. people in a committed community take responsibility for their own work and receive freedom in return.

An important dynamic that follows from the committed community is that of organic prioritization. People are guided by the same values and purpose and have the freedom to express this as they see best fit. Thus, as mentioned in the previous subsection, people are free to engage in what they consider most promising for the organization and, crucially, to not engage in what they do not consider promising. Laloux on several occasions describe this dynamic of "voting with your feet". Resources get prioritized and distributed organically to whatever is best believed to further the purpose of the organization. This reflects into several other principles as self-assignment, transparency and flow of power as will be described in those principles.

3.5.3 Work happens in fluid self-managing teams

The basic structural element in the organized community is the team, a limited number of interdependent people joining forces on a more or less temporary basis to achieve a common aim. As we have seen in sociocracy, teams have autonomy of leading, doing and measuring (Buck & Endenburg, 2006), or in other words, governance, operations and development. The structuring of these teams into more comprehensive systems can take many different adaptable non-hierarchical forms such as the holarchy or a network. Laloux point to the example of the Dutch nursing organization Buurtzorg who features a parallel structure of teams of nurses with very limited central support staff. In another example of the automotive parts manufacturer FAVI, Laloux highlights the truly supportive function of support staff when teams are self-organizing:

> *For example, at FAVI there is Denis, an engineer, whose role is to help teams exchange insights and best practices. He spends his days encouraging machine operators to go and see what other teams have come up with. He cannot coerce a team into adopting another team's ideas. He must get them interested and excited. If he fails to do so, if teams stop seeing added value in his work, then his role will naturally disappear, and Denis will need to find himself another role to fill. In the true sense of the word, he has a support function.* (Laloux, 2014, p. 78)

The same example features the fluid nature of the team structure. Just like Dennis would have to abandon his role if it did not add further value to the organization, teams only exist as long as they add value to the organization. Similarly, teams are continuously adapted by the members of the teams and other members of the organization who want to contribute to the purpose of the team. This gives the teams an open boundary that is constantly adjusted to best serve the purpose of the team including bringing in competencies from across the organization and even beyond the organization as teams tap into the best available source of competence. This will in many cases involve looking beyond the traditional boundaries of the organization to include

crowds and alternative workforce as well as partnering closely with both suppliers and customers when tasks make it relevant.

Typically, to maintain connection with the value the team is adding to the collective effort, teams are end-to-end responsible, in line with principles of STS. This is further expressed in the idea of reverse delegation: all responsibilities around the commitment of the team lies in the team, unless specifically delegated to support functions. At Buurtzorg, the teams of nurses are responsible for all operations and governance of their teams including hiring, finding suitable office space, distributing vacation, and assigning patients. Only upon request by the team will support function be involved in these tasks.

However, the freedom of self-organization does not come for free. All decisions, including hard ones, are the responsibility of the team and they must live with the consequences of the choices they make without being able to blame a manager or support staff for poor performance. This is where the committed community becomes fundamental for the teams to function along with the incremental nature of the organized community that will be described later.

3.5.4 Decisions are made through integration and consent

The principle of consent was introduced in sociocracy, a decision can be made when no reasoned and paramount objections are stated. Building on this principle, both Holacracy, teal, and later developers of sociocracy, added to the principle of consent the principle of integrative decisions. Together, these two principles make the foundation of all major decisions in an organized community. For a decision to be made, efforts must be made to seek out, in the most affording manner, key perspectives from members with relation to or expertise within the decision. By seeking out these perspectives in the first place a moral obligation towards the ones contributing their perspectives are established. If no paramount objections are made, it is entirely up to the decision initiator to decide, how the perspectives gathered will be implemented in the final decision under moral obligation to the community. A key connection to this principle is the shared effort to reach a common purpose.

Of course, if measured by quantity there will be far more autocratic decisions as people are given the freedom to meet the commitment, they have taken upon themselves, which is as it should be. The important thing being that when making decisions people have sought advice and consent from those affected by decision or those with expertise on the topic. As such, autocratic decision power is often given to roles, but the responsibility of the committed community, the moral obligation towards the fellow member of the organization, ensures that this power is not misguidedly used to make decisions without integrating perspectives of those affected by it. The arrival at a decision through integration and consent can be governed by standardized processes or happen on a more ad hoc nature based on the level of community.

3.5.5 Do' ocracy – power flow to expertise, initiative, and commitment

A do'ocracy is an organization where responsibility and authority follow initiative. In other words, if a person senses a tension and decides to do something about it, the person automatically also has the authority to do so. The word is borrowed from Prodromou (2006). The principle is necessarily connected with the integration and consent principle to prevent people from taking actions harmful to the organization or its members. The principle of do'ocracy illustrate the mix of freedom and total responsibility that is inherent in the organized community. Members of the organization are free to do what they believe would best suit the organization, but at the same time, all responsibility for doing this lies with the members. Thus, if a member senses a tension that he or she consider worth addressing, it is the responsibility of that member to address it. In that sense, the perception that a tension is "not my problem" does not harmonize with the principle of do'ocracy. If you think something should be done, do it, you have the authority. The chosen action might be to get someone else engaged in the tension which is entirely allowable. After all, in a committed community prioritization is organic, so pointing to a tension that could be addressed is fundamental for people to be able to prioritize it.

The power of the do'ocracy principle is the ability to address white-space – issues that does not belong anywhere else or does not have any obvious points of responsibility. The mechanism is important for the continuous adaption and development of the organization.

In a broader sense, the principle of do'ocracy notions the flow of power in organized communities. In contrast to hierarchies, power does not follow from a position but instead, power flow towards expertise, commitments, and initiative. Comparable to the minimum critical specification principle of STST, the power to fulfill the commitments of a role lies with that role as nothing is specified beyond what is absolutely critical. Similarly, power to be involved in a decision on a given topic flow, through the integration of perspectives, towards those with competence within that topic. This reveals the volatility of power as something given to a member by his or her colleagues. In association with the principle of committed community, the flow of power is morally dependent and based on trust. Show your competence, willingness to contribute and initiative and power will flow to you. Do the opposite, and little power will be granted by your peers as they will not seek your advice.

3.5.6 Powerful processes for developing the organization and building trust

Robertson (2015, p. 21) state that the introduction of Holacracy is connected with a shift in power from the person at the top of the hierarchy to a process. The process referred to is actually a handful of processes intended to standardize the way the members of the organization work both *in* and *on* the organization. Somewhat similarly, Laloux (2014, p. 112) describe how conflicts in teal organizations are resolved through a standardized process. Several other processes are mentioned across the literature on sociocracy, Holacracy and teal. Their commonality is

perhaps best described as the set of shared protocols between members that describe standardized processes for the two universal and frequently occurring problems of organizing: division of labor and integration of effort. Like the protocols of the internet, these protocols spell out the most fundamental rules for interactions as tools for identifying and mobilizing efforts and resources, solve problems collaboratively, and share knowledge and ideas. They are the fundamental universal tools that allow people to constructively interact in the organized community. The relationships and trust required for the organized community to function does not emerge spontaneously but are built through conscious organized discussions. The organizing element in such discussions are the protocols of the organization. The trust provided to the processes comes from their universal and shared acceptance among the members of the organization as the basic playing rules for their interactions. Similar to the shared values of the committed community, the shared protocols ensure that members can predict how other members will react and behave in interactions facilitating the important mutual trust.

3.5.7 Incremental continuous development

Evolution is a central metaphor for the way organized communities adapt to changing internal and external environments. The entire organization and the tasks carried out within it evolves continuously through a wide variety of small scale changes where some turn out successful and are adopted across the entire organization and other turn out less successful and fade away as they are replaced by new iterations of development. The principle of incremental continuous development is founded on an approach where learning and experimenting is fundamental to all change and supersedes planning and control as the dominant logic. Robertson use the term "dynamic steering" illustrated with an example of bike riding to explain the idea that the progression of an organized community is so complex that rather than attempting to plan and control the progress in leaps, sense and respond should be the key steering principles. Constant small adjustments to adapt to the current situation.

The principle of incremental continuous development – *development* not *improvement* – is similarly focused on constantly adapting the organization according to the needs of the members expressing the purpose of the organization. In doing so, failure is an opportunity to learn and any decision can be revisited. Spending time on devising "optimal" or "best" solutions is not worthwhile as they will often be too slow, or reality will kick in and render them less optimal. As in biological evolution, variety is a key parameter and the continuous iteration through good solutions is believed to eventually produce better results than attempting to find the best solution from onset. The principle is also reflected in the minimum critical specification principles from STS. Laloux (2014, p. 203) provide another example from Buurtzorg on the organic adoption of small incremental developments:

> *Two nurses on a Buurtzorg team found themselves pondering the fact that elderly people, when they fall, often break their hips. Could Buurtzorg help*

prevent this? Their team created a partnership with a physiotherapist and an occupational therapist from their neighborhood. They advised patients on small changes they could bring to their home interiors, and changes of habit that would minimize the risk of falling. Happy with their success, they approached de Blok to suggest turning "Buurtzorg+" (Buurtzorg + prevention) into a national program. Had de Blok been a traditional CEO, he might have analyzed the idea and, if he approved it, assigned a team in headquarters to develop a comprehensive implementation plan. His actual answer was much humbler: Why should he, rather than the system itself, decide if this was a wise thing to do? He suggested that the same team of nurses package their approach and disseminate the idea on the company's internal social network. Hundreds of teams showed interest and the idea quickly caught on. Within a year, almost all teams had incorporated prevention into their work using that model.

3.5.8 Ego is separated from work

The fluidity of an organized community comes with a necessity for clarity in accountabilities and a mindset of work and bundles of tasks as the foundational building blocks of the organization rather than people and positions. Of course, people are needed to take accountability of these bundles, but rather than filling positions in a structure collecting tasks around their position, people contribute to multiple different bundles of tasks where the tasks are belonging, e.g. in different teams, as befits them and the organization. In Holacracy, and in most cases in teal, the bundles of tasks and accountabilities is the foundation of roles – granularly defined sets of accountabilities and commitments with a purpose. Members of the organization energize these roles and usually energize multiple roles at different places in the organization. The granular nature of the roles ensures transparency into who is doing what and simultaneously allow people to shape their jobs as fit them best as they can engage in a variety of roles. Simultaneously, the continuous creation, adaption, and closing of roles makes it less likely that people attach ego to a role. This is critical to a fluid organization where roles need to be adapted frequently to clarify commitments and at the same time afford this frequent adaption better by allowing people to discuss and develop roles rather than positions.

Robertson (2007) highlight a central change of mindset to this principle: moving from accountability towards *someone* to accountability for *something*. This is also an important principle for the principle of integration and consent to be able to function. To know who is relevant to include in a decision there must be clarity about accountabilities – the alternative is the constant check-ins with everybody or emails with never-ending cc fields.

Consider your experience in an organization – who are you accountable to? […] Certainly your manager counts on you, but don't your coworkers count

> *on you too? And those you manage? What about your customers? And maybe people in others parts of the organization entirely – don't they count on you sometimes, at least for certain things? Aren't you accountable to all of them, at least in certain ways?*
>
> *The question of who you are accountable to just isn't very useful – many people count on you! A much more useful question is "for what?" – what do they count on you for? [...] When we have different expectations of what we're counting on each other for, it leads to important needs being dropped and frustration from all parties. If there is no clear and compelling mechanism to sort out this misalignment of expectations directly with each other, then playing politics becomes an effective path to working around the system, and this pulls us further into interpersonal drama and wasted energy. Worse yet, rarely do we consciously recognize that we have a misalignment of expectations – instead we make up stories about each other, we blame each other, and the spiral continues.* (Robertson, 2007)

While the structural separation of ego from work is seen in the application of roles and teams this is supported through processes for maintaining that separation. The most illustrative example in the case documents is the processes for assigning people to roles. In Holacracy and sociocracy a standardized election process is used to assign people to roles allowing for self-nomination. This can also be the case in teal organizations but here pure self-assignment can also be employed relying on the organic prioritization mechanism of the committed community. Members can freely self-assign to a role if they see it as advancing the purpose of the organization, but support and power will only be vested in that role by the organic prioritization made by the fellow members of the organization. Another processual perspective is the use of techniques to ground people in their current activities in meetings to help focus interactions on advancing the purpose of the organization through the roles engaged in the meeting instead of advancing personal ambitions through people.

3.5.9 IT infrastructure for clarity and information flow

Organized communities are enabled by digital information systems providing access to all relevant information. The principle of clarity and information flow through IT is enabling for most of the other principles as it provides the necessary overview for members to properly assess the quality of decisions and effort. In short, individuals cannot make good decisions and act with power if they do not have access to all relevant information.

In the organized community the strategy emerge as a pattern of actions through the members actions to express the purpose of the organization relatable to what Mintzberg (1987) described in the 1980's. For this to be possible, the members from whose actions the pattern is formed must make wise decisions which is only possible if they have access to any information they

need. The information includes structural information on the division of labor, e.g. who is doing what and what needs to be done, but also integrating information on performance, environment, and knowledge. The information systems must support two functions: For members to act in the most beneficial way for the organization they must be able to act from an informed standpoint of situational awareness. Secondly, members must be able to connect with collaborators effectively and efficiently within the organization. Different IT systems intended for use with Holacracy has been developed which provide an architecture for managing and accessing the internal structure of the organization and structure meetings. In the Buurtzorg example used by Laloux, an internal social network serves the purpose of coordinating effort between the teams of nurses.

Generally, the principle of clarity and information flow through IT captures the necessary condition for providing situational awareness to the members of the organization. In accordance with all four investigated cases, the flow of information is primarily directed towards the people who need it for action. Information for record, in the words of Cherns (1987), that is for example detailed information on the operations of the organization, should similarly be available and accessible to all. Essentially, this information cannot be used to control others but instead, should be used to enable self-management from an informed standpoint. At Buurtzorg, teams have free access to performance data on all teams within Buurtzorg to be able to better assess their own performance. The trust of the community is paramount in a setting like this. When all information is available there is no buffer in the form of a manager between people and hard news. A team with low performance can trust that they will not be punished by anyone as they are trusted to self-correct.

An important perspective on this principle is the necessity of openly available information to prevent accumulation of power at sources with better access to information than other. For one part, this would mean that members would not be able to act fully informed and effectively introduce an informal hierarchy with those informed at the top. At the same time, the imbalance in information distribution could create mistrust or suspicion towards those having access to information for not sharing it publicly.

3.6 Conclusion on the multiple-case study

Through content analysis of four selected cases, namely sociotechnical systems, sociocracy, Holacracy, and teal organizations, 27 distinct characteristics of these cases were identified. Across these characteristics, 9 fundamental principles were then constructed by categorizing the identified characteristics. The 9 principles in their union describe the fundamental principles of an organized community, a form of organizing synthesized from the analyzed cases.

Additional to the analysis of the characteristics of the cases, each case has been scrutinized for pointers to the reason for the emergence of the form of organizing represented by the case. The

result of this investigation has not been detailed so far, for the simple reason, that all analyzed cases contained a very narrow set of pointers. By coding the pointers, four different institutional reasons for the emergence of the organizational models represented by the cases have been identified. The limited elaboration of these reasons available in the documents of the different cases means that the identified reasons cannot be elaborated further here. Instead, they will be explored later in conjunction with the data collected through the empirical research. The four identified reasons for the emergence of these forms of organizing are:

- The world is changing faster and becoming more complex
- The way we think about work has changed
- Work has changed
- The way we work has changed

4 Findings from the empirical research

Through a series of interviews with practitioners and consultants related in different ways to the topic of organizing for engagement a rich dataset on the experience with and practice of operating according to these new forms of organizing. The data is composed of five interviews each lasting from 70-115 minutes. The interviewees have been identified through snowballing starting from 3 interviewees chosen based on their contribution to the literature within the field or their practical experience in operating an organization based on one of the selected cases. Each interview were structured so that the experience and knowledge of the interviewee were discussed first and only after this, the principles derived from the multiple-case study was made available to the interviewees in order to have a discussion of these. In this sense, each interview was semi-structured with point of departure in the interview guide seen in Appendix I, which also contains a more detailed description of the interviewees. This practice was applied to avoid biasing the interviewees towards the principles from the multiple-case study. Subsequent to each interview, the interview was transcribed and coded openly to capture as many nuances as possible from the data without imposing the principles identified in the multiple-case study on the data.

4.1 Empirical principles

By coding the conducted interviews, a total of nine categories emerged. As was the case in the multiple-case study, these categories can be considered fundamental principles for the organized community. Each principle captures a number of different but related perspectives expressed in the interviews. This set of principles are constructed both from the interviewee's description of their experience with different forms of organized community, and from their comments on the principles derived from the multiple-case study.

Purpose drives the organization and the members

Across all interviews the principle of a guiding purpose was recognized and articulated in terms very similar to the ones identified in the multiple-case study. The purpose is above profit, but all interviewees warned that profit is fundamentally important for the health of the organization. Profit can be a means to realize the purpose. The purpose were mentioned as the most fundamental principle that, like a key-stone habit, represented a small change in the world of more traditional organizing but would carry over into other aspects of organizing with significant impact on the organization. This was also expressed as the purpose providing fundamental alignment in the autonomy of these organizational models. The organizational purpose drives the members in their desire to realize it and it drives collaboration both within and outside the organization. These organizations look beyond their own boundary to identify other organizations

and individuals working for the same purpose and are not hesitant to engage in collaboration with these outside partners. In reaching the purpose there is no such thing as competition.

> *In my view, we are allowed to make money, but it is not an end in itself, it is a mean. It is fuel that allows for other activities. But those who are good at creating meaning and creating value are also good at making money.*
> Interviewee

Purpose also has a personal perspective in the form of a personal purpose around which all individuals shape their interactions with the organization. The intersection between the personal and the organizational purpose should match the context created for each individual in the organization to ensure engagement. However, as it was pointed out in one interview, the notion of a personal purpose can be intimidating as not everybody feel driven by a purpose. Similarly, the engagement and commitment in realizing the purpose assumed in these forms of organizing require that people also feel an ownership towards the organization, which is typically the case, but not always.

Whole individuals

The notion of whole individuals was used frequently in most interviews to describe a side of these forms of organizing reflecting the humans beyond a professional mask. An acceptance of the actuality that all members of the organization are humans, nothing more, nothing less, is central to the notion of wholeness. People are allowed to and encouraged to fail knowing that they have the support of their peers. At the same time, practices such as mindfulness, meditation, and presence are seen as connected to the notion of whole individuals as is the concept of psychological security. Organizations practicing wholeness do not see humans as mere resources but as humans that should thrive and "flourish" in the organization.

During the interviews, it was generally noted, that the notion of wholeness was fundamentally important but also hard to realize. Wholeness is seeing slow adoption in the world of most contemporary organizations as it is still far from the consciousness of these organizations.

Calibration through dialog and explication

One observation made from the interviews was the explication of both culture, as ground rules or a moral compass, and of structures, like roles and accountabilities to provide sufficient transparency for people to constructively interact within the organization. The organizations use dialog, reflection, and processes for calibrating the moral compass of the organization which is embedded in its members. The moral compass encompasses the purpose and values of the organization and of the individual and is calibrated through interacting with other members and engaging in constructive dialog about the way the organization operates. Through the dialog people become engaged. The moral compass shapes the behavior of people in the organization and align

the behavior with the needs of the organization. To help people navigate using the compass it is translated into explicit ground rules for acceptable and unacceptable behavior.

Similarly, the organizations are calibrated as their members calibrate expectations towards one another by debating and refining explicitly defined accountabilities. The dialog about explicit accountabilities contribute to the calibration of the organization and to the alignment of it while keeping transaction costs low as the calibration happens mutually between peers and does not have to pass through hierarchical layers.

This way of calibrating the organizations and the members within them were noted by several interviewees to be difficult and require considerable and ongoing training as well as very careful onboarding of new members.

Protocols for collaboration

Engaging progressive organizations use protocols for guiding the behavior of the members of the organization and help practice the moral compass of the organization. The protocols provide a fall back for the members when dealing with difficult decisions. Simultaneously, the protocols provide a framework on which to build habits and in that way provide the translation of the explicit ground rules into behavior. Different protocols exist in different organizations, but among the commonly mentioned by the interviewees were protocols for conflict resolution, protocols for collaboration, and protocols for decision making.

Work happen in fluid self-managing teams

In the interviews, there were no doubt about teams being the fundamental structural element of these forms of organizing. Guided by the purpose of the organization and with a purpose of their own, small teams form, adapt and dissolve in a fluid manner. At least in the ideal situation. Several of the interviewees mentioned that especially the fluidity is hard to achieve.

Do’ ocracy through integration and consent

Those who are affected by or competent within a decision are consulted for perspectives not for approval. Those who take initiative are free to do so as long as they do not break with the first statement. These two statements summarize the points made in the interviews on the autonomy of members within these organizational models. The principle includes the idea of placing responsibility and authority as close to the frontline as possible along with the expectation that all members of the organization will act to realize the purpose of the organization as best they can in alignment with their moral compass.

Frequent incremental development

Across the interviews, the iterative and incremental, by some described as evolutionary, development of these organizations were described with different perspectives. The willingness to and emphasis on experimenting with and learning from small frequent adjustments to the organization is fundamental to these organizations. A fast pace of execution with rhythmic touchpoints ensures that these organizations continuously adapt, learn, and readapt.

> *At some point, people will back out [from the rigid processes, ed] in favor of some quick talks and making a decision that is "good enough for now, safe enough to try" and move on*

IT infrastructure for clarity and information flow

IT systems are a prerequisite for these fluid and dynamic organization to maintain an overview and allow their members to access information on structure and work. Furthermore, IT provides platforms for collaboration and asynchronous work that allow people to work from where they want with who they want.

Coaches and advisory boards

Inherent in the community of these organizations are the concept of peer coaching and mentoring. But these organizations, in the lack of managers, provide feedback and assistance through advisory boards in the words true meaning. Small groups of competent members can be asked for advice for a specific topic or task of a team or an individual. Their role is nothing else than providing advice and they cannot force any decision upon the seekers of advice.

4.2 Comments on the principles from the multiple-case study

Apart from the nine principles derived from the interviews and presented above, some direct feedback was also provided on the principles derived from the multiple-case study. While most of this feedback is already incorporated in the principles just presented due to their close relationship with the principles from the multiple-case study, two of the principles from the multiple-case study were explicitly described as less commonly seen in practice than the others.

The principle of powerful processes for developing the organization and building trust was the first of these. In the empirical principles, the principle of protocols for collaboration are related to this principle. But while the protocols for collaboration spell out basic protocols for behavior to ensure collaboration the principle of powerful processes goes beyond this by also including formalized protocols for governance. This aspect was specifically commented on in some of the

interviews as something occurring very rarely in established organizations simply because the processes get to rigid and stifling.

The other principle from the document analysis that was commented with some skepticism in the interviews were the principle of separating ego from work. The common theme across all interviewees commenting on this principle was that, while the point was acceptable, it was seen very rarely in practice as people, rather than separating ego from work, learn to accept and manage their ego so as to use the constructive intersection between the ego and the purpose of the organization to engage people. Rather than separating ego from work, an explication of what roles and accountabilities a person fulfill was seen as a good practice for allowing a dialog in the organization about what needs the organization have above what needs the individuals have.

5 Discussion

5.1 What has led to the emergence of organized communities?

From the multiple-case study and the empirical research four overarching themes providing perspectives on what has led to the emergence of recent forms of organizing have been identified:

- How we think about work, our selves, and our society has changed
- The work we do has changed as demands has changed
- The way we do our work has changed as new tools and techniques have allowed us to work differently
- The world around organizations are increasingly complex and changing faster

It is undeniable that finding a single defined set of factors that can be claimed to have led to the emergence of the organized community form of organizing is not feasible. This chapter aims at providing a reasoned discussion of the four themes identified in the multiple-case study and the empirical research as the most likely, or most prominent, factors influencing the emergence. As shown in chapter 2 some of the initial footsteps leading to the more explicitly described forms of organizing dealt with in this project, can be traced far back in history, but a thorough mapping of these developments and especially of the agency of different individuals is beyond the scope of this project. Human agency is certainly an important factor, but we want to look beyond that into the factors that has made the humans act this way. What has caused the founders of the organizations explored by Laloux to organize different from any organizations they already knew of? What are causing todays' organizations to adopt these forms of organizing? The personal desires of entrepreneurial individuals are not to be neglected but are difficult to discuss without studying each individual in detail.

5.1.1 How we think about work has changed

One common theme pointed out both in the analyzed documents and in the conducted interviews is that the way we think about work has changed. This, specifically, seem to be true for the individuals that have created the organizations from which sociocracy, Holacracy and teal organizations have spawned. Some of the organizations mentioned by Laloux (2014), as pointed out by one interviewee, were born out of a culture in the 60's and 70's related to the hippie culture. An example is the founder of the outdoor equipment manufacturer Patagonia, Yves Chouinard, who started manufacturing pitons for rock climbing to support his living as a surfer and climber. When Chouinard realized that the products he was selling were causing harm to the rocks he enjoyed climbing, he and his partner simply stopped producing the pitons even though this made up 70% of their business. Instead, they came up with a less intrusive way of fastening

a rope to the rock, the hexentrics which became massively popular and are still used today. At the same time, Chouinard committed the company to advocate this new style they called "clean climbing". While the climbing equipment company later went bankrupt and was reestablished as Black Diamond Equipment, Ltd., Chouinard started Patagonia with a similar approach and mindset. The company was not there to make money but to let climbers and surfers enjoy their hobbies, including Chouinard himself, and advocate the protection of the nature these activities were so dependent on.

According to Laloux what is at play is the fundamental ethics and understandings that we build our organizations upon. The fundamental logic upon which our organizations are shaped. Laloux uses the term consciousness that he claim evolves in stages each associated with a different paradigm, and that the organizations we see now as differing from conventional organizations are a result of a new stage emerging with its associated paradigm, its associated worldview (Laloux, 2015).

> *There is this search for meaning. Because it fortunately has been so long since we last saw a world war. We are entering a welfare level where it is no longer just about making money to make a living but about taking care of the weakest in the society. So, we are at a welfare level where having a meaningful job is higher than just having a job and earning money.*
> Interviewee

As outlined in the very beginning of this project, the world today compared to the world 100 years ago is a different place. Since the Second World War, through ups and downs, living conditions have improved dramatically across the globe. Several of the interviewees pointed to this development as fundamental for the change of consciousness described by Laloux. They noted that the tendency of people thinking of organizations, and the people within them, as something beyond mutual instruments for creation of income is made possible exactly because the general organization is so good at providing income. The argument relates to the hierarchy of needs proposed by Abraham Maslow (1954; Maslow & Lowery, 1998). Maslow synthesized a large body of research regarding human motivation into a proposed hierarchy of needs grouped into deficiency needs and growth needs. There are two interesting propositions in this model in relation to this project. The first is that the needs are hierarchical in the sense that individuals must satisfy lower level deficiency needs before they can attend to higher level growth needs. The second proposition is related to the top of the hierarchy. While Maslow's original hierarchy mentioned only one grand growth need, he later added to the hierarchy by elaborating the growth need into four distinct growth needs as depicted in Figure 11. Maslow proposed that the highest need of the hierarchy, when the individual has all other needs covered, is a transcendent need, the need for growth beyond that oriented towards self.

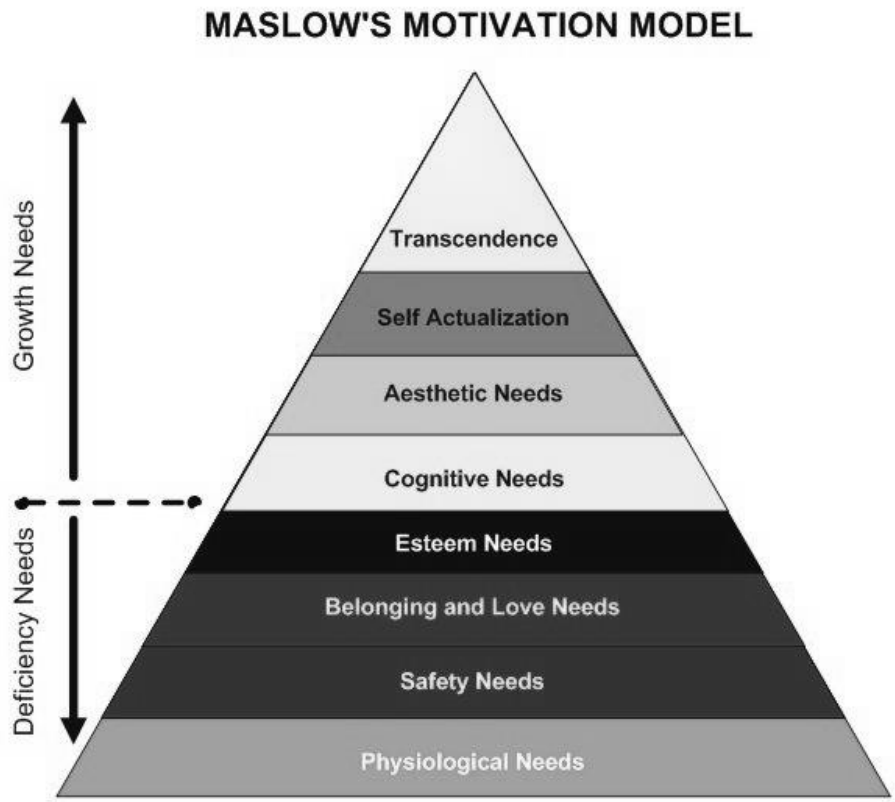

Figure 11 - Maslow's hierarchy of needs (https://www.simplypsychology.org/maslow.html)

The growth needs in Maslow's hierarchy of needs does not stem from a deficiency of something but from a desire within. When all desires for growth of the self are being met more or less – the order of the needs are not entirely static – the need for growth beyond the self becomes realizable. This theory can be regarded a pragmatic view on the hypothesis that organized community forms of organizing arising from a new consciousness. In this view, the emergence of organizations focused around a purpose, with whole individuals, and a community setting, can be explained by the individuals within these organizations having all their more fundamental needs covered. This corresponds well with some of the findings made in the implementation of STST. These findings suggest that certain conditions were required for success including financial health of the organization, good relationships and a history of collaboration between members, and a good level of education of the members (Mumford, 2006).

Maslow held that as individuals became more self-actualized and more self-transcendent, they became wiser. He studied individuals he considered to be self-actualized and from this research identified 15 characteristics of a self-actualized person (Maslow, 1954). These include acceptance of self, others, and nature, autonomy, continued freshness of appreciation, and gemeinschaftsgefühl – the sense of community. These traits lie remarkably close to the traits of wholeness, a breakthrough connected with the new consciousness described by Laloux (2014). The claim that the way we think about work has changed due to the general increase in welfare could

on this ground be justified. Similarly, to think that individuals with a different way of thinking about work would be sufficient to spark the emergence of new forms of organizing would also be reasonable. After all, there has to be a fit between what the organization has to offer and what the members desire. This reasoning concurs not just with that of Maslow's hierarchy of needs, but several other writers within industrial psychology (Mohr & Amelsvoort, 2016a, pp. 82–83).

Adler, who has written about gemeinschaft at several occasions, together with Heckscher (2006) note in their work on collaborative communities a tendency similar to that described by Laloux of changing ethics and understandings of work. They note that a key aspect of the collaborative community is that people can take the perspective of others and gain a sense of their motivation without necessarily bonding to them and joining them in moral unity. They point out that these collaborative communities, which on many parameters resemble the forms of organizing investigated here, demand from its members a worldview of contribution beyond the individual. This can easily be related to the point made just before, that when people reach self-actualization and self-transcendence, they will seek growth beyond themselves. Work is no longer a means to sustain a way of living, it is a means of contributing beyond oneself. This is well reflected by Deloitte in their yearly survey of HR practitioners where they note that the number one reason for quitting a job today is the "inability to learn and grow" (Deloitte, 2019). Adler and Heckscher see this as a different self from the self seen in traditional societies where it was derived from a social status, and as different from the self seen in modern societies where the self was derived from independence and individualism. People see themselves as interdependent in this worldview and are motivated to maintain and develop their interdependence. In this sense people feel connected to the organizations they are a part of through the connection with a shared purpose.

5.1.1.1 Belonging

Another aspect of how we think about work has been changing over the last decade is in the sense of belonging. What started out as focus and initiatives on diversity and inclusion later was embraced by the wider concept of "employee experience", a wide catch all term eventually employed to describe everything from the parties and bringing dogs to work, ranging over policies and practices of diversity and inclusion, all the way to meditation and yoga sessions. What is now emerging from this is a focus on belonging. In a world where The World Economic Forum has observed the increased "public frustration with the status quo, populist insurgencies, [and] the division of groups into 'us-vs-them'" across cultures and geographies representing a deepening distrust in society (Dixon, 2019), people might start looking to their workplace for a sense of meaning and solidarity. In the 2019 Edelman Trust Barometer, the most trusted institution in the life of an employee was the employer scoring 75% of peoples trust compared to general business scoring 56%, and government and media both scoring below 50% (Edelman, 2019, p. 23). At the same time, the workforce is shifting – which we will explore further in 5.1.3.2 – as a consequence of digitalization and remote workers or just workers working from home. This will challenge our idea of belonging. Combined with a trend in some parts of the world towards

longer working hours – in the U.S. a full-time worker worked just above 9.3 hours on an average weekday in 2017 (Deloitte, 2020) – the work has taken on a different role in our lives as a place where we may increasingly seek a sense of belonging. This is reflected across organizations where Deloitte (2020) note that 79% of organizations believe fostering a sense of belonging in the workforce to be very important for their performance.

> *Twenty-five percent of survey respondents identified fostering an environment where workers feel they are treated fairly and can bring their authentic selves to work— comfort—as the biggest driver of belonging. Thirty-one percent said that having a sense of community and identifying with a defined team— connection—was the biggest driver. And 44 percent, a plurality, reported that feeling aligned to the organization's purpose, mission, and values and being valued for their individual contributions—contribution—was the biggest driver of belonging at work* (Deloitte, 2020)

Belonging at work has become a part of the agenda for organizations, but how to get there is uncertain. Historically, it has been concerned with making every individual feel respected and treated fairly, but while this remains fundamental, a stronger link between the organizations and the workers through a sense of purpose and community is increasingly being sought after.

5.1.2 Work has changed

One theme of reasons for the emergence of organized communities mentioned in a few of the interviews while barely paid any attention in the documents analyzed is the way work has changed. Driven by different trends in our society, work has shifted towards being more knowledge intensive and thereby also being more interdependent. This shift provides another plausible cause for the emergence of organized communities.

5.1.2.1 Knowledge

Economies of scale and scope has been providing solid competitive advantage through the industrial era. However, since the 1970's the increased sophistication of consumers and their demand for individualization has challenged these strategies (Mohr & Amelsvoort, 2016a, Chapter 5; Pine, 1999). In their place, the ability to draw value from knowledge in the form of product and process innovations and customer responsiveness has been receiving increasing attention. Simultaneously, the organizations draw on a higher educated and more skillful workforce (Ourworldindata.org, 2017). In these organizations, competing primarily on their ability to respond and innovate, knowledge from all parts of the organization becomes crucial for success. This knowledge intensive work is very different from that of more routinized repetitive work. One crucial aspect is, that as subordinates deal directly with these non-routine tasks, they accumulate knowledge and will often know more than their superiors. This puts traditional

hierarchical structures under pressure as the accumulation of knowledge and decision power is intended to happen at higher levels in the organization which can then coordinate work by communicating downwards. Hierarchical structure is not built to allow knowledge and decisions to flow the other way, upwards. To produce the complex forms of knowledge needed for economic growth organizations need to bring expertise together across the organizational structure. Adler and Heckscher (2006) note a movement towards companies adopting practices similar to those of the scientific community such as posting the outcomes of experiments and projects in public form on intranets, developing a form of peer review through multisource feedback mechanisms, and organizing in increasingly large and diverse project teams (Adler & Heckscher, 2006). At the same time, they note that this is the case not only for companies in fast changing markets, but also for companies where cost rather than responsiveness of innovation is the dominant concern. This curious finding matches well with the fact that many of the companies investigated by Laloux (2014) were indeed operating in rather stable environments. This discussion and the discussion of how organizations are adapting to the new kind of work will, however, be saved for later subsections.

One interviewee strikingly captured the effect of the increased knowledge intensity in work:

> *The more knowledge-work you get, the more competencies lies with the individuals in the organization. The more expertise you have within your field, the less classical management you need. These individuals need a community for autonomy, development and for doing their work.*
> Interviewee

5.1.2.2 Interdependence

Along with the increase in knowledge intensity comes an increase in interdependence. This is partly caused by some of the most competitive management practices today. Just-in-time production, the lean and agile processes, and the real-time decision making through big-data all increase the interdependence between functions by removing physical and temporal buffers and dissolving borders between traditionally separated functions (Galbraith, 2014a). While sequencing work flows across functions worked for managing the interdependence, the pressure for faster time to market has made this strategy infeasible. The sequential workflows lowered the interdependence by reducing the need for information flow and processing, communication, and decision making across functions. When this kind of interdependence lowering strategy was replaced by tight coupling created by the practices referred to before new links of communication becomes necessary. The interdependence is seen in new approaches to product development where cross-functional teams are working end-to-end on new products to avoid the rigid coordination mechanisms of a hierarchy where work is assumed to be dependent on one or a few other task, and the unruly coordination of the market where work is assumed to be independent.

5.1.3 The way we work has changed

In the previous subsection we briefly touched upon how the change in what work is and how we think about it has led to new ways of working. In this subsection, this will be further elaborated. From the interviews and the multiple-case study a change in the structures, processes, and technologies through which we get work done was mentioned as a cause of the emergence of organized community forms of organizing.

5.1.3.1 Structure

Structurally, a move towards organizational structures that are more open with shared information networks and team oriented structures where employee engagement is valued is happening (Whitney, 2008). Adler and Heckscher (2006) note how neither hierarchies nor markets or any intermediary form of these have been recognized for simultaneously optimizing both the creation and the dissemination of knowledge. In markets, they argue, individuals get the output of expertise but are unable to interact with it and improve on it. Bureaucracies similarly structure interactions in a black box model where different dependent pieces must move upwards in a hierarchy to be combined. Neither of these systems, however, function well, when the scope of the problems worked on by subordinates becomes incomprehensible for the superior.

Regardless of the underlying causes for this, the limits of bureaucratic structures are being noted by the people working in them (Mohr & Amelsvoort, 2016a, Chapter 2). Based on a survey across 7000 Harvard Business Review readers, Hamel and Zanini (2017) outlined how bureaucracy is being perceived from the inside. Among the many effects investigated, they noted how bureaucracy is perceived as slowing decision making unnecessarily, consuming time for activities not adding value, stifling the emergence and implementation of new ideas, and hampering flexibility. Similarly, Hamel estimated the yearly global cost of bureaucracy in lost economic output to be $9 trillion at the World Business Forum 2019 (J. Lawrence, 2019).

With perceptions of bureaucracy like the ones just described it is no wonder that organizations and enterprises are experimenting with other structures. Some of the structures attempted by organizations resemble what Galbraith (2000) referred to as the “front-back” structures where the front-line workers pull together resources from a product back-end. Similarly, in some organizations in the 1970’s structures centered around notions of teamwork started appearing with small, face-to-face teams working collaboratively across the vertical hierarchy (Adler & Heckscher, 2006). Fjeldstad et al. (2012) note that this move of attempting to make fundamentally hierarchical structures match the increasingly complex environments comes with cost of control and coordination. The limitation of the hierarchical structure lies in the filtering and delay it imposes on interactions among members and units of the organization as well as with external partners. Furthermore, when the uncertainty increases as new products are introduced, new markets are entered, or new technologies are employed, the result is more exceptions leading to more information processing thus overloading the hierarchy (Galbraith, 1974). However, with

the decreasing cost of communication and information processing, new ways of coordinating become feasible rendering hierarchy less attractive for this task. In this sense, a move from what Adler and Borys (1996) termed the coercive bureaucracy towards the enabling form of bureaucracy can be observed.

5.1.3.2 Digitalization

A key driver of the change in our way of working recognized, but rarely elaborated, in both the multiple-case study and the interviews were digitalization and availability of new technologies. It is tightly coupled with the increase in knowledge intensity of work and has profound effects on the structure and processes of contemporary organizations.

Internally, the increased use of digital tools and services has had an impact on the structure of organizations as the use of IT has been connected to the finding that organizations are shrinking in terms of number of employees (Snow, Lipnack, & Stamps, 1999). The ability of digital tools to make information accessible and transparent has made it much easier for the members of organizations to access information related to their work. The field of business intelligence aiming at analyzing and compressing data into actionable and comprehensible information has made it possible to convey much more situational awareness to members of the organization enabling them to make more informed decisions traditionally requiring the overview of middle- or top-management. This accessibility and comprehensibility provided by the digitalization thereby contributes to the "flattening" of organizations as coordinating layers of middle management becomes redundant (Kuusisto, 2017).

The impact of IT and the general digitalization is noted both by Puranam et al. (2014) and by Kolbjørnsrud (2018) as being fundamental to the collaborative, forms of organizing studied in this project. Kolbjørnsrud note how the information transparency enables members to self-assign by choosing where they can best contribute and work on what they find most rewarding as members have access to the problems and opportunities of the organization, the resources at their disposal, and the identities and capabilities of potential partners. This is reflected in the way Buurtzorg utilize an internal social network to enable teams to self-manage by providing transparency about the performance across all teams for the teams to self-benchmark against (Laloux, 2014). Similarly, the software utilized to make Holacracy run smoothly and transparently is fundamental to enable people to act in the best interest of the organization by providing them with the necessary situational awareness.

> *We are seeing a paradigm shift in the ways that organizations achieve to balance stability and dynamism. [...] The shift is happening in the face of organizational challenges brought by the "digital revolution" that is transforming industries, economies, and societies. (Kristensen & Shafiee, 2019)*

Externally, the digitalization has affected the structural boundaries of the organization. While many definitions of organizations include the notion of clearly defined boundaries to define membership of the organization (Puranam et al., 2014), this boundary is being blurred by the digitalization that has enabled organizations to identify and access talent and partnerships beyond their own boundaries. Digital platforms for freelancing and the notion of the "gig" economy has affected the way organizations supply themselves with the skills and competencies necessary to operate. Likewise, Fjeldstad et al. (2012) note that to leverage the complexity and diffusion of knowledge, in part credited to the digitalization, many firms have entered into multiparty collaboration. Customers, suppliers, and employees can be both inside and outside the organization as partnerships and collaborations grows stronger and the utilization of gig work, temping, contracting, and self-employment becomes more than just 'alternative workforce'. While one in three US workers freelanced in 2016 and the figure was expected to increase to 40% by 2020 (Deloitte, 2016), for millennials this figure was already 50% in 2019 (Bailey, Bhalla, Stack, Dosik, & Oh, 2019). Resultingly, most companies expect to increase their use of these off-balance sheet workers significantly (Deloitte, 2017), a move made not solely to adjust cost structure to pay purchase orders instead of salaries, but also because it may be necessary to access talent in the future.

A derivative impact of the digitalization of the last decades has been the development of practices and processes for the development of software and IT tools and services. These practices and processes have disseminated into other branches of product development and general management. For example agile with its Agile Manifesto (Beck et al., 2001) and the principles it convey emphasizing speed, customer focus, incrementality, motivated and collaborating individuals, mutual adjustment, and simplicity above the more traditional stable, pre-planned, water-fall approaches of software development. Many of these tendencies are reflected in the organized communities where the incrementality, experimentation, and speed is equally emphasized. In a sense, many of the principles behind the agile software development were translated into the general business world by Eric Ries (2011) in his "*Lean Startup*" emphasizing frequent pivoting and learning rapidly through experimentation.

1.2.3 The world is getting more complex and changing faster

Across interviews and the documents analyzed the theme of organizations having to adapt to a faster changing, more complex environment was frequently mentioned. Some of this complexity is related to the already discussed themes of e.g. digitalization, knowledge work, and changing mindsets, however the theme of faster change has not yet received attention in this project. This subsection aims a exploring the theme of faster change and some of the resulting changes to organizations.

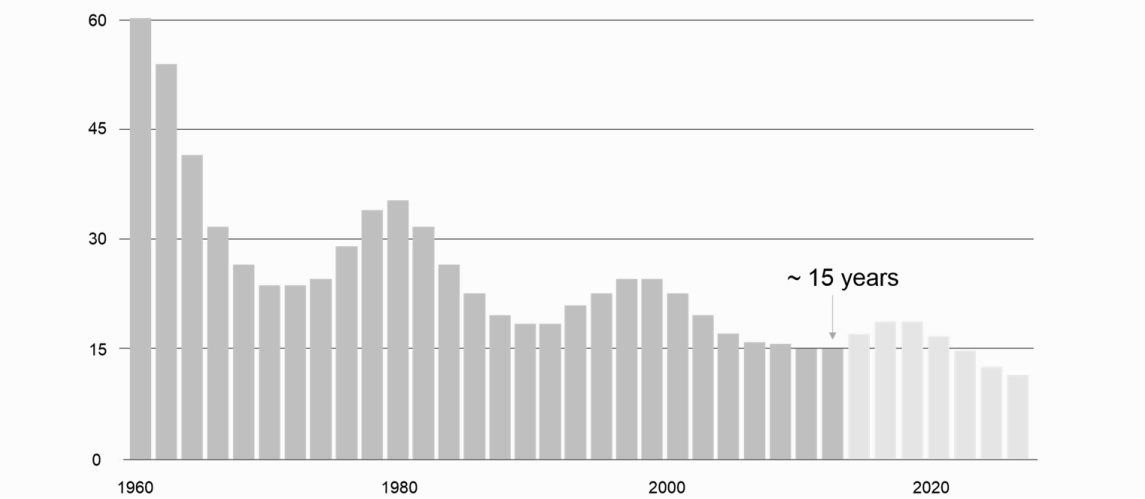

Figure 12 - Average company lifespan (years) on S&P 500 index. From https://corporate-rebels.com/mindset/

Indeed, there is some evidence indicating that the world is faster. In 2011, Reeves and Deimler (2011) supported their call for greater organizational adaptability with some striking numbers, stating that at the same time the volatility of operating margins had doubled since 1980 from being almost static since the 1950s and the percentage of companies maintaining a top three ranking in their industry had decreased from 98% in 1960 to 86% in 2008. Simultaneously, the correlation between profitability and industry share (market share) had almost vanished. There is no shortage of proposed reasons for the rapid changes happening. The increased requirements for transparency of information, introduction of disruptive technologies, increasing digitization and a war on attracting talent (Aghina et al., 2018) along with increased employee and society expectations towards the organization (Bailey et al., 2019) are but some of the trends seen as contributing to a more volatile life of an organization. Simultaneously, the lifespan of the average S&P 500 company has gone from 60 years in 1960 to 15 years in 2007, illustrated by Corporate Rebels in Figure 12. The impact of the changing environment was described by one interviewee as follows.

> *At that time [after WW2, ed.] we had sufficient time to think carefully. That is not necessarily the case today. We had time to "figure it out". It was fine to have some hierarchies – decision hierarchies and mandate hierarchies – but now, when the change is happening this fast, you do not have time as a leader to think carefully. You must accept that others are smarter than you. You must create a space for collaboration [...] that can deal with a lot of change at the same time.* - Interviewee

The uncertain and rapidly changing environment of their organizations has not gone unnoticed by business leaders. In a 2017 survey by Deloitte, executives identified building the organization of the future as the most important challenge in 2017 with 60% of respondents rating it very important (Deloitte, 2017). Galbraith (2014b) reported that as competitive-advantages were

becoming increasingly short-lived, it is recommendable for companies to work continuously on their next advantage rather than trying to sustain a current one. McKinsey (2018) showed, that as a response to the rapid changes some executives attempt to adapt their strategy and organizations with greater frequency. However, with an average time to execute the redesign of 18 months and 57% of companies redesigning every two years, the redesign attempts are too slow, and even if they are fast enough, 77 percent are still unsuccessfully implemented (Aghina et al., 2018).

> *...57 percent of companies were redesigning every two years with an average length of a redesign being 18 months. In other words, companies were barely finishing one redesign before changes in the market or customers were requiring them to start another redesign* (Aghina et al., 2018)

One way of achieving competitive advantage has been to move away from commodity production and into strategies of supplying services and providing customized solutions tailored to ever more personalized needs. As an example of this movement, IBM reorganized itself shifting focus from selling products to a focus on providing answers to customers problems. This shift meant that IBM had to combine its own products across the organization in new ways and furthermore had to combine the offering with the products and services of other companies outside IBM's own organization. On the supplier side, this has led to increasing dependence on a broad range of specialized suppliers. This shift from commodity economy to service economy – and even to the experience economy noted by Pine II & Gilmore back in 1998 (Pine II & Gilmore, 1998) – has dramatically increased the number of interfaces and interactions within and between organizations required to provide the customer with a final product.

Going back to the 2011 article by Reeves and Deimler, the authors state that to achieve sustainable competitive advantage, companies must shift their focus from being good at doing some particular thing, to being good at learning how to do new things. Such companies are quick to read and act on signals of change, they experiment and do so rapidly with everything from business models to strategies and perhaps most importantly unlocked their greatest resource available being the people who work for them (Reeves & Deimler, 2011). Thus, despite not being well defined in literature yet, organizational agility goes beyond just being good at learning new things (Ebrahimpour, Salarifar, & Asiaei, 2012). It also involves the capacity to identify and capture emerging opportunities and adapt to change, both internal and external, while balancing between exploration and exploitation. Admittedly, quite a mouthful and indeed, while leaders are embracing the concept with 94% reporting that agility and collaboration are critical to their organization's success, only 6% claimed themselves to be highly agile in 2017 and only 11% understood, how to build the organization of the future (Deloitte, 2017). It would seem, that while most agree that if what an organization needs to know and do is constantly changing, then it is reasonable to design an organization that is able to cope with this, the way to get there is less obvious.

While the general conversation around change regard how it is happening at increasing – even exponential – rates and there are indications that the environment organizations are operating in is complex and changing, there are also reasons to caution against uncritically accepting this perception of change as a reason for the emergence of organized communities. The very first, and perhaps rather telling reason for this caution in this project is the fact that both STS and the forms of organizing developed in some of the organizations researched by Laloux did not emerge from environments where change were perceived to be happening faster. In fact, Mohr and Ammelsvoort (2016a) note that virtually all of the early work in STS was done within organizations where work could be characterized as "routine" or "linear" in nature. Recall the origin of STS being in the mining industry. Similarly, none of the organizations researched by Laloux are described as having formed their organizations the way they do because the environment around them got more complex or they had to respond to faster change. Neither Holacracy emerged from a desire to respond to faster change, but instead out of a desire to build more humane organizations. Whether or not change is happening faster, it is not necessarily the perceived need to respond to faster change that is driving the emergence of these forms of organizing. In fact, it might be the case, that change is not happening faster across all markets at all. For sure, there are industries like commodity electronics, where product life cycles are very short, but in 1994 when Barry Bayus decided to investigate the common claim that general product life cycles were becoming shorter, he found no general strong empirical support for this claim (Bayus, 1994). Granted, things have changed since 1994, but one thing that does not seem to have changed is the argument that things have changed (Duening, 1997; Fisk, 2019). Duening (1997) illustrates that it is not unusual for people to be perplexed by the age in which they live using the following quote:

> *Few phenomena are more remarkable yet few have been less remarked than the degree in which material civilization, the progress of mankind in all those contrivances which oil the wheels and promote the comforts of daily life, have been concentrated in the last half century. It is not too much to say that in these respects more has been done, richer and more prolific discoveries have been made, grander achievements have been realized in the course of 50 years of our own lifetime than in the previous lifetime of the race.*

The quote, despite the similarity of the message with recent publications, is from 1868. Change is happening – we have seen that in the previous subsections and indeed this entire project is about a form of organizing different from ones founded on hierarchy or market assumptions. Similarly, complexity is increasing. However, whether the change is happening faster and whether it is causing the emergence of organized communities are less certain.

1.2.4 Could this be management fashion?

It is reasonable when conducting this discussion on the possible reasons for the emergence of organized communities to also discuss the nature of the "newness" of this very form of organizing. For while there is evidence both in the documents analyzed and in the interviews conducted, that suggest a way of operating that differ from convention, and several tendencies can be identified as possible causes of this change, it can be hard to grasp, how this change relates to the world we know today and to the future. Is it temporary, as Abrahamson's (1996) management fashion, or spanning wider, as Birkinshaw et al.'s (2008) management ideas, or is it even, as claimed by Laloux (2014), an entirely new paradigm?

Abrahamson (1996) describes how management fashion is created by management fashion setters – consulting firms, management gurus, business mass-media publications, and business schools – that compete in a race to define management fashion to remain relevant. Similarly, with help from Birkinshaw et al. (2008) one could claim that also agents inside organizations, the fashion followers, enter into this competition on the opposite side by adapting management fashions to make their organizations stay relevant to members and external stakeholders. This process results in relatively temporary collective beliefs about, what progressive management practice is. The practices that in this way become fashion are not necessarily new but may be rediscoveries of old practices or just adoptions of recent practices. In this view, one could argue that the organized community form of organizing could be management fashion as it can be broken into separate elements which all have existed separately before the recent phase of recognition. An example is the practice of self-management, one of the breakthroughs in Laloux's teal paradigm. Self-management, has been around and adopted for a long time, for example being adopted by W. L. Gore & Associates as early as in the 1950's (Shipper & Manz, 1992).

However, there might also be indications that this is something else than management fashion – or that management fashion might be more systematic than just random transitory hype. Birkinshaw et al. (2008) note that management fashion may drive management innovation, but that management fashion in itself is subject to long Kondratieff waves of economic change in which new technologies occur and create performance gaps that then necessitate management innovation. Laloux (2014) describes how the use of the term teal is to provide an understanding of the concept as being something beyond "*a bunch of cool new practices*". Similarly, across all interviews, the thought of this being a case of fashion was turned down with arguments that the organized community is standing on the shoulders of a movement that started long time ago. It is not something temporary. What all this indicates corresponds well with the observation made by Adler and Heckscher (2006) that the popularity of various management techniques have consistently followed a pattern of oscillation between emphasis on commitment and emphasis on control. They note that this alternation happens with an underlying progression towards a fusion between the two extremes as illustrated in Figure 13. The two extremes have become increasingly hospitable to each other as time has progressed. This progressive view acknowledges the

possibility that what we are currently experiencing is founded in something that is not pure random fashion.

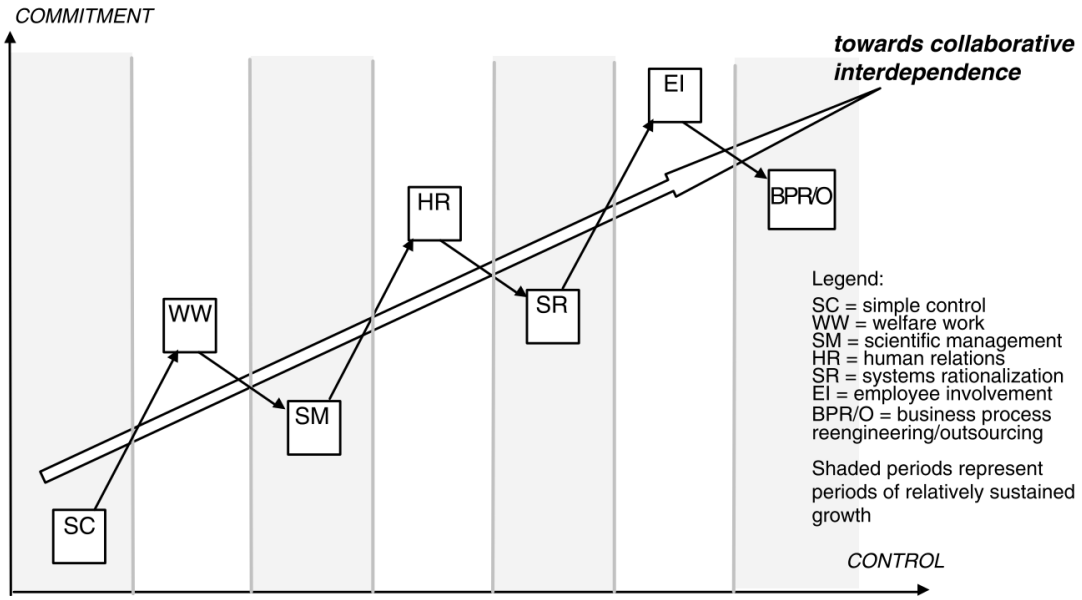

Figure 13 - The zig-zag path of management techniques between commitment and control with a progression towards models that better afford both. From (Adler & Heckscher, 2006)

According to Adler and Heckscher (2006), the concurring shift in commitment approaches towards deeper forms of subjective involvement of individuals and involving deeper layers of the organization, and the shift in control approaches aiming at successively broader spans of the value chain, results in increasingly integrated techniques. Kolbjørnsrud (2018) argue that this movement has opened our eyes for a new ideal form of organizing, the community, that differ significantly on critical organizational dimensions from hierarchies and markets. The community, he argues, are particularly well suited for collaborative knowledge production when knowledge is diffused across many actors, when the actors are guided by shared goals and values, and when they have the capabilities to self-organize. These properties match well with many of the properties of the forms of organized community researched in the multiple-case study and in the interviews. This would indicate that, while claiming the emergence of these forms of organizing to be a paradigm shift would not seem justified, their emergence could be seen as based on a new management idea, a fairly stable body of knowledge about what managers ought to do (Birkinshaw et al., 2008). This body of knowledge is based on the zigs and zags of management techniques through the last century, but it would somehow seem, that this "zig", the popularization of these forms of organizing, at least to some extent has brought with it some fundamental assumptions about the way we understand organizations. In some way, these new forms of organizing are at the same time an attempt to achieve commitment and control in the sense that the organizational system is made to control itself. The flexibility and ability to adapt to present needs as the members believe will serve the organization best is the keystone of the organized community. If the intention of the organized community turns out to be practically realizable,

the ideal form it notions is one of constant self-adaption where the organization becomes capable of continuously changing itself instead of following the zig-zag path of fashion. By embodying change in the fabric of the organization it could be allowed to follow a straighter line of progression. The argument can be related to the bicycle example Robertson (2007) provides for dynamic steering. Instead of the organization taking big turns of direction due to infrequent but extensive adjustments to the steering, it would constantly adapt through a mechanism of sensing and responding to the environment and the needs of the organization. This would, however, not make the organization immune to fashion as members of the organization can still pick up on the latest trends within management at attempt to implement them in their everyday. Given that such experiments turns out successful, they would then in the ideal case diffuse into the organization.

> *In a bureaucracy, each job has its own autonomous sphere of action, and higher levels establish the boundaries of autonomy for lower levels. When excessive centralization causes communications slowdowns and rigidity, many organizations respond by turning to the market model and creating independent business units. But this rarely solves the problem: it exacerbates the difficulty of achieving coordination and trust across the units. Many large corporations therefore go through cycles of centralization and decentralization in search of an elusive balance. A collaborative enterprise, by contrast, treats its components as interdependent: all its members must consider how their actions affect others who are engaged with them in pursuing the shared purpose. (Adler & Heckscher, 2013)*

All in all, the change in how we think of organizations as an attempt to cover our need for growth beyond oneself, the change of work being more knowledge intensive and interdependent, and the change of the way we work due to new digital tools that allow for radical transparency and distribution of information has all done their part to the emergence of these new forms of organizing for human engagement. They have come with a shift in the way we think about organizations, that seem to be based on a new management idea. A new idea about how organizations are governed. From a purist and idealist standpoint, this could be a new paradigm of organizing. What we will most likely see in practice, however, will probably be a new management idea.

After all, from the interviews and the case studies, a general pattern of why these forms of organizing were adopted emerged. That was not a pattern of adopting some new management practice because it was being branded as good for what it was. Rather, it was a pattern of organizations with a different idea about, what good management is, and what that meant for the organization, who chose to adopt or invent new forms of organizing as a result of this perceived need.

> *I recall the choice of Holacracy as driven by a desire. We did not know Holacracy at that time. We simply wanted a better way of organizing and managing the organization, but we did not know how. What was I, as a leader, supposed to do Monday morning? That was what Holacracy provided a tangible guide for.* - Interviewee

5.1.4 Summary using the organizational subsystems

All in all, pointing to a single definite reason for the emergence of organized communities is not possible. Instead, it would seem a range of different trends, some occurring within the last couple of years, some having been on their way for almost half a century, have all made a contribution to the emergence of what is compiled into the organized community. While change may or may not be happening faster, the complexity most organizations are dealing with have increased through all the changes. Taken together, the trends and the emergence of the organized community has such substantial footing and congruence that it would seem reasonable to consider as a new management idea rather than merely fashion or an entirely new paradigm. The trends investigated here have been summarized in Table 14.

Table 14 - Tendencies in the five organizational subsystems leading to the emergence of organized communities

Subsystem	What has led to the emergence of organized community?
People	**Growth beyond the self** – As global standards of living has improved people have been enabled to pursue higher needs for growth including self-actualizing and self-transcendent goals. Income is no longer sufficient motivation. **A place of belonging** – Our work takes up a big part of our lives. As the world becomes turbulent and fragmented, we identify with our work and seek it as a place of belonging. We seek a place where we can bring our authentic self to work and socialize with colleagues. A place that provides personal meaning.
Task	**Knowledge based tasks** – The knowledge economy, where ideas and expertise comprise the primary sources of value creation, in contrast to the production and distribution of material goods, has shifted the distribution of power- **Interdependent tasks** – As work has become more specialized, the service- and experience economy has forced companies to create value through collaborations. This, together with 20 years of focus on removing buffers and breaking silos has made tasks increasingly interdependent.
Structure	**Hierarchy is at its limit** – As the tasks and technologies have changed, hierarchies as a means of coordinating work have become too slow and rigid. This has resulted in growing frustrations with the once almighty backbone of the org. chart.
Processes	**Incrementality and customer focus** – has shaped practices and processes starting in the software industry and spreading to almost all other industries. Agile processes challenge the traditional waterfall/planning based approach beyond product development.
Technology	**Digitalization has happened** – Now organizations must follow suit. Faster, almost cost-less communication and flow of information has been made possible by new technologies. Distribution of knowledge and radical transparency makes way for less centralized organizations.

5.2 What fundamentally characterizes organized communities?

From the multiple-case study and from the interviews, two sets of fundamental characteristics of the form of organizing here referred to as organized community has been identified. While the two sets are similar in most ways, there are nuances that differentiate them from each other and calls for discussion. In Table 15 the two sets are presented and aligned so that similar principles are next to each other. Essentially, where the principles align the two sets cover the same underlying characteristics with minor semantic differences. In some cases, as for example the "whole individuals in a committed community" principle from the multiple-case study, the principle is embodied across a number of principles from the interviews.

Table 15 - Comparison of the two sets of fundamental characteristics of organized community

Multiple-case study	Interviews
- IT infrastructure for clarity and information flow	- IT infrastructure for clarity and information flow
- Purpose drives the organization and the members	- Purpose drives the organization and the members
- Whole individuals in a committed community	- Whole individuals - Calibration through dialog and explication - Coaches and advisory board
- Work happen in fluid self-managing teams	- Work happen in fluid self-managing teams
- Decision is made through integration and consent - Do'ocracy – power flow to expertise, initiative, and commitment	- Do'ocracy through integration and consent
- Powerful processes for developing the organization and building trust	- Protocols for collaboration
- Incremental continuous development	- Frequent incremental development
- Ego is separated from work	

Through comparison of the two sets of principles it is possible to synthesize a coherent set of principles for organized community. The comparison of the two sets allows for a triangulation in the sense that they each contribute with perspectives on the organized community. In this sense, the final set of principles, and the answer to the question of what fundamentally characterizes the organized community form of organizing, is the union of the principles found in the multiple-case study and the principles found in the interviews. Where opposing views were represented in the two sets, which was very rare, the most commonly expressed view, typically also being the view best concurring with the additional principles, was the one accepted into the final set. In this way, eight principles for organized community, each with a number of different perspectives within the organizational subsystems were synthesized as presented hereafter.

5.2.1 Driving purpose

The purpose of an organized community was the most mentioned characteristic throughout the conducted interviews and held a significant role in two of the cases explored through document analysis. This is not surprising as purpose as an organizing element has long been recognized (see e.g. Bailey et al., 2019; Kristensen & Shafiee, 2019; Müller, 2014; Schwer & Hitz, 2018; Snow, Fjeldstad, Lettl, & Miles, 2011; Whitney, 2008). In organized communities, the purpose is the answer to the question "why is it important that we are here and are successful with what we do?" That question is valid both at the system level of the entire organization, at the level of teams and subunits of the organization, and at the individual level. Throughout all levels, it serves an aligning and a meaning providing function.

At the individual level, the purpose awakens the heart and the mind of people and serves as a call to collaborative action. It unites people. Similarly, at the organizational level, the purpose becomes a lens through which the interaction with other companies, governments, institutions, and stakeholders is viewed. Kolind and Bøtter (2012) describe the purpose as a societal task, something that can engage and inspire collaboration across organizations in reaching the common purpose. The purpose provides a foundation for partnerships and changes the lens of competition to one of partnership. It provides the organization with a legitimacy in the society and in doing so, allows for the organization to access the phenomenal potential of the crowd and of entrepreneurial actors who feel a commitment to the same purpose.

While the purpose provides direction and meaning, it is not static. Rather, as people in the organization daily contribute to advancing the purpose, this simultaneously shapes the purpose through their actions and interactions with each other. Teams, subunits, or taskforces form and disband based on fit with the purpose and common interest. As individuals interpret the purpose and translate it into actions, the purpose becomes the reference point for the justification of action. The purpose of the organizations adapts slowly over time as the organization discovers new matches between strengths and potentials.

Table 16 - Overview of purpose broken down on organizational subsystems

	Purpose
People	The purpose provide meaning
Task	Reaching the purpose is the primary task
Structure	Open and diffuse boundaries allowing for collaboration on the purpose
Processes	The purpose is adapted and dispersed
Technology	

5.2.2 Wholeness

The perspective of wholeness is strongly connected to the individuals in the organized community. Whitney (2008) describes wholeness in her principles of appreciative organizing, as a recognition and experience of the world as one global world, where all individuals breath the

same air, and are essentially interrelated. This sums up the basic worldview of wholeness which, as discussed earlier, can be connected to individuals who have covered a sufficient extent of their personal needs to begin the pursuit of growth and development beyond themselves.

The perception of being fundamentally a part of a greater whole has a profound effect on the way people engage in interactions with each other that has consequences for the entire organization. Mental health, safe and supportive environments, and a general move towards a greater focus on the human beyond the professional façade is a part of this perspective. In organized communities, relying on a deep sense of trust, people dare show up as their authentic self. The organization is not merely a place of work, but a place of belonging, a place that people identify with and feel emotionally connected to.

> *"Win-win solutions to problems cannot be found unless everyone tells what is really in their minds and hearts. People don't tell the truth when they are afraid of how others will react."* (Bushe, 1998)

Through a consistent set of practices, organized communities invite people to connect with themselves and this worldview of wholeness. These practices are used across the organization ranging from simple rituals in meetings to more comprehensive reflective processes for larger groups.

Table 17 - Overview of wholeness broken down on organizational subsystems

	Wholeness
People	Whole individuals driven by growth beyond the self Strong sense of belonging
Task	
Structure	
Processes	Meditation, mindfulness, and other practices for achieving grounding and presence
Technology	

5.2.3 Committed community

A committed community is the best description for the way people in the organization view their affiliation with the organization. A community, as recognized by both Fjeldstad et. al (2012) and Adler and Heckscher (2013), is governed by what Weber suggested as 'value rationality', governed by a belief in the values and purpose of the organization. This combined product of purpose and values is processed by the community members through dialogs and explication into a shared moral compass. The moral compass is the coordinating mechanism of the community. Unlike Mintzberg's (1980) 'mutual adjustment' where individuals coordinate their own work by communicating informally with each other, the coordination through a shared moral compass requires dialogs across many members and the explication of these dialogs into protocols and ground rules. The power of the moral compass lies in it being formed by all members in the organization mutually. While the moral compass is the organizational coordinating mechanism, it resides with the individuals of the organization and will inevitably be affected by the

individual's own values and the individual's own purpose. Based on this individual moral compass, the members of the organization make decisions and actions. All those decisions and actions are made under moral obligation towards the organization and the peers.

The ability of all members to act based on a shared moral compass gives rise to the organic prioritization of tasks and engagements which ensures essentially, that the wisdom of the crowd is built into decisions and structures of the organization. Individuals are free to act as they see best fit for the organization. This could for example be by starting a new project, engaging with a new stakeholder, or creating a new function of the organization. The organic prioritization, which is the tangible process of people acting based on the shared moral compass, will then determine if the actions taken by the individual fits with the moral compass and thus the purpose and values of the organization. If it does, it will be prioritized, as in the example with the Buurtzorg nurses who made a new practice that got adopted throughout the organization (see subsection 3.5.7).

The coordinating role of the moral compass requires effort to function as it must be dispersed to all members through dialog and training. For new members of the organization however, substantial onboarding is crucial for their integration into the community as a way to achieve an understanding of the values and purpose of the organization, and the particular way of operating.

Table 18 - Overview of committed community broken down on organizational subsystems

	Committed community
People	Significant training and onboarding
Task	Organic prioritization shapes the organization's progress
Structure	Governed by strong moral compass
Processes	Calibration through dialog and explication
Technology	

5.2.4 Self−management

> *Self-organization is not a startling new feature of the world. It is the way the world has created itself for billions of years. In all of human activity, self-organization is how we begin. It is what we do until we interfere with the process and try to control one another.* (Wheatley & Rogers, 1998)

Self-management is at the core of the organized community as its best mean to respond to the ever-changing range of needs the organization responds to in its pursuit of its purpose. Self-management is based on the assumption that the members of the organization are inherently creative, thoughtful, trustworthy, and accountable individuals with a desire to use their talents and skills to contribute positively to the organization and the world. Under those assumptions, the organized community explicitly place all responsibilities and authorities at the frontline, allowing the members in groups or by themselves to best determine how a specific task is best identified, solved, evaluated, and how best to translate this into learning. Related to the interconnectedness and knowledge intensity of work, the principle of self-management allows people to

structure themselves in accordance with the informal structure, based on knowledge, interest, and initiative rather than on hierarchically instilled power based on a position.

> *In highly adaptive organizations, to maintain the necessary flexibility to adapt to changing needs and conditions, people are not slotted into specific jobs. They pick up jobs that need doing when they need doing and go on to other jobs when those other jobs need doing*. (Bushe, 1998)

The resulting structure of the organization is one of teams. Unions of members with a common interest in a specific goal or purpose within the organizational purpose. Members self-assign to these teams and in this way, the teams become fluid. As long as the members see the teams as adding value to the organization, they will exists, but when the members of the team starts to feel that other efforts would be more beneficial, they will seek away from the team.

Galbraith (2014b) noted the trend towards wider spans of control and flatter structures and recognized the opportunity for wider adoption of self-organizing teams in order to manage the increasing complexity of organizations. In an example, he draws a picture of how self-management works in a production plant:

> *An example is a factory with a plant manager and seventy-five blue-collar workers. The workers are organized into three teams of twenty-five people each, with a team for each of the three shifts. Each team is self-managing. It selects, trains, disciplines, and rewards all of its own members. These teams schedule the work and propose capital investments. The plant manager advises the teams and spends most of the workday communicating with people outside the plant*. (Galbraith, 2014b)

The example from Galbraith illustrates another feature of the self-managing principle, namely the change of role from manager to advisor, coach, or mentor. As teams become self-managing, there is no legitimacy for an authority above the team managing it, thus overruling the self-management authority of the team. But self-management is not an easy feat when suddenly, the hard decisions must be made as a team and no manager or system are to blame for the poor performance of a decisions or team. Therefore, coaching, mentoring, and advice giving becomes central to the functioning for the self-managing teams. This is the case both for the individuals, who will need coaching and mentoring in their personal development, and for the entire team who will need advice and guidance in making hard decisions, managing conflicts, or structuring their work. Such advisors, mentors, coaches, and counselors can be members of other teams, or members of the organization with expertise or experience that allows them to function solely in an advisory role in the organization.

> *This is probably the greatest barrier, in people, to the development of fully empowered work systems: all acts of power require courage. Power is not*

> *about being invulnerable or "fire-proof". That is safety. All acts of power make one more visible and invite reaction. Power requires commitment.* (Bushe, 1998)

One common theme in the grey literature on adaptable and agile organizations is a move from work happening in structural hierarchies towards work happening in a network of teams (Aghina et al., 2018; Bailey et al., 2019; Deloitte, 2017). These teams span across organizations, are highly empowered and quickly forming and disbanding as a response to needs and opportunities. Along with the team model, follows a decentralization of authority pushing decision making to the edges of the organization allowing the people most likely to detect changes in the environment to respond quickly and proactively by letting teams set their own goals and decide how best to reach them within a clearly defined mission or purpose of the team. Additionally, a shift from static job descriptions to dynamic role descriptions allowing members of the organization to have multiple roles and frequently change them as they move from team to team as needed is being highlighted as a feature of this kind of organization.

Table 19 - Overview of self-management broken down on organizational subsystems

	Self-management
People	Self-assignment based on moral compass
Task	
Structure	Fluid self-managing teams Advisors and coaches assist teams
Processes	
Technology	Internal network to provide clarity of structure

5.2.5 Do' ocracy

A fundamental part of making self-management work is the principle of do'ocracy. The principle holds four important perspectives as shown in Table 20.

> *Contribution to the group's purpose contrasts with focus on one's own job responsibilities; it particularly legitimizes going 'above and beyond' the duties of the job—not in terms of effort but in terms of trying to solve a problem regardless of the formal responsibilities involved.* (Adler & Heckscher, 2006)

The first perspective is that of total responsibility. The quote from Adler and Heckscher illustrate the point that when all members have total responsibility towards the organization and its purpose, all members are expected to act with concern for the entire organization. The idea that something is "not my problem" does not harmonize with the perspective of total responsibility. Using the terms of Robertson (2015) the organization relies on every member acting like a sensor indicating tensions – misalignments between a desired state and reality – and addressing these.

> *To have power in a truly empowered work system, people have to earn it from others - it does not simply come with a job. People must be able to exercise the skills and abilities that bring power to their roles.* (Bushe, 1998)

The distributed power perspective is inherent in self-management and concern the way authority is assigned to people. Rather than authority belonging to a position in a system, authority lies with knowledge, expertise, initiative, or willingness to contribute. Distributing authority instead of integrating it into a static or semi-static structure is an attempt to make the hierarchy of the organization fluid and dynamic. Power is something that flows, as the only power a member of the organization has is the power given to that member by her peers.

> *Organizational power is about having a say over the means and/or ends of organizing; that is, over what we should do and how we will do it. Not everyone has something to contribute to every decision about means and ends, however. Organizational empowerment is about ensuring that people can influence decisions commensurate with their positions and interests in the organization.* (Bushe, 1998)

The third perspective of do'ocracy is the way decisions are made to enable the existence of do'ocracy. For power to be truly distributed and people to take total responsibility, the members need to be able to make any decision they find necessary. In an organized community, this is the case, however, conditions apply. Any member must, prior to making a decision they do not already have autocratic decision power over, seek advice from those related to the decision. All consulted members are free to provide suggestions and advice for the proposed decisions, but unless any paramount objections to the decision arise the decision can be made. Thus, no one must sign off on a decision. This emphasize the fact that organized communities value speed and experimentation above certainty and consensus but at the same time the fact that decisions must be made through involvement of those related to the decision.

Finally, a basic precondition for do'ocracy to function is that members are able to make decisions based on situational awareness. This awareness requires insights into a broad array of information about the company and its environment. In contrast to more traditional approaches where some knowledge is accessible only by certain groups of employees, all information must be accessible to all employees if they shall make informed decisions. The only way to provide this information identified in the documents and interview is by using IT systems.

Table 20 - Overview of do'ocracy broken down on organizational subsystems

	Do'ocracy
People	
Task	Total responsibility of all members for the organization
Structure	Power is distributed to make all members powerful
Processes	Decisions are made through integration of key perspectives and consent
Technology	Transparency of information provided by IT

5.2.6 Formalized collaboration

Formalization does not immediately invoke associations to the largely organic systems and mechanisms of the organized community. Nevertheless, especially in the interviews, a kind of formalization of the many and complex collaborations happening in the organized communities were frequently mentioned. This type of formalization can be directly linked to the enabling type identified by Adler and Borys (1996) as opposed to coercive formalization. Adler and Borys (1996) explain the primary difference between the coercive and the enabling logic with an example of different rationales in equipment design. One rationale in equipment design assumes the user is a source of problems to be eliminated and thus equipment is designed from a foolproofing and deskilling rationale. The other rationale, the enabling, sees the user as a source of skill and intelligence to be supported and thus equipment must be designed to enhance the users' capabilities and to leverage their skills and intelligence.

> *Formal procedures do not have to be designed to make the work process foolproof. They can be designed to enable employees to deal more effectively with its inevitable contingencies. In what we call the enabling type of formalization, procedures provide organizational memory that captures lessons learned from experience* (Adler & Borys, 1996)

When collaboration in the organized communities are formalized, the formalization is carefully designed from an enabling logic. Formalization codifies best-practice routines so as to stabilize and diffuse new organizational capabilities. These routines are captured through dialog and explicated into protocols. Such formalization is mentioned by Laloux (2014) for conflict resolution and meeting practices, it is mentioned by Robertson (2015) for both governance and operational meetings, and it was mentioned in several interviews as protocols for collaboration exemplified by practices such as the sprints seen in Scrum, or entire agile product development methodologies. Fjeldstad et al. (2012) and Kolbjørnsrud (2018) describe protocols as guiding codes of conduct and collaboration for self-organizing actors. These formalizations enable members of the organization to behave similarly in solving tasks that are frequently reoccurring. Simultaneously, the formalization creates a rhythm across the organization that keeps the pace high and align efforts of collaboration.

Another perspective on the enabling formalization of collaboration in organized communities are the translation of purpose, values, ground rules, and protocols into actual behavior. This was highlighted in especially one of the interviews as paramount for creating and maintaining the community culture. Good practices are formalized to turn them into habit and in that way sustain the good practices. Several of the interviews mentioned the translation of values, purpose, and practices into actual behavior as fundamental to making a sustainable community.

Table 21 - Overview of formalized collaboration broken down on organizational subsystems

	Formalized collaboration
People	Habits are shaped from enabling formalization
Task	
Structure	
Processes	Protocols for collaboration
Technology	

5.2.7 Evolutionary development

In organized communities, development follow an evolutionary pattern with frequent incremental developments being tested and selected continuously to best adapt the organization to its current environment. In this evolutionary view, three perspectives are central: variation, selection, and time.

One interviewee, when reflecting upon an experience in an organization operating on Holacracy, arrived at the insightful conclusion, that at a specific point in time, the organization had lacked people with a natural preference for financial focus. Not that the financials of the organization were not getting handled, they were, but the topic was not paid much focus in the organization as no one really conveyed this perspective into discussions and dialogs. Resultingly, the organization may have focused too little on profit. This realization illustrates a fundamental prerequisite for this form of organizing to operate properly: it needs variety. In a classical hierarchy, managers are paid to maintain an overview of the entire organization. When there are no managers, the overview is replaced with the wisdom of the crowd. But if the crowd lacks central capabilities or preferences, those preference risk getting ignored or even being missed by the organization. This may turn out to be critically problematic, if the perspectives that are not heard, are central to the organization's survival. Thus, diversity of people and variation, in the shape of many different activities going on in the organization, is not just an effect of the form of organizing but seem to be a prerequisite for the existence of such forms of organizing. This is in line with the STS principle of redundancy of functions ensuring that learning can occur.

The organic prioritization discussed in 5.2.3 is another fundamental perspective on evolutionary development. Like Darwin's "survival of the fittest", the organized communities have a mechanism for selecting and embracing good ideas and opportunities while less successful experiments gets abandoned or revisited to attempt to develop it further to become successful. To allow for the organic prioritization to happen the organization needs transparency across initiative, so that people can make decisions from an informed standpoint when they do prioritization. An IT system seem to be to only viable way of distributing knowledge sufficiently effectively.

A final perspective on evolutionary development is the practice that all decisions can be revisited. This is an important perspective, as it reinforces the emphasis on experimentation. As in Ash Maurya's *Running Lean* (Maurya, 2012) and many of the approaches in the agile paradigm, it is the intention to iterate quickly from plan A to a plan that works. This cannot be done without

failing. It is necessary to fail frequently enough to learn from the failures. When all decisions can be revisited, it is so because it emphasizes that decisions are made fast for learning to occur so that a better decision can be made.

Table 22 - Overview of evolutionary development broken down on organizational subsystems

	Evolutionary development
People	Variation through diversity and embracing failure
Task	Selection through organic prioritization
Structure	
Processes	Decisions can and should be revisited
Technology	Internal network for communicating ideas, practices, and results

5.2.8 Radical transparency

When an organization responds to a complex environment through a complex organization, transparency becomes vital to avoid an organizational meltdown where no one is acting in the best interest of the organization because no one can grasp what the organization needs or simply where it stands. Holacracy emphasize the transparency the form of organizing creates when implemented. Laloux (2014) mentions at several occasions how information should be available and accessible to all members. There is no doubt that transparency into the state of the organization including both financially, technically, and structurally, is a foundation for these forms of organizing. Similarly, the ability of members of the organization to identify and collaborate with relevant partners require not just transparency into the structure but also clarity about members skills and engagements. Fjeldstad et al. (2012) investigated the effect of shared information in the consulting firm Accenture:

> *The detailed accounting for, and broad sharing of, information about resource availability and profitability, coupled with local decision-making autonomy, empower individual employees and local units to make decisions in support of global firm goals.* (Fjeldstad et al., 2012)

The necessary transparency for every member to act with situational awareness is provided through IT system. To avoid simply overloading the members with inconceivable amounts of data, there is a need to process this data into condensed and conceivable information. This is also recognized by Kuusisto (2017) who argue that the IT systems and business intelligence used for compressing data together can enable organizations with less hierarchy as all members are empowered to make decisions if they have what information is relevant for the decision.

Table 23 - Overview of radical transparency broken down on organizational subsystems

	Evolutionary development
People	Business intelligence skills necessary to provide information
Task	
Structure	Information is accessible to all and first to those who need it for action
Processes	
Technology	Digitalization allows for radical transparency

5.2.9 Fundamental characteristics of the organized community

The organized community is an ideal form of organizing, where ideal refer to the sense of being 'pure' rather than it being 'optimal'. In this sense, the principles describe not necessarily any existing organization but rather compile a picture of a form of organizing suitable for engaging humans. From the research conducted in this project, eight principles with associated perspectives have been identified as the fundamental characteristics of this form of organizing. These fundamental characteristics outline the organized community in its form of organizing and the resulting organizational model. The characteristics are summarized in Table 24.

Table 24 – The eight characteristics of organized community and their perspectives of the organizational subsystems

	People	Task	Structure	Processes	Technology
Driving evolutionary purpose	The purpose provide meaning	Reaching the purpose is the primary task	Open and diffuse boundaries allowing for collaboration on the purpose	The purpose is adapted and dispersed	
Wholeness	Whole individuals driven by growth beyond the self Strong sense of belonging			Meditation, mindfulness, and other practices for achieving grounding and presence	
Community	Significant training and onboarding	Organic prioritization shapes the organization's progress	Governed by strong moral compass	Calibration through dialog and explication	
Self-management	Self-assignment based on moral compass		Fluid self-managing teams Advisors and coaches assist teams		Internal network to provide clarity of structure
Do'ocracy		Total responsibility of all members for the organization	Power is distributed to make all members powerful	Decisions are made through integration of key perspectives and consent	Transparency of information provided by IT
Formalized collaboration	Habits are shaped from enabling formalization			Protocols for collaboration	
Evolutionary development	Variation through diversity and embracing failure	Selection through organic prioritization		Decisions can and should be revisited	Internal network for communicating ideas, practices, and results
Radical transparency	Business intelligence skills necessary to provide information		Information is accessible to all and first to those who need it for action		Digitalization allows for radical transparency

5.2.10 Interrelation of the principles

The eight principles and associated perspectives are all interrelated and some even slightly overlap in the way they draw the outlines of the organized community. The purpose of this subsection is therefore to present a model of the interaction between the principles. This model is presented in Figure 14 which illustrates, at the most basic level, how the principles interact to constitute the form of organizing called organized community.

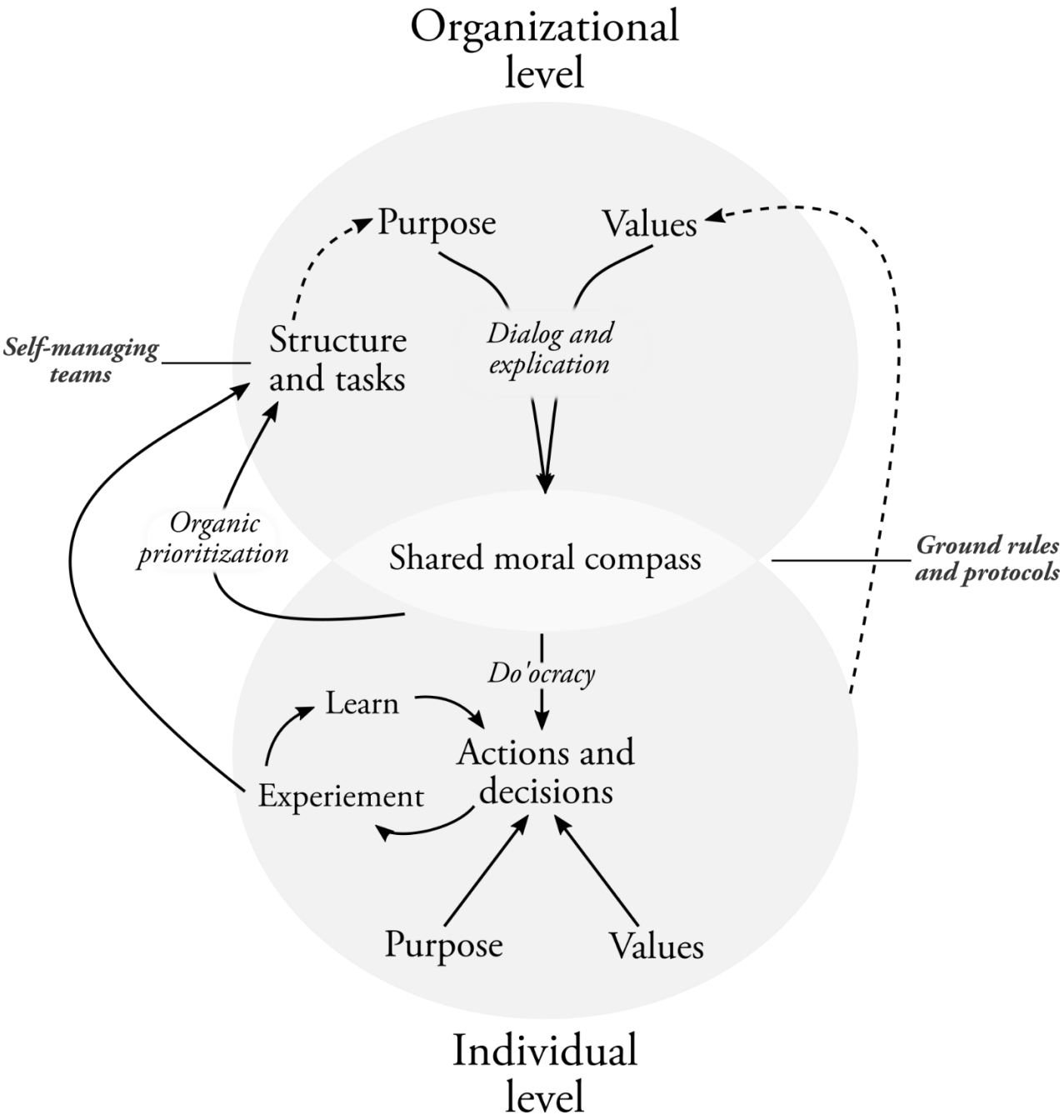

Figure 14 - The principles are interrelated in the basic operating model of the organized community

The principles function in two different levels, and some of them function across these levels: the organization and the individual. At the organizational level, a purpose and a set of values are present. Through dialog between the members in the organization these are translated into a moral compass in two notions. The first is the explicit transformation of purpose and values into formalized ground rules and protocols, observable artefacts of the organization. The second translation happens through the dialog and is the translation from organizational purpose and values to individual moral compass. The dialog, training, and reflection around the purpose and the values serves the purpose of translating these into the individual's mental models of how to engage in the organization. These mental models, created through dialog, are shared across individuals of the organization as a shared moral compass, but are inherently individual.

As the individual makes actions and decisions, some of these actions will involve experiments, in other relations called projects, that is seen by the individual as beneficial to the organization. These may be conducted alone or together with other individuals in which case the actions have an effect on the structure of the organization as a new team has now been formed or new tasks are now being solved. The pattern over time, thus the dashed line, of tasks that get selected and teams that are created eventually has an impact on the purpose of the organization. The purpose is not static but adapts to the members actions based on itself. In this sense, the purpose evolves based on the input of individuals' purpose and values, and on its own inherent potential.

Another way in which the structure and tasks of the organization is adapted is through the individual's translation of the moral compass into prioritizations at the organizational level. The individual's decision about which teams to contribute to, which tasks to prioritize, or how to assign resources will eventually impact the structure of the organization and which tasks it undertakes. As members continuously adapt their moral compass to the current situation of the organization, the entire model of operating becomes incremental.

Two principles are not explicitly represented in this model. The principles of radical transparency, and the principle of wholeness are not directly represented. This is not a question of these two principles being insignificant. Rather opposite, it is due to these two principles being preconditions for the functioning of the entire model. The model assumes whole individuals with access to all necessary information to make informed decisions.

5.2.10.1 A small note on agency theory

The problem of agency, where one party, the principal, employs another party, the agent, to make decisions and act in their place, is largely resolved by mitigating the two primary causes of agency cost: differing interest between principal and agent, and information asymmetry. Agency theory is based on the assumptions that actors are (a) self-interested, (b) boundedly rational, and (c) differ in goals and risk preferences. In the organized community, members are aligned to a shared purpose and a set of values. This to a such extent, that it lessens the risk of differing interests as all members are assumed to be interested in advancing the purpose of the organization

and to pursue growth beyond their own self. In fact, the distinction of agency theory between principal (e.g. manager) and agent (e.g. employee) becomes diffused by the fundamental assumption of equality in the pursuit of the purpose of the organization. As all members of the organization are in effect oriented towards the same goal and free to pursue this goal as they see best fit, the notion of a principal-agent relationships is diffused to an extent where it may be more appropriate to consider the relationship as existing between the purpose of the organization as the principal and the members as agent of this principal. This view corresponds well with many of the thoughts of both Laloux and Robertson on how to avoid mixing self-interest with the interest of the organization in their thoughts on separation between ego and job. In addressing this separation, both authors indirectly address a problem of agency between the organization as a principal in itself and the members of the organizations as agents.

Where many issues of agency have been previously addressed through mechanisms of monitoring and controlling, they are largely resolved by the trust of an organized community. The principle of transparency governing organized communities contradicts with the fundamental assumption of information asymmetry of agency theory. The fundamental assumption of actors in a principal-agent relationship to act out of self-interest with differing goals does not match well with the assumptions of the organized community where members are indeed self-interested, but this self-interest is assumed to be channeled into the purpose of the organization. Thus, the members are intrinsically motivated to pursue a shared purpose and, in that sense, self-interested but aligned.

5.3 Making it happen and what it does

A part of this project has been the exploration of how the organized community are brought to life in established organizations. The answer to this question is based on the multiple-case study, where cases of implementation were described in some of the analyzed documents, and the interviews, where some interviewees were part of organizations that had been or was currently experimenting with forms of organized community. The short answer is that organized communities are brought to life in pieces, rarely as the "full package", often in parts of the organization, sometimes across the entire organization, and through years of practice, never in the blink of an eye. However, there are many ways for an organization to transition into organized community and every transition will most likely be different as the circumstances and history of the organizations are different.

> *I believe it was only possible to implement Holacracy because we as the owners made the decision* - Interviewee

Almost paradoxically, a common recognition in both documents analyzed and the conducted interviews was that a shift towards organized community usually starts as a top-down initiative. In all identified cases of an established organization shifting towards organized community, the

shift was initiated by someone at the top of the organization. This was the case for Zappos, online shoe seller and probably the most renowned case of Holacracy implementation (Reingold, 2016), for all cases described by Laloux (2014), and Ørsted and the municipality of Rudersdal as explained by different interviewees. This fact does not necessitate, that the transition is always sparked by someone in the top, but it does indicate that commitment from top management is essential for the transition to happen. Equally essential is it that the members of the organization trust the leaders who want the implementation.

> *The thing that can make an organization revert to more traditional forms of organizing is if they are not persistent. It takes at least two years to make such a turnaround. It takes courage and persistence* - Interviewee

Regardless of where the transition is initiated it is not done by the snap of your fingers. In both the document analysis and the interviews this was stressed repeatedly with estimates of the time required for a traditional organization to transition to organized community ranging from 2 to 10 years for a full transition. During this transition, a gradual implementation of different elements of the organized community can happen. Rarely are they implemented all at once. This is in part because it takes time for people to settle into their new freedom and all the responsibility that comes with it. It requires that people develop, or already feel, a psychological ownership of the organization. In essence, many of the perspectives of self-management and do'ocracy can be condensed to all members acting as owners of the organization. There are different ways to nurture this psychological ownership and which is most suitable depends on the individuals. Laloux (2014) suggest that the introduction of a shared, inspiring, and meaningful purpose can nurture psychological ownership. Similarly, the transparency of knowing how your team perform compared to other teams, as in the case of Buurtzorg, can get some people emotionally involved and nurture the psychological ownership.

5.3.1 Cases of implementation

> *You could say that there are some consistent features but a diversity in methods across different industries* - Interviewee

To provide a better impression of how the organized community are brought to life in various cases, Table 25 presents five cases compared to each other on the eight principles for organized community. The five different cases are organizations operating in widely different environments and using widely different shapes of organized community. Buurtzorg, as discussed, is a Dutch healthcare organization presently employing more than 10.000 nurses and assistants in 850 self-managing teams. Buurtzorg operates through self-management with only 15 coaches and 45 support-staff to support its many self-managing teams. Ørsted IT is a business unit within Ørsted, a Danish multinational power company. The unit employs 800 people across several global locations. Ørsted has recently made efforts to become a purpose driven organization and in the IT unit, self-management practices have taken hold. In the Danish municipality of Rudersdal, a

new approach to nursing care inspired by Buurtzorg has changed the daily work for the 2.000 employees in that part of the municipality's welfare system. Morning Star is a California based food processing company. Its approximately 400 employees – a number subject to significant seasonal fluctuations – supply around 40% of the U.S. industrial tomato paste and diced tomato markets. Morning Star has been pioneering self-management since the 1990's. Zappos is an online shoe and clothing retailer employing more than 1500 people in Las Vegas where the company is based. Zappos is renowned as the largest company to adopt Holacracy and has since experimented widely with different modifications of this form of organizing. The intention here is not to provide detailed insights into the five cases. Focus will instead be on providing an impression of how these organizations differ in approach to bringing organized community to life as the five organizations display remarkably different approaches in this.

Table 25 - Degree of implementation of the principles for organized community

▁ = initial efforts of implementation has happened

▬ = the principle is somewhat implemented

■ = the principle is (essentially) implemented

	Driving purpose	Wholeness	Community	Self-management	Do' ocracy	Formalized collaboration	Evolutionary development	Radical transparency
Buurtzorg (Laloux, 2014, 2015)	■	▬	■	■	■	■	■	■
Ørsted IT *Interview and* (Østergaard, 2020)	■		▬	▬	▬	■	▬	▁
Rudersdal Municipality *Interview and* (Winter, 2019)	▬	▁		▬	▬			▁
Morning Star (Hamel, 2011; Laloux, 2014)			▬	▬	■	■	▬	■
Zappos (pre 2017) (Eremina, 2017; Kumar S & Mukherjee, 2018; Lee & Edmondson, 2017; Reingold, 2016; Yugendhar & Ali, 2017)		▁	▬	■	▬	■	■	■

Both the cases Buurtzorg, Ørsted IT, and Rudersdal Municipality can be said to incorporate a notion of purpose in the way they organize. Buurtzorg and Rudersdal have similar purposes of helping sick and elderly patients live a rich and autonomous life. In both organizations, as well as in Ørsted IT where the purpose is to create a world that runs entirely on green energy, this is seen in the willingness to collaborate with "customers", suppliers, and other external actors in effort to live up to the purpose. This approach of reaching beyond their own organization to

promote their purpose is seen in the way healthcare in Rudersdal is now an integrated effort across several different public welfare systems. Similarly, Buurtzorg, in their attempt to make the patient autonomous, will engage with family, friends, and even neighbors to identify what possibilities of synergy exist.

A quick eyeballing of Table 25 reveals that the principle of wholeness is by far the least represented principle across the cases. This is in accordance with several of the interviewees stating that the perspective of wholeness was probably the least seen in operation and the hardest one to implement. In both Buurtzorg and Rudersdal, the wholeness perspective is especially seen in the perception of the role of a nurse. Rather than a nurse being an agent that arrives at the patient's home to change a bandage or give a shot, nurses are whole people, and this is actively used in the constructive interaction with the patients. Zappos has started tapping into a wholeness perspective in the way they encourage people to bring more of themselves to work and the practices they have around meetings for grounding people like check-ins and outs to create a place with a sense of belonging.

The perhaps most insightful observation about Table 25 is the way self-management and do'ocracy is at least somewhat implemented across all cases. This highlights the role of self-management as a core element of the organized community when operated in real life. Indeed, many of the principles of organized community can be viewed through a lens of self-managing as different supportive elements in the effort of making self-management function and sustain. The more tangible nature of self-management compared to such principles as purpose, wholeness, and community, may make it more appealing to some leaders searching for ways towards an organized community. The tangibility of self-management as a set of structures and processes is easier to start working on Monday morning when you start your working week than the more intangible principles of wholeness or purpose. One interviewee described how Holacracy had appeal due to its tangible structure and explicit rules. However, the same interviewee also offered the reflection that the structure and processes alone might not be sustainable. If the form of organizing, in this case Holacracy, is to stick and be truly powerful, it must also be connected to the culture of the organization. This is in line with Kumar and Mukherjee's (2018) study of Zappos where they conclude that structure is insufficient for Holacracy to be brought to life and must be supplemented with a culture that matches.

> *In some cases, like Holacracy and Sociocracy, you have some very tangible meeting processes to make sure that everybody gets involved, which is great, but it is not enough. It also requires culture.* – Interviewee

The case of Zappos provides another interesting insight into bringing these forms of organizing to life: how the community principles starts emerging despite it being almost unrepresented in the original Holacracy model. Reingold (2016) presents a quote from an employee at Zappos commenting on the chaordic beginning of Zappos implementation of Holacracy:

> *"We grew up," says Tyler Williams, who leads the Brand Aura circle (a.k.a. marketing). "Now we are getting back to that place where we are being kind and forgiving to people, and people that used holacracy as a weapon are finding themselves getting smaller and smaller islands to work from. We're more policed now as a company based on peer pressure rather than on micromanagement."* (Reingold, 2016)

It would seem, that even when implementing a system like Holacracy that focuses more on the tangible "hard" side of the organized community, upon implementation of these structures and processes, the softer side can follow as an effect. However, while a self-correcting behavior of the organization is indeed a very central feature of the organized community, both Laloux and several interviewees point out that it is preferable to actively practice and develop the desired culture through conscious processes rather than just assuming that the right culture will emerge without any effort.

Another essential note on the comparison of cases in Table 25 is that all the cases except Rudersdal have implemented the principle of formalized collaboration. While they all employ different formalized processes for working together – like agile release trains, Scrum sprints, formalized conflict resolution processes etc. - there are big differences in how formalized the organizations are regarding the members of the organization and their tasks. At Morning Star, the tomato processor, the members write a personal mission statement and spell out all their commitments in a CLOU ("Colleague Letter of Understanding"). These CLOU's are highly granular spelling out exactly which commitments and accountabilities are trusted upon the specific member. Additionally, each member specifies what indicators will help them understand if they are doing a good job, and what improvements they want to make regarding those indicators. This process is repeated every year. Similarly, but slightly less formalized, the members of Zappos each energize a number of granularly defined roles that are constantly being adapted. Differing from this formalization is the ones seen at Buurtzorg or Ørsted IT. Here, the members do not bother writing down their current roles in such detail. In both organizations flexibility and constantly shifting tasks are a central element of their delivery. In contrast, Morning Star operates a continuous process where any disturbances in one part of the process will have profound negative impact on other parts. All four organizations operate based on self-management and all of them have formalized collaboration, but the degree of formalization varies according to the need of the operations. As discussed earlier, the type of formalization in organized communities corresponds with the type Adler and Borys (1996) labeled "enabling" formalization. This would indicate that organized communities can be brought to life as both organic organizations or enabling bureaucracies with the notions used by Adler and Borys (1996) and depicted in Figure 15.

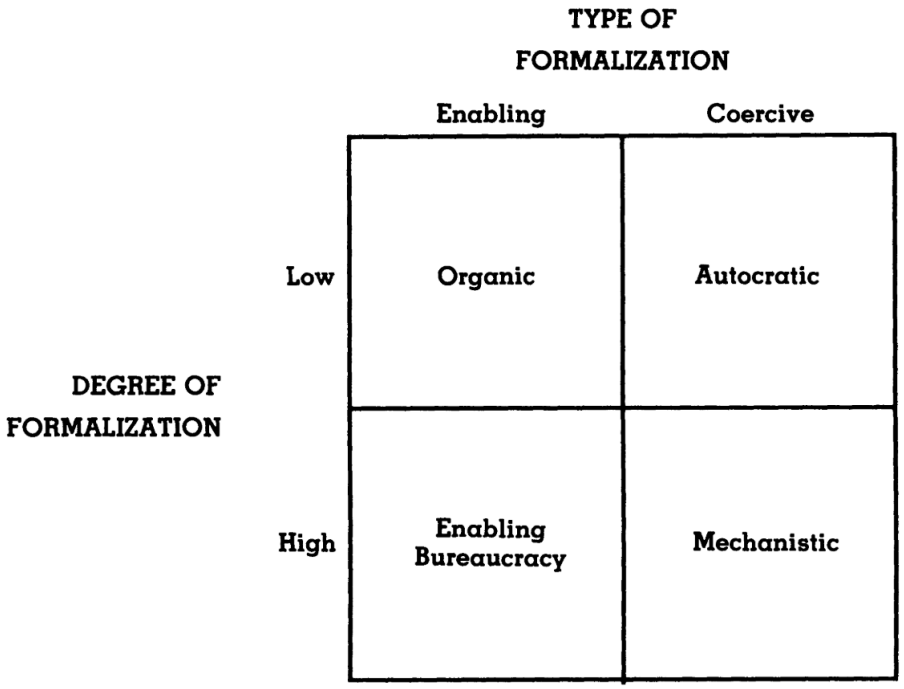

Figure 15 - Typology of different types of organization as a function of the degree of formalization and the type of formalization

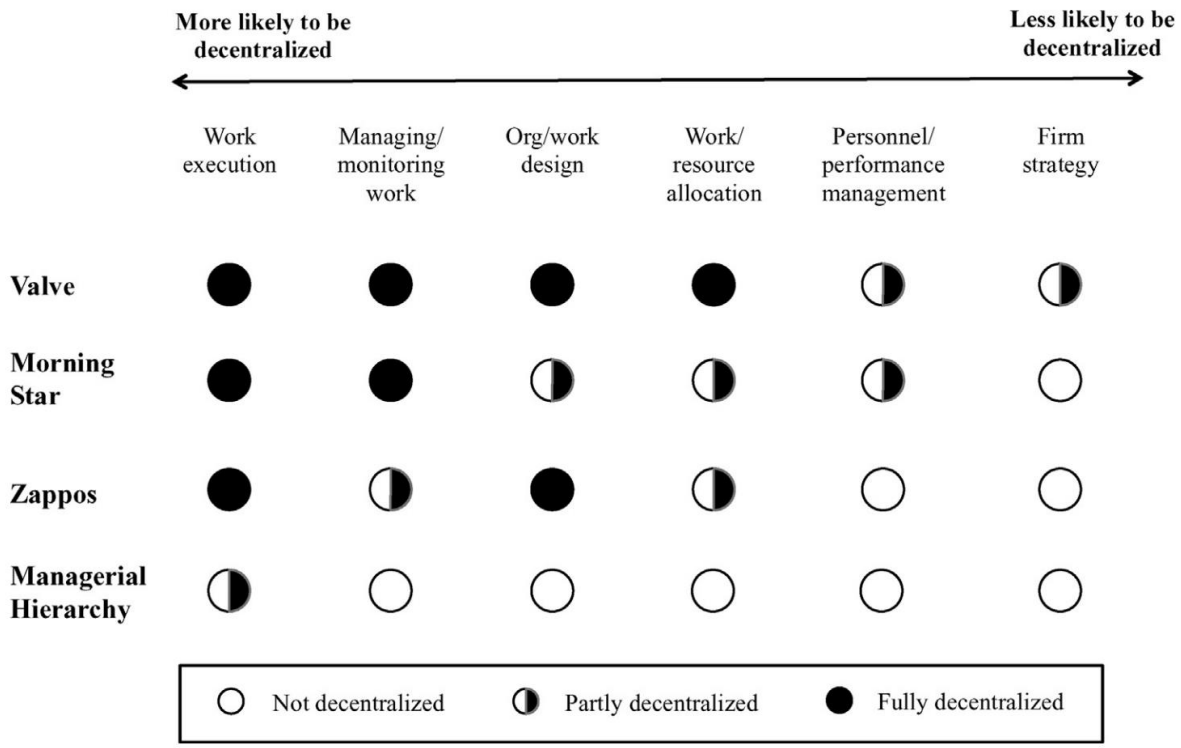

Figure 16 - Patterns of decentralization at self-managing organizations. From (Lee & Edmondson, 2017)

Similar to the case of formalization, the decentralization of power related to the principle of do'ocracy can be viewed as differing across the five organization, despite that all five organizations have to some extent implemented this principle. Decentralization can be regarded in many different dimensions. Lawler (1992) identified four dimensions along which the "high-involvement organization requires decentralization: power, knowledge, skills, and rewards. Similarly, Lee and Edmondson (2017) have identified six dimensions of decentralization and compared the cases of Zappos and Morning Star on these, along with the company Valve. Their illustration of the comparison is shown in Figure 16, and illustrates the point that while these organizations have adopted a principle of do'ocracy and with it the radical decentralization connected with the distribution of power to all members, they have done so in different ways.

5.3.2 Impact

The impact of the shift to organized community has proved to be yet only vaguely understood. Laloux (2014) present a compilation of anecdotal evidence for the results produced by Teal organizations. Evidence that could indicate, but has not been scientifically proved connected to, the performance outcomes of using Teal. Similarly, it has not been possible within the scope of this project to meticulously document what effects can be attributed to the implementation of the here suggested principles for organized community. Instead, a summary of available indications of expected effects has been compiled across the documents from the multiple-case study, the interviews, and the available literature on the topic. Very limited academic research on the performance impact of the forms of organizing researched in this project have been found. As the focus of this project is organizing for human engagement, the impact on engagement will be the starting point for this review.

Engagement is the centerpiece of the organized community. Not only are the organizations built around the organized community form aiming to engage their members, they are built around the fundamental assumption that their members are engaged in the organization, else they would not work. This form of organizing requires radical participation and involvement of all members. While the inherent participation and involvement could be expected to lead to higher engagement among members, the research backing this conclusion is sparse and inconclusive.

Less inconclusive is the research on the impact of higher employee engagement. Gallup, in their 2013 "*State of the Global Workplace*" report underlines the positive impact of engagement on several performance measures of the organization. For organizations with engagement scores in the top quartile of the investigated organizations, productivity, profit, and customer ratings are better than bottom quartile organizations by 22%, 21%, and 10% respectively (Kampf, 2014). Furthermore, as seen in Figure 17 the top engaging organizations also have lower absenteeism, lower frequency of safety incidents, and lower ratio of quality defects. The Gallup study shows that employee engagement and business performance are strongly correlated consistently across different organizations (Eremina, 2017).

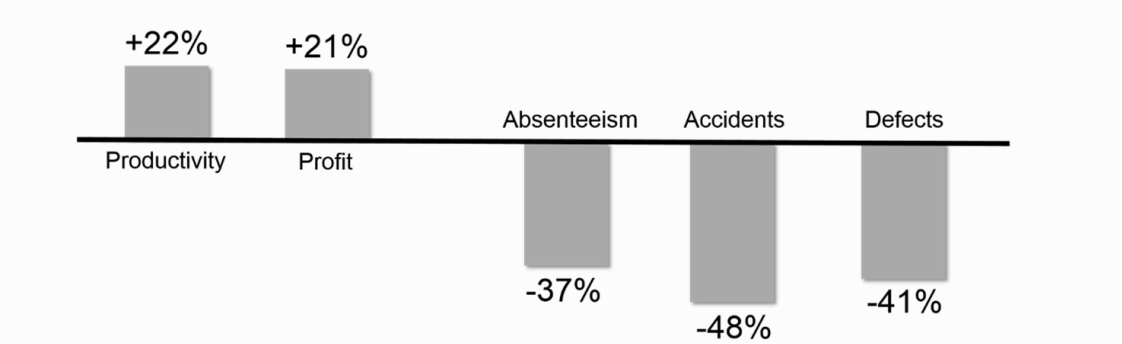

Figure 17 – Differences between organizations in top and bottom quartile in employee engagement. From https://corporate-rebels.com/mindset/

This returns us to the question of correlation between the organized community and employee engagement. Unfortunately, it has not been possible to identify any strong empirical evidence for the relationship between any of the forms of organizing and employee engagement except the fairly limited research by Velinov and Denisov (2017) who identifies a statistical correlation between higher levels of employee satisfaction and level of implementation of Holacracy across the 88 companies researched. It does not appear from their work whether this correlation is significant or not. Similarly, a report from McKinsey note that the implementation of an agile form of organizing – closely related to the organized community – resulted in a global bank reducing its cost base by 30 % while "*significantly improving employee engagement*" (Aghina et al., 2018). In lack of research on the impact of the implementation of these forms of organizing in their entirety, we must thus focus on the expected impact of the different elements individually or the more anecdotal evidence of the impact of implementing forms of organized community.

According to Robertson (2015), the engagement levels of the workforce are higher when all the employees are equally responsible and empowered. This is supported by Eremina (2017), who quote the CEO of Zappos, Tony Hsieh, for connecting the shared initiative of Holacracy with a powerful impact on feeling of belonging and appreciation among employees leading to a boost of employee's engagement. Similarly, our previous discussion of how members in organized communities are enabled to satisfy higher needs in Maslow's hierarchy of need, can be expected to contribute to better engagement of members.

Another way to assess the ability of organized community to engage its members is to consider how engagement is measured. A currently very applied measure of behavioral engagement is the Gallup Q12 survey consisting of twelve questions (Kampf, 2014):

1. Do you know what is expected of you at work?
2. Do you have the materials and equipment to do your work right?
3. At work, do you have the opportunity to do what you do best every day?
4. In the last seven days, have you received recognition or praise for doing good work?
5. Does your supervisor, or someone at work, seem to care about you as a person?

6. Is there someone at work who encourages your development?
7. At work, do your opinions seem to count?
8. Does the mission/purpose of your company make you feel your job is important?
9. Are your associates (fellow employees) committed to doing quality work?
10. Do you have a best friend at work?
11. In the last six months, has someone at work talked to you about your progress?
12. In the last year, have you had opportunities to learn and grow?

The questions 1, 2, 3, 5, 7, 8, and 9 are asking directly to some of the core constructs of the organized community such as the purpose of the organization, the possibility to create your own role in the organization and the authority to access whatever resources are required for completing a task. In this sense, the organized community would be expected to produce high employee engagement scores. However, some authors have noted the risk that the more intricate parts of the management – like peer coaching and mentoring – may be missed in the organized community. Gallup found that managers play a key role in building employee engagement (Kampf, 2014). The risk of losing necessary feedback and clarity when introducing self-management is noted by Bernstein et al. (2016) to have led to studies of employee engagement when self-managing showing mixed results. Similarly, Lee and Edmondson (2017) note that while self-management have been connected to higher employee engagement, it has also been connected to stress and burnout.

Related to engagement is the feeling of belonging. The purpose, community, and wholeness principles of the organized community both offer different perspectives on how a sense of belonging is created. The emphasis on belonging in the organized community would be expected to have an impact on the people and on the performance of the organization. A 2019 study found that workplace belonging can lead to an estimated 56 percent increase in job performance, a 50 percent reduction in turnover risk, and a 75 percent decrease in employee sick days (Deloitte, 2020). In Deloitte's Global Human Capital Trends 2020 report, 93 percent agreed that a sense of belonging drives organizational performance—one of the highest rates of consensus on importance ever observed in a decade of Global Human Capital Trends reports. In the same survey Deloitte uncovered the impact of six different drivers of belonging. The biggest drivers, as seen in Figure 18, were connected to purpose and values.

Conclusively, the question of whether or not organized communities are capable of engaging their members and create a sense of belonging is a question that will require more research to answer. As several of the elements in the organized community are constructed with the intention of activating human engagement, from a theoretical standpoint, it would be expectable to see organized communities result in improved employee engagement, as Stains (2018) in her review conclude that human relations practices do seem to have an effect on engagement levels.

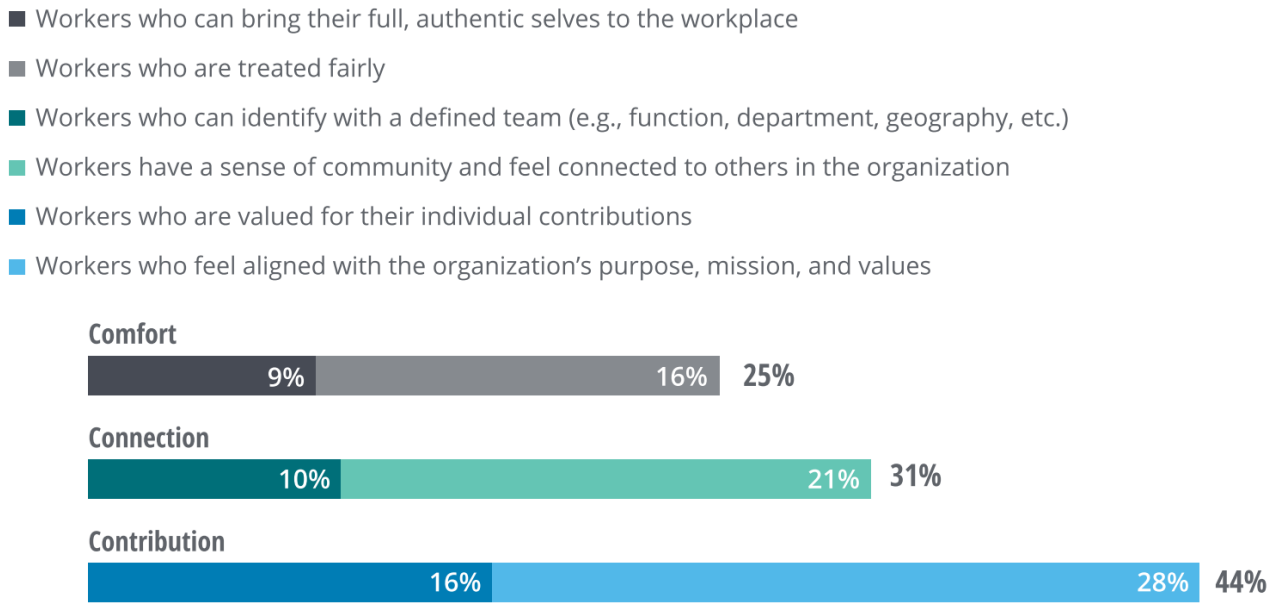

Figure 18 - Drivers of creating belonging in the organization. Percentage of respondents choosing the different options to the question "which of the following is the biggest driver of creating belonging in your organization?" From (Deloitte, 2020)

Apart from engagement, the impact of organized communities has been seen in other indicators. Bernstein et al. (2016) report how the introduction of self-management at a Volvo plant in Kalmar reduced defects by 90%, at FedEx cut service errors by 13%, and at General Mills increased productivity of up to 40% compared to plants that had not implemented self-management. Buck and Endenburg (2006) describe how self-management has been connected with increased innovation, productivity increases of up 30% and 40%, reduction in the number of meetings, decreases in sick leave, and higher staff commitment to the organization. Laloux (2014) describes similar patterns across many of the organizations he research, illustrated in the quote bellow:

> *Clients and nurses love Buurtzorg. Only eight years after its founding, its market share had reached 60 percent. Financially, the results are stellar, too. One 2009 study found that Buurtzorg requires, on average, only 40 percent of the care hours needed by a more conventional approach, because patients become self-sufficient much faster. Emergency hospital admissions have been cut by a third, and the average hospital stay of a Buurtzorg patient is shorter.*
> (Laloux, 2015)

In the more local case of Rudersdal, the introduction of the self-managing practices has also brought good results, as complaints have decreased, finances have improved, and the nurses feel more recognized for the work they are doing at the same time with a feeling of being able to provide a better care.

5.4 The assumption of engagement

Throughout this entire discussion, a number of different assumptions and preconditions have been mentioned. Most have been discussed in their respective subsections, but one deserves further discussion here as it has profound impact on the validity of the organized community.

The perhaps most fundamental assumption of the organized community is that the serving of a purpose can be in the self-interest of the members of the organization to a such extend that they feel ownership for the organization and want it to succeed. An assumption, that people inherently desire engagement in their work. This assumption stretches the concept of self-interest compared to the more moderate assumption that sustaining the organization is in the self-interest of people for various reasons including extrinsic motivational factors such as income or status, and intrinsic motivational factors such as social relationships or personal development. I believe those to be important factors as well, but the almost owner like behavior expected from people in an organized community goes beyond them. One interviewee framed the issue nicely:

> *I believe that there are people who do not fit into this kind of organization because it assumes that you are very invested in the purpose and the existence of the organization. I don't think that is the case for everybody. Can you expect that sort of engagement to be present in the organization? I think that might be a little utopic.* - Interviewee

Gervase Bushe (1998) argues on a similar note, that the freedom people experience when self-management is first introduced is enough to motivate people and make the organization run for some time. But after that, people may start to feel that they should have a piece of the action. If they are going to act personally responsible for organizational outcomes Bushe argues that some sort of profit sharing/employee ownership will be inevitable to maintain and extend the benefits of empowered work system. It is not unthinkable to imagine that the emergence of more organized communities will concur with appearances of more cooperative ownership models. While this view is strangely contradictory to the otherwise intrinsically motivated behavior of people in the organized community, Bushe touches a very relevant topic: what will happen, when this form of organizing is no longer new and exciting but merely the day to day routine? Are people able to continuously find new challenges for themselves in an organization that does not offer the opportunity to move up the formal hierarchy? One thing is for sure: the organized community form of organizing will not see widespread popularization if the assumption that people want to be engaged turns out to be falls.

We have already seen that a possible precondition for people to seek engagement and meaning in their work is that their more basic needs are covered. For this to be the case, a stable and safe situation may be required in line with what was found in attempts to implement STS practices (Mumford, 2006). This assumption, that organized communities arise only where people have all their deficiency needs and most of their growth needs covered would certainly either limit the

adoption of the organized community to environments with considerable social security or stress the importance of organizations tending to the needs of their members to provide this sense of security.

5.5 Future perspectives

The aim of this project has been to consolidate, across several different cases of different forms of organizing, a coherent image of an emerging form of organizing and provide a qualified opinion on why this form is emerging. In doing so, an image of a profoundly decentralized form of organizing has been created, an ideal form of organizing different from the traditional hierarchy or market distinction. This provides rich opportunities for further research. Four areas have been noted during this project as potentials for further research. The first is regarding the control mechanism of the organized community. While the dynamics of a classical agency situation between e.g. manager and employee is rather well explored, the control mechanism of moral obligation and shared moral compass is less well understood. This mechanism is used in the determination of goals, the allocation of resources to pursue them, and the monitoring of goal fulfillment and resource use. Shared situational awareness can play a role in self-monitoring of resource use and availability as well as goal fulfillment. Furthermore, actors can self-organize around tensions and, thus, determine goals and how resources are allocated to their pursuit. Research should investigate the limits of the control mechanisms related to moral obligation. The second is the connection between behavioral engagement and the practices of the organized community. Engaged members are fundamental to the organized community and several of the principles has at least in parts a documented relationship with engagement, but many relationships are still unexplored. Furthermore, the question of causality is almost entirely unaddressed in this regard. Research should explore the possible relationship between organized communities and engagement. The third area is closely related and regards the implementation and value creation of the organized community. From what has been discussed, total value creation would be expected to be greater and faster in organizations that create value collaboratively, both within and across firms than in organizations that create value in a hierarchically controlled way. The investigation of relationships between the organized community and various performance metrics seems entirely unaddressed. The final area is that of transforming current organizations into organized communities. With a consolidated understanding of the constitution of the organized community, this project has taken the first step in this direction, but this can merely be considered the warm-up before the marathon. Research should investigate and document the prosses of transforming the organization towards organized community.

As it would seem that the organized community is inhabited by, and preconditioned on, members who have had their basic needs covered in a way that allows them to pursue growth needs of self-actualization and even growth needs beyond the self, it will be exceedingly interesting to observe the impact of the current Covid-19 pandemic. With the tendency discussed earlier for

management practices emphasizing commitment to follow periods of economic growth and practices emphasizing control to follow periods of stagnation, a serious economic depression might put an obstacle in the way for the organized community form of organizing. When faced with the threat of diminishing returns and hard times ahead, organizations might forget their purpose, their values, and even the fact that their members are their greatest assets, in frantic attempts to consolidate the business and cut costs. I would strongly argue against such behavior. I firmly believe that the potential crisis is best handled through the operations of the organized community, where people stand united around not just the purpose, but the organization. The irrational reflex of reverting to control and command structures could seriously harm the culture of the organization and damage the trust that is essential for the performance of the organized community.

My humble opinion, based on what I have learned through this project is, that like any other management idea the organized community will eventually be superseded by other ideas better suited for their time. But I believe that the emergence of the organized community and the characteristics identified in this project will be seen consistently more often in practice and form the basis of whatever comes after. In an age where work has become interdependent, and new technologies have allowed us to collaborate in more dynamic and fluid ways that ever before, self-management offers the best answer around to the question of how organizations are to cope with this complex world. In an age where global standards of living have never been higher and people are pursuing meaning and happiness, I believe that we will see more prosocial organizations formed as cooperatives or collaboratives with shared ownership pursuing societal goals. To the benefit of both members, the organization, and the greater society. This is not a shift of paradigm, but a movement towards more human organizations.

6 Conclusion

In this thesis a new form of organizing, embodied in such cases as sociotechnical systems, sociocracy, Holacracy, and Teal organizations, has been explored. By investigating five organizational subsystems – people, task, structure, processes, and technology – across four cases, their basic characteristics have been identified and mapped. Based on this, nine principles for the form of organizing shared across the four explored cases was created. The shared form of organizing was dubbed the "organized community" due to its foundation in mutual trust and shared values.

The findings from the cases were reinforced with findings from empirical research into the experience of operating an organized community. This research provided another set of principles and by comparing the two, a triangulated final set of principles and perspectives for the organized community was established.

This set of principles reveal that a committed community is driven by a purpose embraced by the members of the organization who bring more of themselves to work than just a professional façade and view their peers and the world as fundamentally interconnected to them. A strong set of shared values that are translated into behavior through dialog and explication which creates alignment in this otherwise buzzing volatility. People and teams in the organized community self-manage and self-organize, and are powerful enough to do so as authority follows initiative, knowledge, expertise, and commitment. While the structure is highly fluid, a set of protocols spell out best practices and align behavior in frequently occurring situations like project work or conflict resolution. The quest towards the purpose makes the organization and the purpose itself change and adapt as the members make experiments and learn from them only to adopt those developments that are the most vital. Just as power, knowledge and information is decentralized and radical transparency allows members to make informed decisions for the benefit of the organization. These characteristics are summarized in Table 24.

Parallel to the exploration of the fundamental characteristics of the organized community, an investigation of why it had emerged was conducted. In this connection the way we think about work as a result of the level to which our personal needs have been satisfied was discussed. Also, the way work has changed and has become more knowledge intensive and more interconnected was identified as potential drivers of the emergence of the organized community. These themes are summarized in Table 14. The different developments in structures and the influence of new technology and a general digitalization were included in this discussion leading to a broader discussion on the increase in complexity in the environment around the organizations and in the organizations themselves. Consideration were given to the possibility that the organized community could be considered management fashion however it seemed more similar to a management idea than to management fashion.

Lastly the way the organized community is brought to life in established organizations were discussed. This included investigations into five different cases of implementation and the way the principles of organized community were expressed in these cases. This revealed that despite having implemented similar principles considerable variation in the expression of those principles were present. Along with this, a discussion of the impact of organized community was based on the anecdotal evidence available. Indications revealed that the expected impact on performance and engagement were positive, but that there is a considerable lack of research on this topic.

The presented principles and reasons for emergence is an attempt to consolidate a concept across several related forms of organizing. In this, the hope is to provide a more coherent picture of what such forms of organizing is. This will be valuable in future work to develop and implement these forms of organized community.

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