

IAN SAYS

## DO YOU LIKE IT FLAT?

IMAGINE an organisation being run with minimal hierarchy, let alone bureaucracy. I'm not referring to start-ups with two co-founders running the entire show, mind you. These are multimillion outfits that have entire teams working on simultaneous projects, minus the traditional top-down approach – where the manager barks the orders, and the team of subordinates executes the directive. We have come a long way from traditional management methods of toeing the line and submitting to the instructions of our “pay masters”. Disruptors of different industries are emerging everywhere, and they will not rest until a revolution of sorts become a reality.

Holacracy, a word that was so foreign to me when I first heard it. It sounded like something that came from an intergalactic dimension – pardon my ignorance for a moment. After doing a little search on Google, it is being defined as a new way of running an organisation that strips power off the management hierarchy and allocates it across clear roles. It is then rolled out independently, without a boss who's consumed with micromanaging. Radical and risky – those are the two words that come to mind while reading how holacracy is being defined. One of the most prominent advocate of this structure is Zappos (today a wholly-owned subsidiary of Amazon) – they make more than two billion US dollars annually. That's a pretty cool amount to be making for an organisation that doesn't have traditional managers.

If you are like me, most of us would be thinking that these organisations would be running themselves to the ground, with chaos and incompetence being the by-product. We can't be further from the truth. A key difference with holacracy is that roles are defined not around people, but the project or work that is being delivered. Another area would be authority – teams and individuals are empowered, and decisions decentralised. Rules established are also standardised, and applied to all, including the chief executive officer. Talk about being transparent and leading by example. Read on to find out what being flat with our organisations can potentially bring to the table, and how it could ultimately transform the way we run businesses.

In *Hard Talk*, Sanjeev Nanavati, the longest-serving CEO of Citibank Malaysia brought up the question: “Can everything in a complex business be reduced to metrics?” It was a challenging and thought-provoking read, as he asked a number of pertinent questions that many organisations are consumed with. Flip through the pages to find out what he has to say about the subject matter.

Till then, have a wonderful weekend ahead.

Carpe diem,  
IAN LEE  
Editor  
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### FAST FACTS

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We are committed to providing content that engages and inspires our readers. If you would like to suggest a **specific theme or topic on leadership** for us to explore, contact us by email at [editor@leaderonomics.com](mailto:editor@leaderonomics.com)

Sources: [www.holacracy.org](http://www.holacracy.org), [www.fastcompany.com](http://www.fastcompany.com)

## HOLA, HOLACRACY!

### WHAT

Holacracy is a comprehensive management practice for structuring, governing and running an organisation. It replaces today's top-down, predict-and-control paradigm with a new way of achieving control by distributing power.

Holacracy defines people not by the conventional hierarchy and titles, but by roles. It aims to create organisations that are fast and agile, i.e. ones that succeed by pursuing their purpose, not following a dated and superficial plan.

Holacracy is not the same as a flat organisation.

### WHO

Brian Robertson, a former computer programmer, invented holacracy. He created holacracy in 2007 because he had a burning sense that there has to be a better way to work together.

This is after his own frustrations over the bureaucracy in traditional organisations that seemed to stifle people from using their natural gifts and talents.

### WHERE

Champions and advocates of holacracy include Tony Hsieh, chief executive officer (CEO) of Zappos; Evan Williams, co-founder of Blogger, Twitter, and Medium; and David Allen of the David Allen Company.

### WHY

Holacracy is specifically designed for swift and sustainable scaling, as the organisation's structure of circles expands and divides based on the work that needs to get done.

It establishes a framework for integrated decision-making, without falling into the trap of hierarchical consensus building.

Leadership and management is distributed, resulting in more engaged and autonomous team members.

### HOW

In traditional companies	With holacracy
<ul style="list-style-type: none"> <li>Each person has exactly one job. Job descriptions are imprecise, rarely updated, and often irrelevant.</li> </ul>	<ul style="list-style-type: none"> <li>Roles are defined around the work, not people, and are updated regularly. People fill several roles.</li> </ul>
<ul style="list-style-type: none"> <li>Managers loosely delegate authority. Ultimately, their decision always overtrump.</li> </ul>	<ul style="list-style-type: none"> <li>Authority is truly distributed to teams and roles. Decisions are made locally.</li> </ul>
<ul style="list-style-type: none"> <li>The organisational structure is rarely revisited, mandated from the top.</li> </ul>	<ul style="list-style-type: none"> <li>The organisational structure is regularly updated via small iterations. Every team self-organises.</li> </ul>
<ul style="list-style-type: none"> <li>Implicit rules slow down change and favour people “in the know”.</li> </ul>	<ul style="list-style-type: none"> <li>Everyone is bound by the same rules, CEO included. Rules are visible to all.</li> </ul>

### COMMON TERMS USED IN HOLACRACY

- **Circle:** People work within circles that represent different aspects of a company's work.
- **Role:** A job with a specific mandate within a circle. The person who empowers a given role has autonomy over that domain.
- **Governance:** A regimented meeting where the structure of the organisation (circles and roles) is decided. These can happen whenever an organisation thinks is necessary.
- **Tactical meeting:** A replacement for weekly team meetings, during which circle members ‘process tensions’ until they're resolved.
- **Tension:** The problem someone has with the work. It's officially defined as “dissonance between what is (current reality) and what could be (the purpose).”
- **Tension processing:** Each person talks out his problem with the group until he who raised the tension is satisfied with a next step.



### RISE ABOVE YOUR EMOTIONS

CONTRARY to popular belief, emotions are good if you turn them into emotional intelligence (EQ) and manage them well.

Stereotypically, women are known for being emotional, reactive and unstable. But to their advantage, women have higher emotional intelligence if they know how to manage it appropriately.

Jermaine Bee from Leaderonomics gives us more insights on emotions and EQ.

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