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Self Management: The Shift Toward Autonomy, Decentralized Decision Making, and More Fulfilling Work

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Part I: Introduction

As a coach, I've been fundamentally interested in the following questions: *How do we make work better? What systems of management and ways of organizing work might make work more universally fulfilling and also generate more effective organizations?* Put more bluntly: How could work suck less *and* create high levels of performance? I suspect that these questions have been lurking beneath the work from home versus in office debate. It's a lot easier to debate *where* we're working than *actually rethinking* how we reorganize an entire company's system for organizing work!

It's worth noting that these are not new questions. Peter Drucker, the legendary management theorist and coiner of the term "knowledge work," outlined the problem eloquently in his 1967 book, *The Effective Executive*, writing:

> *"The knowledge worker is not poverty prone. He is in danger of alienation, to use the fashionable word for boredom, frustration, and silent despair. Just as the economic conflict between the needs of the manual workers and the role of an expanding economy was the social question of the nineteenth century in the developing countries, so the position, function, and fulfillment of the knowledge*

> *worker is the social question of the twentieth century in these countries now that they are developed…We will have to satisfy both the objective needs of society for performance by the organization, and the needs of the person for achievement and fulfillment."*
>
> *"The knowledge worker demands economic rewards too. Their absence is a deterrent. But their presence is not enough. He needs opportunity, he needs achievement, he needs fulfillment, he needs new values."*

And yes, you read that right. These words were written in 1967. Shocking how relevant they feel in 2025, isn't it?

The words are relevant, of course, because we still haven't seemed to crack the code on the problem Drucker so fortuitously called out. Sure, it would be better if we had highly engaged workforces, less meetings, weren't drowning in emails, had less bureaucracy and stifling hierarchy, and had more teams that trusted each other and collaborated effectively. But how? All the various trainings, improvement programs, team events, culture building exercises, new meeting formats, etc seem to have only gotten us so far. Perhaps this is all there is. As Aaron Dignan wrote in his book, *Brave New Work*, *"We know the way we're working isn't working, but we can't imagine an alternative."* The alternatives are the focus of this piece. It turns out that various blueprints and philosophies already exist in many companies around the globe - you just might not have heard of them.

How did we get here?

The primary diagnosis for why the world of work feels less than optimal is the view that we are still largely using systems inherited from the manufacturing era and Frederick Winslow Taylor's theory of scientific management. Taylor's work was focused on minimizing variability and inefficiency and finding the "one best way" for factory workers to follow. A major impact of Taylor's work was the division of thinking work and doing work, which led to a managerial class whose focus was giving orders (the deciders) and a worker class whose job was to follow said orders (the doers). Though work may *look* very different today, Dignan argues that we're still operating from the blueprint laid in that era contending, *"We still tell people what to do (and how to think). We still demand detailed plans before every initiative. We still focus on efficiency at the expense of effectiveness. We still use the budget as a weapon."*

In short, we're still using an organizational system for work that was not designed for the modern era. It's no wonder that we haven't seen lasting change from the various improvement programs, even those deployed with the best of intentions. As Brian Robertson writes in *Holacracy:*

"...despite the power of these new-paradigm ideas and techniques, I routinely see a huge obstacle to their deployment: when they're applied in an organizational system that's still conventionally structured, there's a major paradigm clash. At best, the novel techniques become a 'bolt-on' - something that affects just one aspect of the organization and remains in continual conflict with the other systems around it. A great new meeting technique helps empower a team, for instance, but those team members are still constrained by a power structure at play outside of the meeting and throughout the rest of the company. At worst, the 'corporate antibodies' came out and rejected the bolted-on technique, a foreign entity that doesn't quite fit the predominant mental model of how an organization should be structured and run. In either case, the novel practice fails to recognize its full potential, however promising, and we don't get much of a paradigm shift in the organizational system."

It's important to note that this is not the first time that our organizational models for the world of work have needed (and gone through) a paradigm shift. For roughly every 100,000 year history of humanity, we have gone through successive stages demonstrating leaps in our cognitive, moral, and psychological abilities for dealing with the world. In *Reinventing Organizations*, Frederic Laloux argues that what is often overlooked is the reality that for each shift to a new stage, humanity also invented a new organizational model for work. Most of the working world today is operating from what Laloux calls the "achievement-orange" paradigm in which the organization is viewed as a machine (aka the scientific management/factory driven philosophy of Winslow Taylor). While "achievement-orange" has allowed room for more creativity and innovation in how things are done versus earlier stages (think the strict hierarchies of feudal work), Laloux contends that this paradigm is still largely defined by management through command and control. He argues that we are once again undergoing a shift in how work is organized toward a paradigm he terms "evolutionary teal." A defining characteristic of this paradigm is a shift toward much greater worker autonomy, decentralized decision making, and reduction in traditional "management" layers; a method of organizing Laloux calls "self management."

Part II: Reviewing the Evidence - Why Shift Toward More Decentralized Organizational Models?

Before we review models for self management, I think we have to examine the obvious questions: ***Why might this method of organizing work be better than what we have today? What evidence suggests that self management can lead to better organizational results and employee fulfillment in the modern era of work?***

Let's take a look at some key findings from Jim Collins' business classic, *Good to Great* (published 2001) and William N. Thorndike Jr.'s *The Outsiders: Eight Unconventional CEOs and Their Radically Rational Blueprint for Success* (published 2012). I highlight these books because each undertook long term empirical investigations, utilizing qualitative research, interviews with management, and systematic reviews of public company data, to arrive at an understanding of the criteria that led organizations to outperform both the market and their peer groups on a relative basis. In terms of data driven findings, I think they provide a solid basis to form an argument around decentralized operations.

For *Good to Great*, Collins and his team of researchers systematically studied companies with fifteen year cumulative stock market returns *at or below* the general stock market, punctuated by a transition point, where they then generated returns *at least 3x the market over the next 15 years.* They compared these "good to great" companies with "comparison companies" who were from similar industries, with similar opportunities and resources at the time of transition, but who failed to make the leap to great results and/or failed to sustain them.

For *The Outsiders,* Thorndike was fascinated by the business world's obsession with Jack Welch's infamous tenure as the CEO of GE. While Welch returned an impressive 20% annual return during his tenure from 1982 - 2000, Thorndike points out that Welch's tenure coincided with an epic bull market run during that time period (the S&P itself averaged a 14% annual return during that same period). While Welch's results are still impressive, Thorndike was compelled to study CEOs that managed to sustain outperformance during both bull *and* bear markets and handily beat both their peers and Jack Welch (in terms of relative market performance). Thorndike specifically focused on identifying CEOs that could beat Warren Buffett's difficult test for evaluating capital allocation ability. In Buffett's view, superior capital allocation ability is defined by a CEOs ability to create at least a dollar of value for every dollar of retained earnings over the course of their tenure. Only 7 companies passed these various tests with flying colors. On average, these "Outsider" CEOs outperformed the S&P by over 20 times and their peers by over 7 times.

I highly recommend reading both books in their entirety because there are many fruitful and impactful concepts that will not make this essay. For the purposes of today, I'm going to hone in on a few specific findings from both books.

In *Good to Great*, Collins writes that a defining feature of the good to great CEOs was their ability to avoid bureaucracy and hierarchy and instead create a "culture of discipline" combined with an ethic of entrepreneurship. Specifically, they created cultures predicated on freedom and responsibility with intense clarity of organizational focus and vision provided by what Collins calls the Hedgehog Concept. He writes,

> *"The good to great companies built a consistent system with clear constraints, but they also gave people freedom and responsibility within the framework of that system. They hired self-disciplined people who didn't need to be managed, and then managed the system, not the people."*

As you will see in the coming pages, this sounds a lot like self management!

Thorndike's research echoes a similar finding. Thorndike found that all of the Outsider CEOs employed decentralized operations which served two primary purposes 1) they enabled entrepreneurial energy and 2) they kept costs down and created incredibly lean corporate headquarters. He attests, *"The outsider CEOs were master delegators, running highly decentralized organizations and pushing operating decisions down to the lowest, most local levels in their organizations."*[1]

I'd be remiss to not point out that these decentralized approaches, not only created superior financial performance, but also were notable in the level of fulfillment and enjoyment, reported by employees and the organization's leadership. In *Good to Great,* Collins argues that creating a culture of discipline was predicated on first "getting the right people on the bus." Before creating a plan or strategy, the good to great CEOs spent significant time and resources putting the right people into the right positions on their team. This combination of the right people plus a culture of discipline created something so special that even Collins had a hard time quantifying it. He writes,

> *"...there was something about the good-to-great executive teams that I couldn't quite describe, but that clearly set them apart. In wrapping up our interview with George Weissman of Philip Morris, I commented, 'When you talk about your time at the company, it's as if you are describing a love affair.' He chucked and said, 'Yes. Other than my marriage, it was the passionate love affair of my life. I don't think as*

[1] A central thesis of Thorndike's book is that a defining characteristic of the Outsider CEOs was superior capital allocation strategy with a laser-like focus on optimizing for *long term value per share* rather than company growth. The one area the outsider CEOs *never* delegated was capital allocation decisions.

many people would understand what I'm talking about, but I suspect my colleagues would.'"

"Members of the good to great teams tended to become and remain friends for life. In my cases, they are still in close contact with each other years or decades after working together. It was striking to hear them talk about the transition era, for no matter how dark the days or how big the task, these people had fun!"

Similarly, Thorndike notes that many of the Outsider CEOs and companies profiled experienced very low turnover amongst managers and executives because of how motivating and energizing their employees, especially young managers, found the autonomy to be. In illustrating the point he cites a quote from a general manager, who worked under Tom Murphy's tenure as the CEO of Capital Cities, saying, *"The system in place corrupts you with so much autonomy and authority that you can't imagine leaving."*

Thorndike and Collins' findings suggest that autonomy and decentralization can be incredibly effective, particularly with the right people in place, a clearly outlined strategy, and a disciplined approach to capital allocation. Still, if you wanted to transition your organization today to implement this kind of decentralization and self management, how might you do it? The findings beg the questions: *How exactly does one create a culture of discipline? How do you run a decentralized operation without creating total chaos? If a CEO wants to effectively push decisions down to their most local level, how do you ensure your team has the clarity and competence necessary to take over?*

I believe the authors and philosophies outlined next provide some answers. The rest of this piece will focus on various philosophies for making the shift toward the evolutionary teal paradigm with a specific focus on philosophies and practices that have enabled organizations to 1) effectively decentralize decision making and authority and 2) increase employee motivation and engagement through doing so.

Part III: Models for Transitioning to Self Management

Self Management: From *Reinventing Organizations* by Frederic Laloux

Rather than viewing the organization as a machine, Laloux argues that teal organizations view the organization as a living system that is constantly evolving. As previously mentioned, a core breakthrough of the paradigm is what Laloux terms self management, which is a method of organizing based on peer relationships rather than any form of formal hierarchy. To illustrate the organizational system that enables self management, I'll walk through the Buurtzorg case study from the book, which I detailed in an interview with Buurtzorg CEO Jos de Blok on the No Directions blog (excerpted below).

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Buurtzorg is a Dutch healthcare organization that provides neighborhood nursing care throughout the Netherlands. The company was founded in 2006 by CEO Jos de Blok and a small team of nurses in response to conditions they felt were undermining the relationship between patients and nurses, driving inefficiency, worsening outcomes, and skyrocketing healthcare costs within the Dutch healthcare system.

Jos believed that costs could be lowered and patient outcomes improved by focusing on professional ethics, giving workers more autonomy, and building a company based on an inherent trust of nurses. He hypothesized that nurses would default to using their capacity in an optimal way if the company focused on continuity of care and gave nurses the opportunity to have ownership over solving problems in their neighborhoods. De Bok believed that this type of organizational system would give Buurtzorg a greater ability to measure outcomes, understand what interventions were truly needed, and create a continuous learning environment where the level of care would improve each year.

These assumptions led to a drastically different organizational model.

- **No executive team**: Buurtzorg has a CEO but no executive team. The organization is divided into self-organizing teams of no more than 12 nurses. There are no layers of middle management between Jos de Blok (the CEO) and the nurses.
- **Self-managing teams**: To ensure financial stability, teams must spend at least 62% of their time on billable patient care. To that end, self-organizing teams are responsible for everything that was previously fragmented across departments in the old model. They are responsible for providing care, deciding how many and which patients to serve,

intake, planning, scheduling vacations, deciding how tasks will be distributed, monitoring their performance and undertaking corrective action when needed, as well as evaluating themselves each year with a competency framework they devise themselves.

- **Limited centralized staff functions**: Because each team is responsible for most of its functions, there are limited centralized staff functions at Buurtzorg and very little administrative overhead. Examples of centralized functions include lease contracting and IT. When these functions do exist, they have no decision-making authority over teams.
- **Nurses are the experts**: When expertise is needed, Buurtzorg largely relies on nurses building up expertise themselves and becoming contact points on their team. Nurses can find a list of nurses with expertise in their geographic area on Buurtzorg's internal site. Occasionally, task forces are set up to investigate a new topic and build expertise across the company.
- **The advice process**: Decisions are made using the advice process. In *Reinventing Organizations*, Laloux describes how it works, *"...any person in the organization can make a decision. But before doing so, that person must seek advice from all affected parties and people with expertise on the matter. The person is under no obligation to integrate any piece of advice; the point is not to achieve a watered down compromise that accommodates everybody's wishes. But advice must be sought and taken into serious consideration. The bigger the decision, the wider the one must be cast — including, when necessary, the CEO or the board of directors."* Importantly, the CEO also has to engage in the advice process and cannot make decisions unilaterally.
- **Teams are responsible for their own problem-solving**: Teams are tasked with finding solutions to their own problems and are extensively trained in a method called "Solution Driven Methods of Interaction" which focuses on promoting skills and techniques that lead to healthy and efficient group decision-making.
    - As Laloux writes in Reinventing Organizations, *"Nurses can't offload these difficult decisions to a boss, and when things get tense, stressful or unpleasant, there is no boss and no structure to blame; the teams know they have all the power and latitude to solve their problems."*
- **Regional coaches vs middle management**: When teams find themselves stuck, they can reach out to Buurtzorg's network of coaches. Importantly, coaches have no decision-making power over teams. Their role is to ask insightful questions that help teams find their own solutions, as well as share best practices from across the organization.

The model has improved to be incredibly effective:

- Buurtzorg has grown from one team to over 15,000 nurses operating across 950+ self-managing teams.
- In contrast to their competitors:
    - Buurtzorg nurses spend 40% fewer weekly hours per client.
    - Buurzorg patients spend 50% fewer days in care and have 33% fewer hospital admissions.
    - Buurtzorg operates with 67% less administrative overhead costs.
- In addition to their incredibly successful patient outcomes and efficiency metrics, Buurtzorg is profitable, generates over €400 million in annual revenue, and sees over 80,000 patients each year.

Holacracy: From *Holacracy* by Brian Robertson

For CEOs interested in making the shift to self management, Laloux himself recommends holacracy, which is an organizational system developed by Brian Robertson through his experiences as an entrepreneur building a software company. Today the Holacracy website describes itself as "the operating system for self management."

In describing the philosophy behind Holacracy in his book, Robertson writes,

> *"In a Holacracy-powered organization, there are no more managers – which, as one of my clients recently put it, 'sounds like democratic chaos, but the truth is it's quite autocratic.' With authority clear and distributed, no one has to tiptoe around an issue to build buy-in, or push to get others to see things the same way they do. This frees people to take action confidently, knowing that a legislative process has granted them that authority with due input and consideration. And at the same time, someone with clear autonomy is free to ask for help, input, and dialogue, and others are free to give it and pitch their opinions, without any risk of the process devolving to a consensus deadlock or an autocratic decree from a busy leader too far removed from the issue."*

Holacracy's system specifically consists of the following:

- A constitution which sets out the rules of the game and redistributes authority. It's important to emphasize that the constitution determines authority for everyone, including management. More on that here.
- A new way to structure an organization and define people's roles and spheres of influence
- A unique decision making process for updating those rules and authorities
- A meeting process for keeping teams in sync and getting work done together

Holacracy organizes work by differentiating between governance (how the organization works - organizational structure, authorities, and expectations) and operations (getting work done - identifying outcomes to achieve, coordinating with others, taking actions). The system outlines specific meeting processes for both.

Here's a brief overview of how they work:

- **Governance** is decided through specific governance meetings where roles are amended, people are elected to roles, and teams or "circles" as Robertson calls them are formed and dissolved. These meetings are strictly governed in terms of what is covered and the format that is followed. Governance issues have only to do with what role has the authority to decide something and what accountabilities are needed for that role. Anything related to specific business or making decisions on specific issues is left out. The full process is outlined on holacracy's website here.
- **Operations** are under the purview of tactical meetings. As Robertson writes, *"...With Holacracy, nothing gets in the way of the work" - a useful mantra when considering what not to bring to a meeting. If you know what you need to do next and nothing is in your way, just go do it. If you know who you need to talk to in order to move a project forward, just talk to them. But if you're not sure what to do and want some help, or haven't had a chance to coordinate with the right people during a busy week, the weekly tactical meeting provides a fallback. Tactical meetings are fast paced forums to synchronize team members for the week and triage any issues that are limiting forward progress."* Like governance, tactical meetings are conducted with a specific format and strict rules around what is covered and how. The full process is outlined on Holacracy's website here.
- By distributing the work of continually shaping and evolving the organization across the entire company, Holacracy minimizes the overload and bottlenecks that occur at the top and drastically increases the engagement, learning, and adaptability of the rest of the organization.

Robertson emphasizes that the shift comes from rebuilding the organizational system rathan focusing on trying to change people. He writes, "*Holacracy is not about the people…Holacracy doesn't try to improve people, or make them more compassionate, or more conscious. And it doesn't ask them to create any specific culture or relate to each other in any particular way. Yet precisely by not trying to change people or culture, it provides the conditions for personal and cultural development to arise more naturally – or not, when it's not meant to be."*

In reflecting on the shift to Holacracy is his own company, the legendary author of Getting Things Done, David Allen, contends, *"As we've distributed accountability down and through the organization, I've had much less of my attention on the culture. In an operating system that's* *dysfunctional, you need to focus on things like values in order to make that somewhat tolerable, but if we're all willing to pay attention to the higher purpose, and do what we do and do it well, the culture just emerges. You don't have to force it."*

Intent Based Leadership from *Turn the Ship Around!* By L.David Marquet

I view David Marquet's Intent Based Leadership as a simpler, more tactical version of self management with many tactics that you could start incorporating in your organization today (in contrast to a more formal transition to something like Holacracy). Similar to Laloux's and Robertson's philosophies, Marquet is fundamentally focused on the issue of how to make everyone a leader and the systems required to enable decision making and authority at the most local levels.

Marquet developed his philosophy during his time as the captain of the *USS Santa Fe* in the United States Navy. The program he developed transformed the ship from one of the Navy's worst performing into the most combat effective nuclear powered, fast attack submarine in the squadron. In addition, the philosophy enabled the ship to remain at the top of the fleet long after Marquet's tenure ended and generated leaders selected for major command in numbers widely disproportionate to the statistical probabilities.

Contrary to many of the fears that often surround delegation and distributed authority, Marquet argues that distributing authority and delegating decision making authority is actually a method for organizational control. He says, *"I learned that focusing on who was put in charge was more important than trying to evaluate all the ways the event could go wrong."* However, to delegate authority effectively, Marquet found that control had to be backed up by two supporting pillars: 1) creating clarity around the organization's vision and goals which team members can use for guidance in decision making and 2) implementing methods that allowed team members to build the technical competence they needed to effectively assume control. In his words,

> *"We discovered that distributing control by itself wasn't enough. As that happened, it put requirements on the new decision makers to have a higher level of technical knowledge and a clearer sense of organizational purpose than ever before. That's because decisions are made against a set of criteria that includes what's technically appropriate and what aligns with the organization's interests."*

Marquet developed a variety of methods for delegating control while creating clarity and competence, but I'll hit on some of the defining ones to give you a sense of this style of management:

- **"I intend to" (mechanism for control):** A fundamental shift Marquet made was transitioning the workflow of the ship from a permission based follower structure with phrases such as “request permission to” and “do you think we should?” to an active doer structure. In this new structure, rather than waiting for instructions, crew members were to approach their leaders using language such as “I intend to” or “I will.” Over time, this was expanded to these team members anticipating what their leader was thinking about and including explanations for their own thinking and rationale as part of their approach. Marquet writes, *“The benefit from this simple extension was that it caused them to think at the next higher level. The OODs needed to think like the captain, and so on down the chain of command. In effect, by articulating their intentions, the officers and crew were acting their way into the next higher level of command. We had no need of leadership development programs: the way we ran the ship was the leadership development program.”*

- **Use Guidance Principles for Decision Criteria (mechanism for clarity):** Marquet and his team developed organizational clarity by clearly articulating a set of principles that would enable crew members to answer the following question: *“If I were a crew member and faced with deciding between two different courses of action, would these principles provide me with the right criteria against which to select the appropriate course of action?”*
    - It’s important to note that the guiding principles were just as important for leadership. Marquet reflects, *“My own behavior frequently needed adjustment when it was tested against the guiding principles. For example, I might initially attempt to dismiss a sailor who had a suggestion for a new way of doing business without listening to his suggestion. I might be expecting openness from the sailors but at the same time responding to reports of mistakes with short tempered irritation rather than reflective curiosity. When the guiding principles were helping me, they were likely helping others.”*
- **Don't Brief, Certify (mechanism for competence):** Central to the development of technical competence was Marquet’s removal of briefings. He contends, *“A briefing is a passive activity for everyone except the briefer. Everyone else ‘is briefed.’ There is no responsibility for preparation or study. It’s easy to just not and say ‘ready’ without full intellectual engagement. Furthermore, the sole responsibility in participating in a brief is to show up. Finally, a brief, as such, is not a decision point. The operation is going to happen and we are simply not talking about it first.”*
    - In lieu of the briefing, Marquet introduced the concept of certification. In his words, *“A certification is different from a brief in that during a certification, the person in charge of his team asks them questions…At the end of the certification, a decision is made whether or not the team is ready to perform the upcoming operations. If the team has not adequately demonstrated the necessary knowledge during the certification, the operation should be postponed.”*

It's worth noting that Marquet's philosophy drastically improved the rate of re-enlistement on *USS Santa Fe*, despite everyone on the ship taking on more responsibility and working harder than ever before. Marquet explains the transformation writing,

> *"...the junior enlisted men used to look to see what their chiefs did to get a sense of whether they wanted to stick around and have that job. The old school chiefs didn't have a particularly hard life, emphasizing a rank over obligation, but it wasn't relevant. They weren't in charge of anything. With the concept of Chiefs in charge, the chiefs were working twice as hard. They needed to be out and about, being in charge of evolutions and ensuring that things went properly. They were the ones standing in front of the CO explaining why things hadn't gone well as they should have. Yet, their jobs now mattered and the decisions they made – affected the lives of 135 sailors and the combat effectiveness of a $2 billion warship. This was a job people could sign up for."*

For companies interested in utilizing his tactics, Marquet and his team released a tactical workbook for implementation. A revised and expanded third edition was just released in July of this year.

Building a New OS (Operating System) from *Brave New Work* by Aaron Dignan

Brave New Work's author, Aaron Dignan, was heavily influenced by Laloux's work and the study of "evolutionary" organizations across the world. In his research, he identified two common mindsets that characterized all of the organizations he studied. However, rather than prescribing a single guiding philosophy, Dignan developed frameworks for leaders to create their own "evolutionary" practices across 12 primary components he found were central to organizing work. Those domains collectively become the "operating system" that runs the organization. Like the other philosophies discussed, Dignan doesn't assign blame to leaders, people, or organizational strategy but rather to the operating system (OS) those actors are operating within. In his words, *"Get the OS right and your organization will run itself."*

This approach is well suited for executives that align with the philosophies described above but want to "choose their own adventure" in how to implement them.

The two mindsets that Dignan identified in being core to evolutionary organizations are outlined below:

- **People positive:** Rather than building organizations from the belief that people don't want to work or learn without incentive, and therefore must be controlled, Dignan attests that building in a people positive way means building from the belief that people have an innate desire to fulfill their potential and self actualize. Dignan argues, *"Ultimately, the people positive leader believes that when it comes to human beings, we show up the way we are expected to show up – the way we are treated."* The premise, which has increasingly been evidenced throughout this essay, is that under conditions of greater autonomy, worker motivation tends to thrive. Dignan concludes,

    > *"We cannot do the best work of our lives under the auspices of an OS that presumes our stupidity, our laziness, and our untrustworthiness. When it comes to people, in many ways you get what you design for."*

- **Complexity Conscious:** In Dignan's view, acknowledging the organization as a complex system means understanding that the relationships and interactions between the components of the organization are more important than the components themselves. He writes,

    > *"The mainstream view is that performance is the result of compliance. If we can just get everyone to do exactly as we say, we will achieve our goals. This translates into a culture buried in governing constraints - rules, policies, or processes for every imaginable scenario that dictate exactly what should be done. But Complexity Conscious leaders view performance as the result of*

collective intelligence, emergence, and self regulation. If we just create the right conditions, everyone will continually find ways to achieve their goals. This translates into a culture that is made coherent and free by enabling constraints – agreements that create freedom to use judgment and interaction in the vast majority of situations."

Dignan's guiding frameworks give leaders the tools to create people positive and complexity conscious systems from the ground up by targeting and redesigning the 12 primary domains of work he identified below.

- Purpose (how we steer and orient)
- Authority (how we share power and make decisions)
- Structure (how we organize and team)
- Strategy (how we plan and prioritize)
- Resources (how we invest our time and money)
- Innovation (how we learn and evolve)
- Workflow (how we divide and do the work)
- Meetings (how we coordinate and convene)
- Information (how we share and use data)
- Membership (how we define and cultivate relationships)
- Mastery (how we grow and mature)
- Compensation (how we pay and provide)

Calm Companies from *It Doesn't Have to Be Crazy at Work* by Jason Fried and David Heinemeier Hanson

While authors Jason Fried and David Heinemeier Hanson wrote *It Doesn't Have to Be Crazy at Work* (published 2018) independently of *Brave New Work* (published 2019), I think the book serves as an example of an organization thoughtfully creating policies using the type of thinking and framing identified in Dignan's book. In their book, Fried and Heinemeier Hanson share the philosophies they've developed over the past 20+ years as the cofounders of Basecamp. I'll quickly note that Basecamp has been profitable every year since inception, serves over 100,000 customers, has never raised outside funding, and has done double digit millions in profit every year for the past 10 years.

Fried and Heinemeier Hanson's overarching philosophy is the concept of the calm company defined by the following tenets:

- Calm is about protecting people's time and attention
- Calm is about 40 hours of work a week

- Calm is reasonable expectations
- Calm is ample time off
- Calm is smaller
- Calm is a visible horizon
- Calm is meetings as a last resort
- Calm is asynchronous first, real time second
- Calm is more independence, less interdependence
- Calm is sustained practices for the long term
- Calm is profitability

The overview below shows an example mapping of a select number of Brave New Work Operating system domains against the policies and philosophies outlined in *It Doesn't Have to Be Crazy at Work*. If you liked the *Brave New Work* approach and were curious to see an example, here you go!

Brave New Work (BNW) Domain: Structure (How We Organize and Team)

Example BNW questions to explore as a team:

- What about our structure is fixed? What is fluid?
- What about our current structure is causing tension?
- How would an ideal structure serve us? What benefits would we expect to see?

Guiding frameworks:

- **Being people-positive about structure** means recognizing that people are capable of self-organizing if the conditions are correct.
- **Being complexity conscious about structure** means being organized for adaptivity and allowing teams to be reorganized continuously. Structure is driven by teams closest to the market.

Basecamp Example: Three's Company

- "*Nearly all product work at Basecamp is done by teams of three people. It's our magic number. A team of three is usually composed of two programmers and one designer...We don't throw people at problems, we chop problems down until they can be carried across the finish line by teams of three.*"

Brave New Work Domain: Strategy (How We Plan and Prioritize)

Example BNW questions to explore as a team:

- What are the critical factors that will mean the difference between success and failure?
- How do we use strategy to filter and steer day to day?
- How does our strategy inform our planning process?

BNW guiding philosophies:

- **Being people-positive about strategy** means recognizing that strategy depends on our ability to perceive what's really going on.
- **Being complexity-conscious about strategy** means accepting that your strategy is only as good as your ability to learn and adjust course.

Basecamp Examples

- **No Goals:** "*Do we want to make things better? All the time. But do we want to maximize 'better' through constantly chasing goals? No thanks. That's why we don't have goals at Basecamp. We didn't when we started, and now, nearly 20 years later, we still don't. We simply do the best work we can do on a daily basis.*"
- **Six Week Cycles:** "*For nearly 20 years, we've been figuring it out as we go, a few weeks at a time...Every six weeks or so, we decide what we'll be working on next. And that's the only plan we have.*"
  - The company uses their Shape UP philosophy to define the focus of each cycle.

Brave New Work Domain: Meetings (How We Convene and Coordinate)

Example BNW questions to explore as a team:

- What meetings do we require to do our best work?
- How are meetings facilitated and documented?
- Which meetings are recurring and why?

- How do we improve or eliminate meetings that are no longer serving us?

BNW guiding philosophies:

- **Being people positive about meetings** means recognizing that humans crave connection and relatedness. However, rather than treating all meetings as social free-for-alls, let the purpose of every meeting dictate its structure.
- **Being complexity conscious about meetings** means accepting that coordination and shared consciousness in a complex system require high bandwidth forums for information sharing, including meetings.

Basecamp Examples:

- **Office Hours:** "*All subject matter experts at Basecamp publish office hours. But what if you have a question on Monday and someone's office hours aren't until Thursday? You wait, that's what you do...Just like you would if you had to wait to talk to your professor...It turns out that waiting is no big deal most of the time. But the time and control regained by our experts is a huge deal.*"
- **Calendar Tetris:** "*Getting on someone's schedule at Basecamp is a tedious, direct negotiation, not an easy, automated convenience. You have to make your case. You can't just reach into someone's calendar, find an open spot, and plant your flag. That's because no one can see anyone else's calendar at Basecamp.*"
- **The Wrong Time for Real Time:** "*When it comes to chat, we have two primary rules of thumb: 'Real time sometimes, asynchronous most of the time' and 'If it's important, slow down'...If something is being discussed in chat and is too important to be processed one line at a time, we ask people to write it up instead. This goes together with the rule 'If everyone needs to see it, don't chat about it.'*"

Brave New Work Domain: Compensation (How We Pay and Provide)

Example BNW questions to explore as a team:

- What is our approach to compensation?
- How do we define and ensure fair compensation?
- How are changes in compensation triggered and conducted?

- Do we offer profit sharing or equity compensation?

BNW guiding philosophies:

- **Being people positive about compensation** means recognizing that compensation is a hygiene factor that should be fair and generous enough to not matter. Keep the focus on autonomy, mastery, and purpose—conditions that actually support motivation.
- **Being complexity conscious about compensation** means accepting that no formula, leveling system, skills matrix, or series of job titles is going to sufficiently capture the complexity of a real workforce. Compensation can't be solved, it must be tuned.

Basecamp Examples:

- **No Negotiation Policy**: Basecamp doesn't negotiate salaries or raises. Everyone in the same role at the same level is paid the same.
- **Clear Leveling System:** For promotions, every employee fits into a level on a scale and there is a salary pegged to each level per role.
- **Automatic Market Adjustments:** Every year the company reviews market rates and issues raises automatically. They target paying at the top ten percent of the market regardless of the role. If someone is below the target, they get a raise large enough to match. If someone is already above the target, they stay there.
  - Because they are a technology company, they base market rates on San Francisco numbers despite not having any employees there.
- **Salary is benchmarked against other companies' salary + bonus packages:** Basecamp doesn't pay traditional bonuses so salaries are benchmarked against other companies' salaries plus bonus packages.
- **No Stock Options**: There are no stock options because they never intend to sell the company. They will distribute 5% of the proceeds to all current employees if they ever sell the company.
- **Profit Growth Sharing:** They do a profit growth sharing scheme where they distribute 25% of the growth of profits year-over-year (if there is growth) to all employees.

Part IV: Conclusion

Phew! In case I lost you at any point in there (which I probably did), the point is that decentralized organizational systems, which allow for distributed authority and decision making, as well as adaptability and fluidity, have proven to be effective for creating long term financial results and high levels of motivation and engagement amongst employees. We've looked at a wide range of examples from real life companies where these philosophies have been applied successfully including public companies, a Dutch healthcare organization, a leadership consultancy, the US Navy, and a 20 year old technology startup.

In the concluding pages of *Brave New Work*, Dignan poses two questions that this type of thinking naturally provokes: *"Can everyone work this way? What about people who lack the requisite intelligence or maturity?"* I think his response is worth quoting:

> *"It's easy to get caught up in the idea that self management requires a certain level of intellect and sophistication. But I think that's a mistake. It requires emotional maturity and competence, both of which can be nurtured in anyone in the right environment. Not everyone can be a rocket scientist, but not everyone can cook pit barbecue, either. Our natural talents, education, and socialization create diversity, which in the right context can be a source of power. I've seen self management positively flourish in places where workers historically have been treated as disposable – in factories, in fast food, in retail, and these cases give me hope that the future of work can include everyone. An old Henry Ford quote best sums up my feelings on this question: 'Whether you believe you can do a thing or not, you are right.'"*

Perhaps there is a path to creating fulfilling work and high performance organizations after all. There's only one way to know for sure if your organization can make the shift…Now you know a few places to look to get started.

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