# In what kind of organization you work?

Small ⬅➡ Large

# Do you work in a
# pyramidal organization?
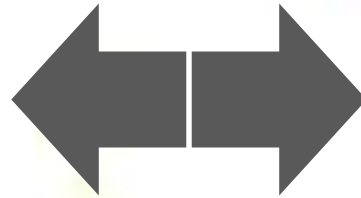
Yes ⬅➡ No

# Do you have the **freedom** you wish at work?

Yes ⬅➡ No

# Are you tapping into your **talent** everyday?

Yes ⬅️➡️ No

# Do you think that a new paradigm is underway?

Yes ⬌ No

**Something is <u>broken</u> in the existing organization management method**

# Happy & Engaged Employees

**37%** less absenteeism and employee turnover (on average)

**48%** fewer safety incidents

**41%** fewer product defects

**21%** higher productivity

**22%** higher profitability

I ❤ my job

# A new paradigm is emerging
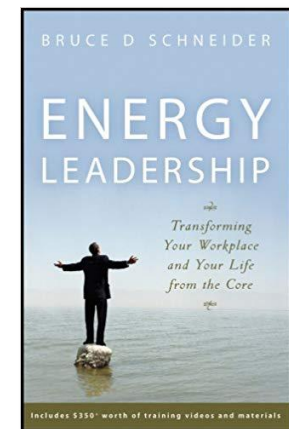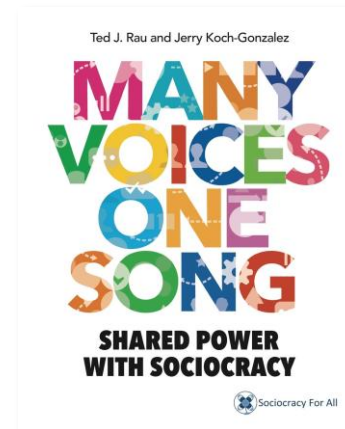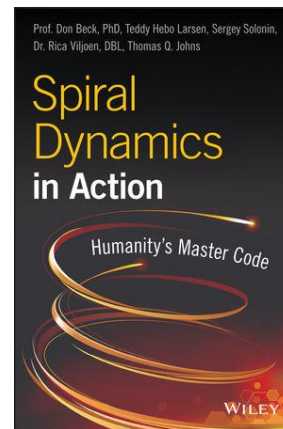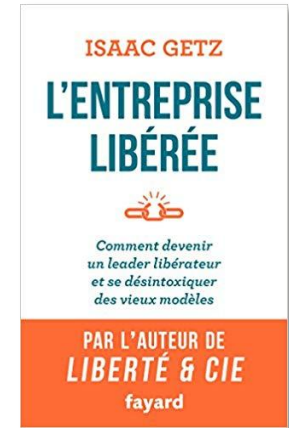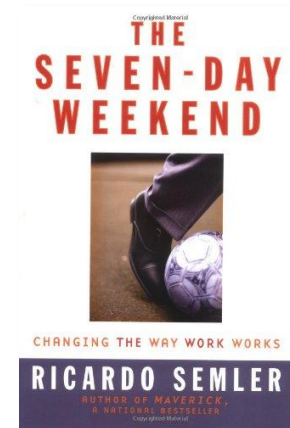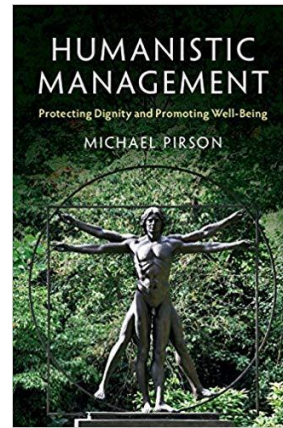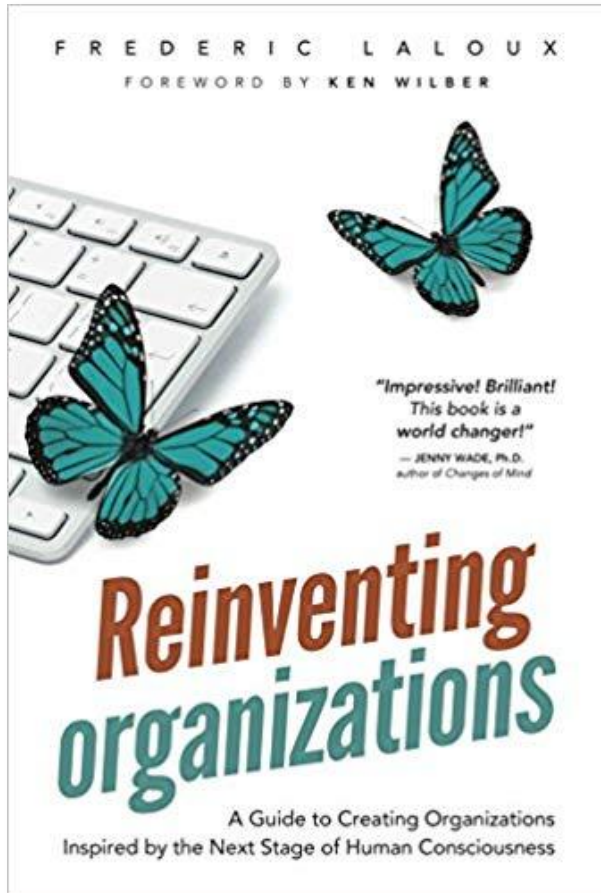
# Misperceptions

- There is no structure;

- No management;

- No leadership;

- Everyone is equal;

- It's about empowerment;

- It's still experimental.

Harley-Davidson Motor Company
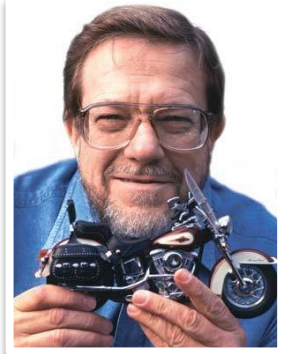
Richard Teerlink

Employees receive part of the company profit → Co-create vision of the company with employees through Unions → Eliminated fixed teams and created natural working circles

GORE
Creative Technologies
Worldwide

Bill Gore

GUARANTEED
TO KEEP YOU DRY
GORE-TEX
PRODUCTS

GORE-TEX
Active

Make money
and have fun!

Employees are
defined as
"Associates" with
shared profit

6 months
integration period
to find the person's
Sweet spot

Associates are assigned a
mentor to help them with
personal development

Make natural
leaders emerge

WHAT'S
DIFFERENT
NOW?

THE RIGHT TIME IS NOW

# The big developmental stages of mankind



| TRIBAL AGE | AGRARIAN AGE | SCIENTIFIC AGE | INFORMATION AGE | ? |
|---|---|---|---|---|
| 10,000 years ago | 4,000 years ago | 400 years ago | 20 years ago | Today |

**WOMEN'S EQUALITY**
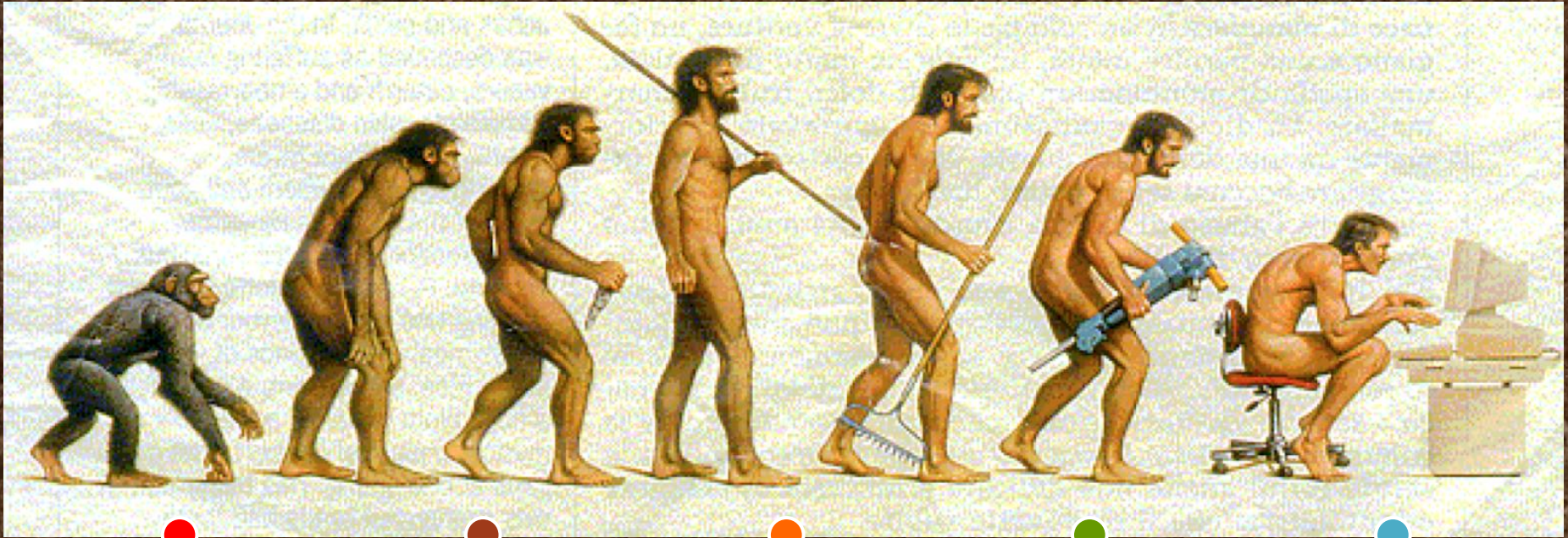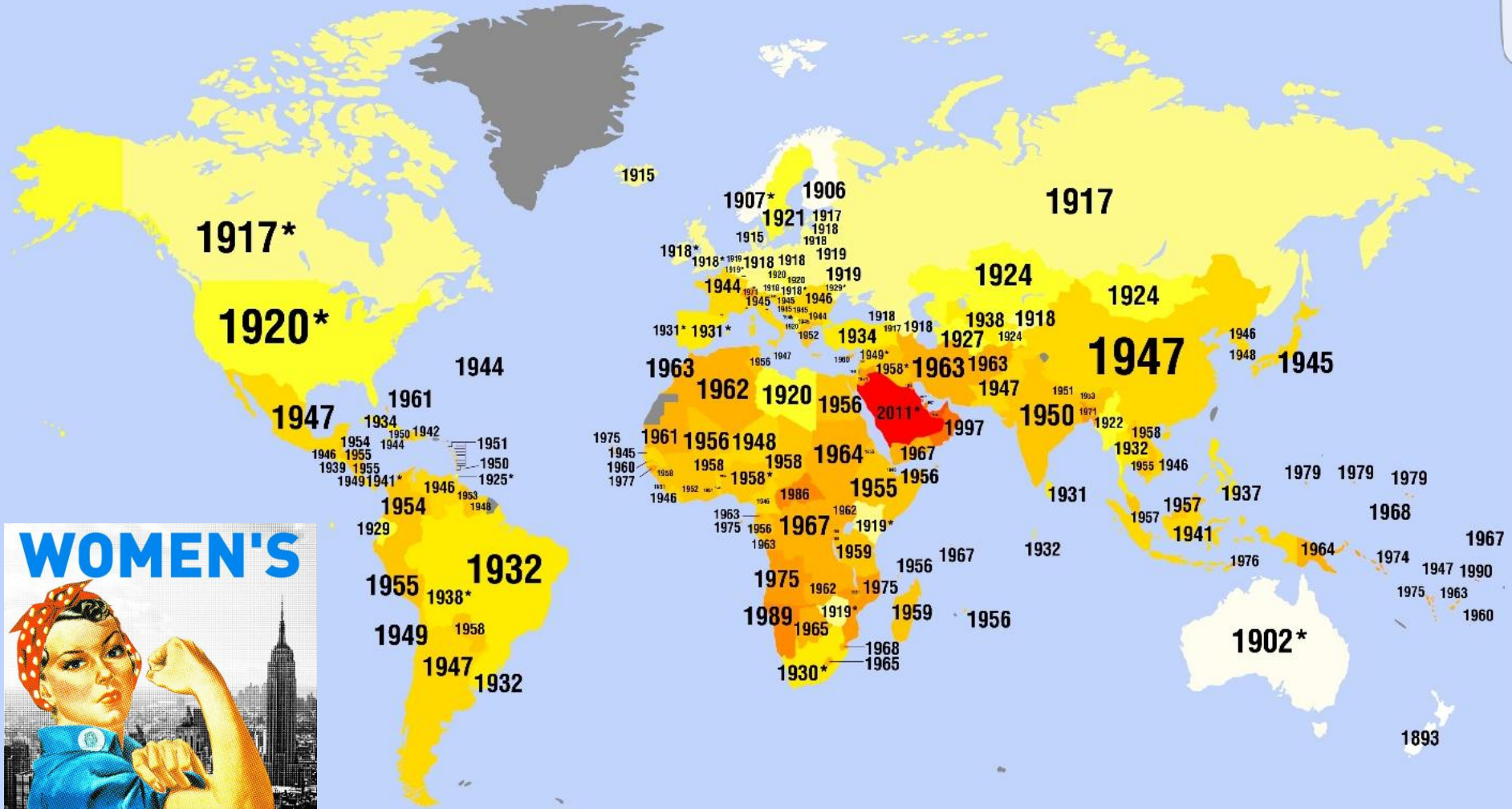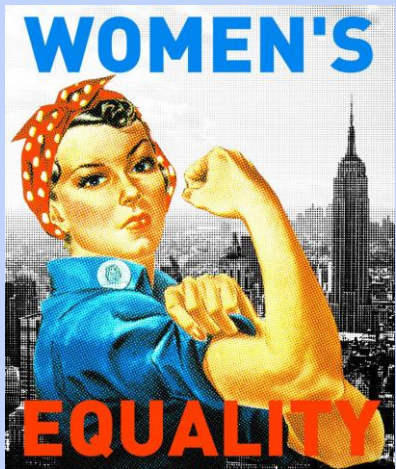
DECADE WOMEN OBTAINED THE RIGHT TO VOTE

1917*  1920*  1947  1944  1961  1934  1950 1942  1951  1950  1925*  1954  1938*  1932  1955  1938*  1949  1958  1947  1932

1915  1907*  1906  1921  1917  1918  1918  1918*  1918  1918 1918  1919  1944  1945  1946  1934  1918  1938 1918  1927  1924  1924  1947  1917  1918  1963  1963  1947  1947  1945  1945

1917  1924  1947  1945  1946  1948  1950  1922  1932  1958  1955 1946  1979 1979  1979  1968  1967  1947 1990  1975  1963  1960

1963  1962  1920  1956  2011*  1997  1961  1956 1948  1958  1958  1964  1967  1955  1956  1986  1967  1959  1956  1967  1956  1931  1941  1937  1957  1964  1974  1976  1975  1965  1919*  1975  1959  1930*  1968  1965

1902*

1893

| 1893 | 1900-09 | 1910-19 | 1920-29 | 1930-39 | 1940-49 | 1950-59 | 1960-69 | 1970-79 | 1980-89 | 1990-99 | 2000-09 | 2011 |

# How many Brains do we have?

**Distributed intelligence**
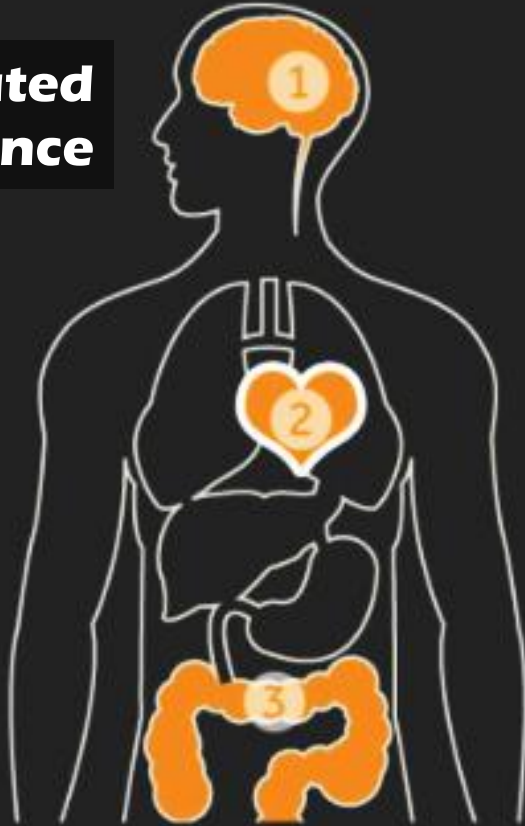
## DID YOU KNOW YOU HAVE 3 BRAINS?

These three brains are communicating together at any one point in time. Each organ has complex neuro-networks and is able to store and process information, and each has the capacity for neuroplasticity.

**1** YOUR HEAD
The brain in your head is made up of 100 billion neurons.

**2** YOUR HEART
The heart is made up of about 40,000 neurons. In addition to its other functions it also acts as a heart-brain which can sense, feel, learn and remember.

**3** YOUR GUT
You have 100 million neurons (also called nerve cells or brain cells) in your intestines? The gut is now being referred to by many scientists as the gut-brain.

How have human organizations **evolved** throughout these developmental stages?
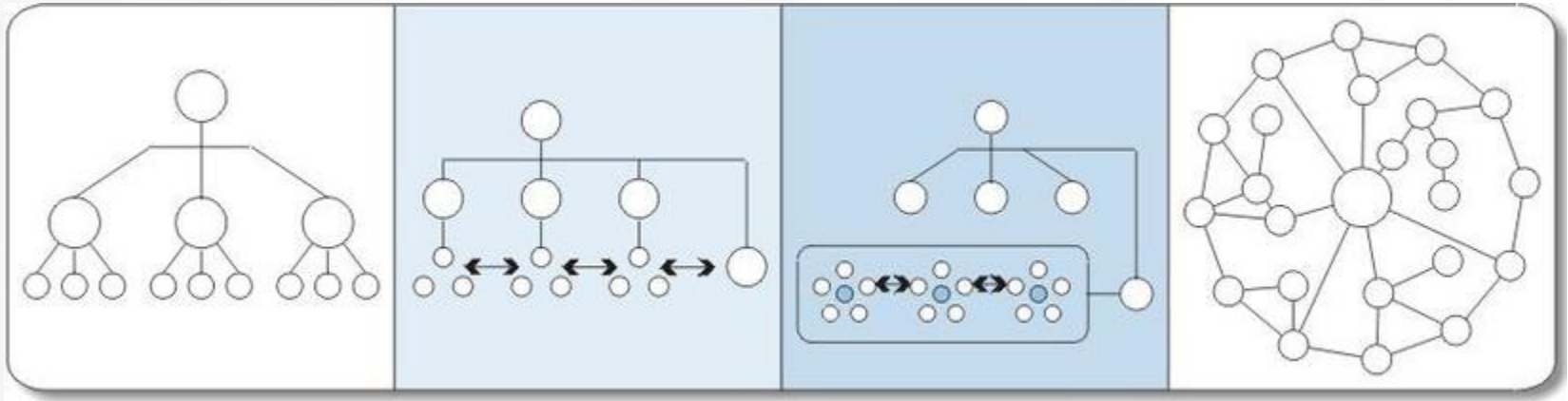
# Information age

## Scientific / Industrial age

### Agrarian age

#### Tribal age

**RED**
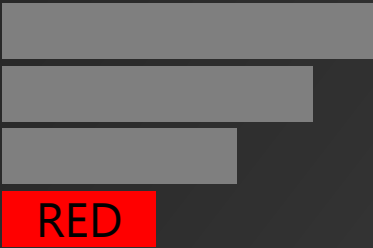
- Thrives in chaotic environments

- Constant exercise of power by chief to keep troops in line

- Breakthroughs: division of labor, command authority

- Fear is the glue

- Highly reactive, short-term focus
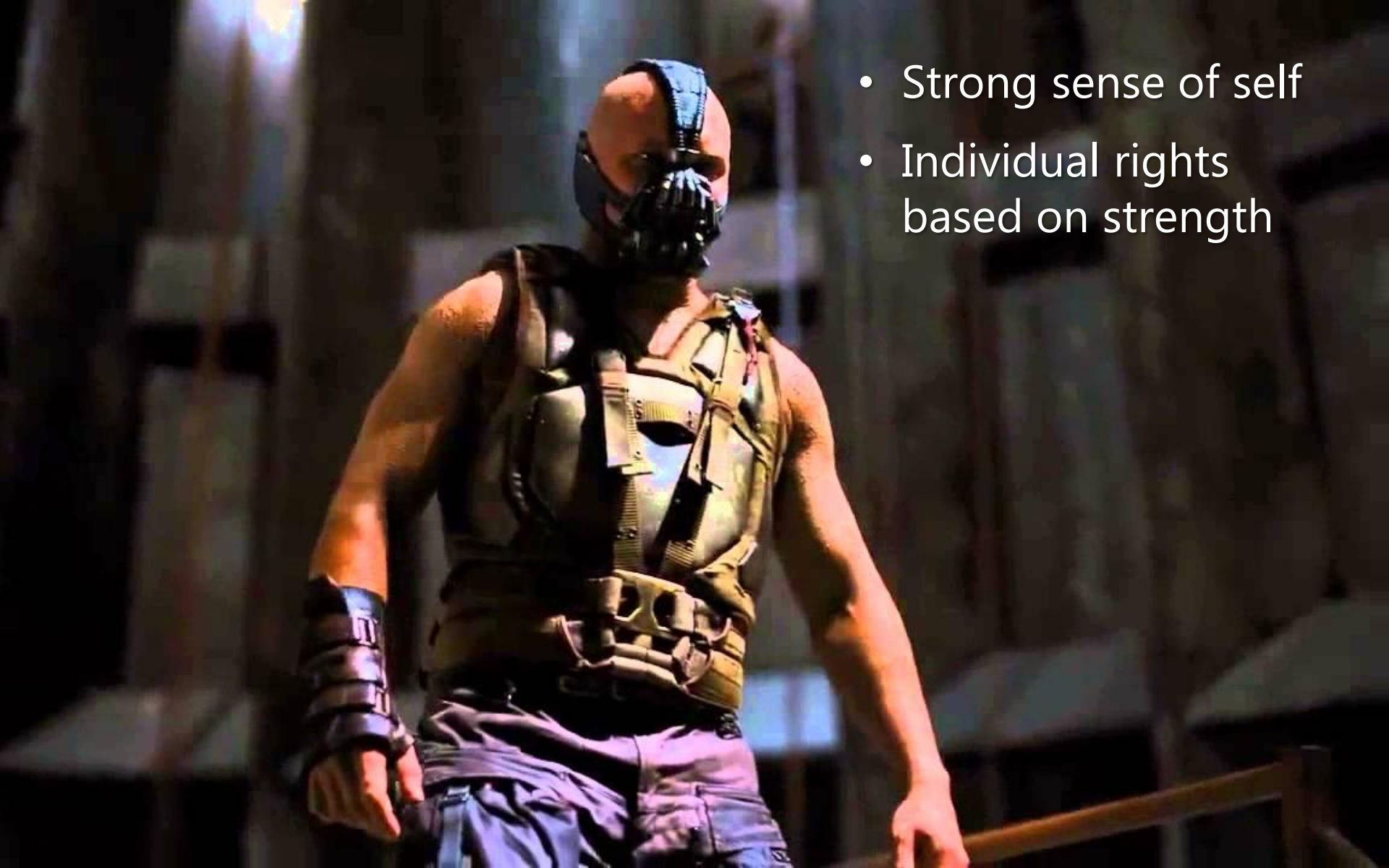
- Strong sense of self
- Individual rights based on strength

- Inability to organize beyond 3-4 degrees of power;

- High rates of murder;

- Thrives on instability;

AMBER

- Formal roles in **hierarchical** pyramid

- Top-down command and control

- Stability valued above all

- Replicable process (bureaucracy)

- Self-discipline and authority,

- Safety, Long-term perspectives

- Capacity to create world-wide organizations

- Inflexible

- Ethnocentric

- Fears Innovation

**Catholic Church, Army, Government agencies, Public schools**



Pope

Cardinals

Archbishops

Bishops

Priests

Deacons

The Laity

- Beat the competition

- Achieve profit and growth

- Innovation is key to stay on top

- Management by objectives (command & control on what; freedom on the how)

- Accountability

- Meritocracy



Kühlwasseraustritt
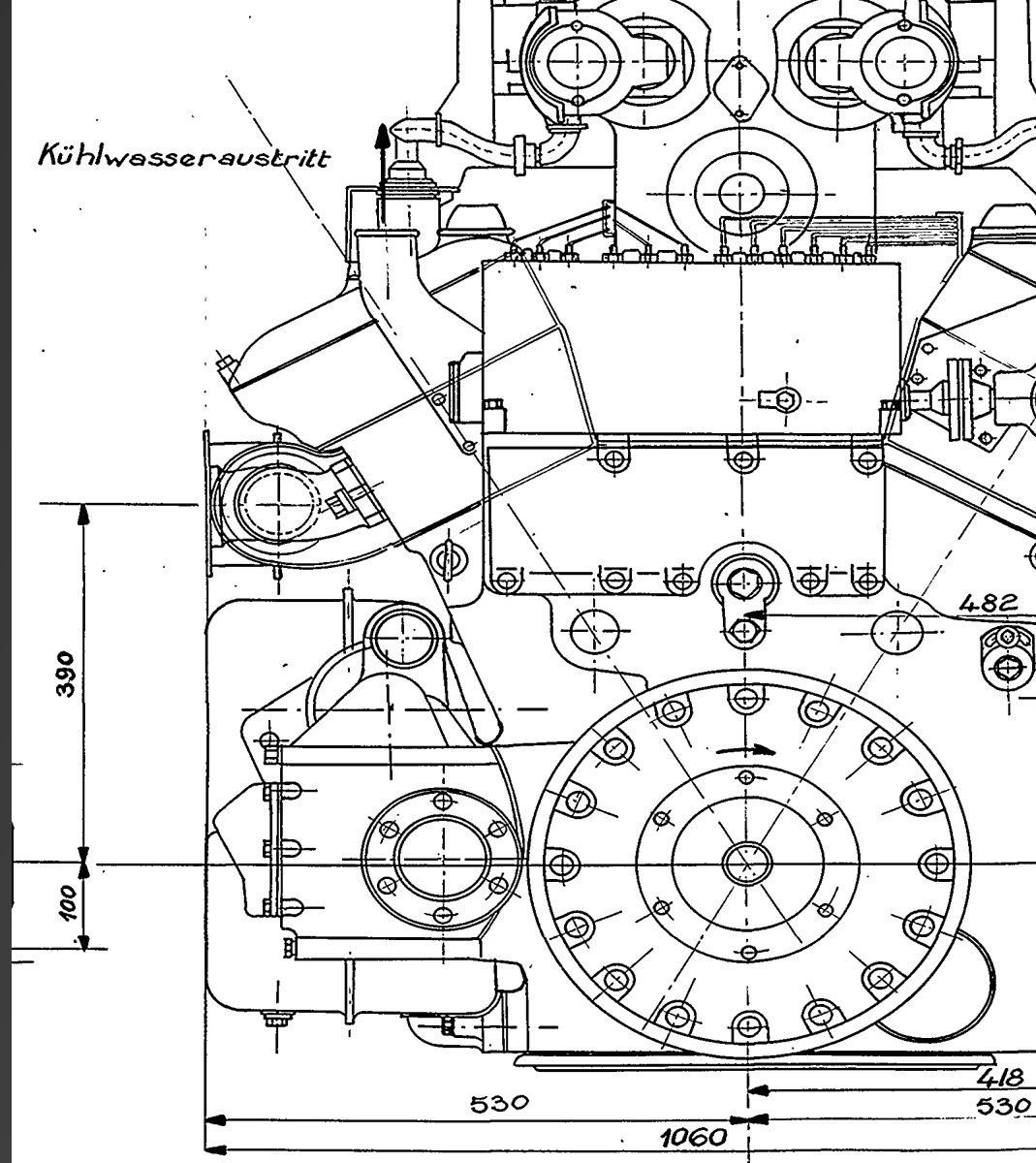
- Unprecedented abundance,
- Scientific curiosity & innovation,
- The optimism to risk

- Materialistic,

- Indifferent to nature,

- Social inequality,

- Loss of community,

- Unhappiness at the bottom

  of the pyramid

**Multinational
companies**

" Number one, cash is king... number two, communicate... number three, buy or bury the competition."

**Jack Welch**
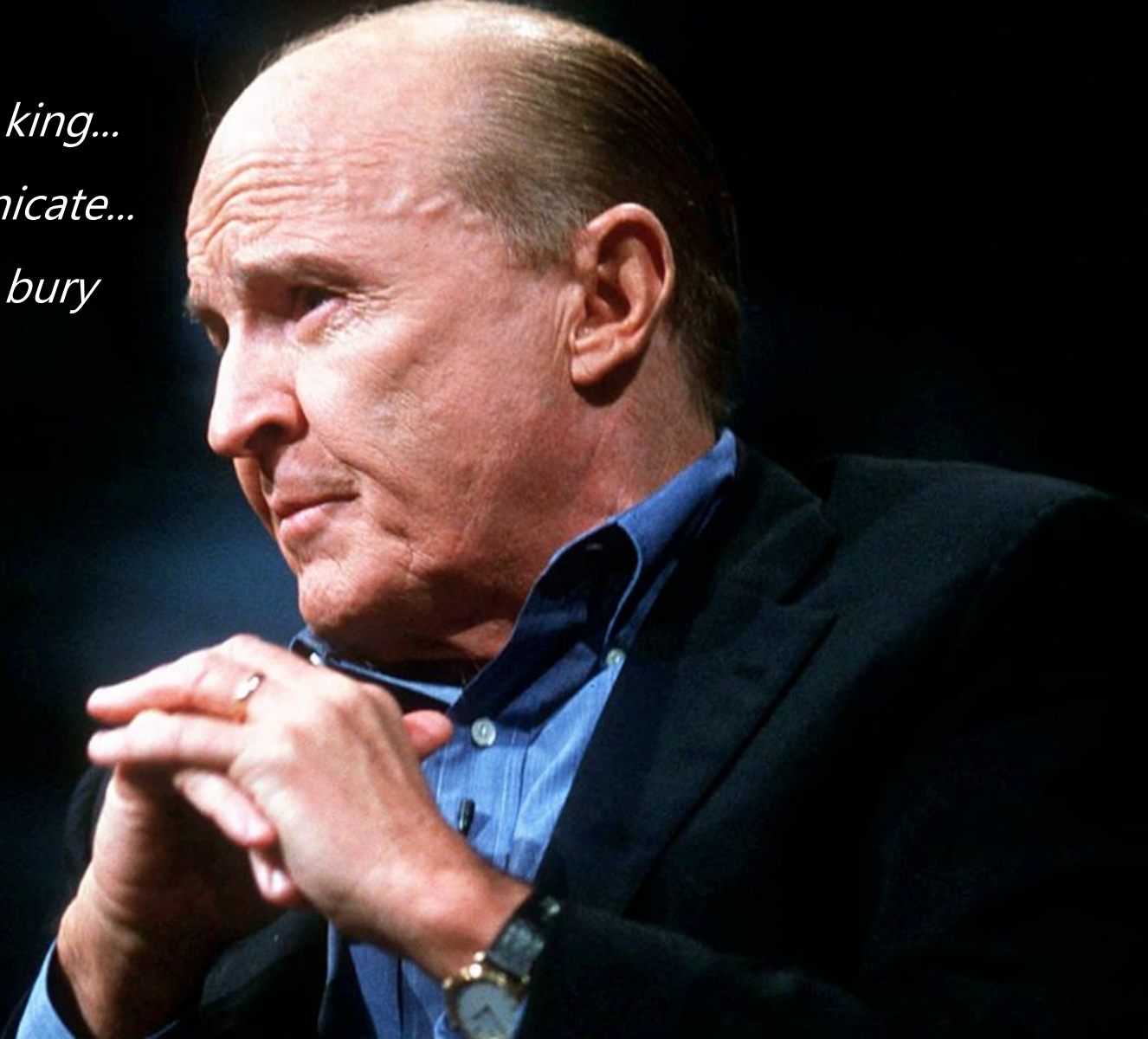
**Coming to the company to earn a living... it is not for <u>shining & passion</u>**

**Feeling of being powerless...**

**... also at the higher level!**

# Significance

**Are you contributing to a better future?**

- Still a pyramid structure

- Focus on culture and empowerment to achieve extraordinary motivation

- Values driven culture

- Stakeholder model

- World-centric and socially responsible



*"Corporate culture outperforms strategy"*
Peter Drucker

- Happy inclusion,
- Inspired work,
- Empowerment,
- Humble leadership,
- Benefits the world;

- Consensus traps,

- Closed World-view,

- Non-rational is better,

- Fear of power,

- Ineffective

**Ben & Jerry's, DaVita, Southwest Airlines**

**TEAL**

- Organizations as living systems
- **Trust** vs. control
- **Roles**, not job titles
- Egos claimed and tamed
- Compassion for all worldviews

# Living Organism

# Basic Assumptions

People are creative, thoughtful, trustworthy adults

People are accountable and responsible

3 + 2 = 4 !

People are fallible and make mistakes

Thomas J. Watson

1.   **Self-management**

2.

3.

HIGH COMPLEXITY

LOW COMPLEXITY

# HIGH COMPLEXITY

"Because hierarchy is always a pyramid structure, it pushes all complexities to the top"

power

NO HIERARCHY

>

lots of NATURAL HIERARCHIES

# Case Study: Home Nursing Care

**Since the 18° century**

- **80s**: Organized in 1 organizations (ORANGE!)
- Specialize nurses, call center, organize productivity & schedule (timing & journey) local/region/nation managers...

---

**BUURTZORG**

- John De Block
- From 10 to 9k ppl in 10 years
- 90% Market Share
- **Self-organization & self-management!**

**12**

Per team

**25**

Head Quarter

**If you have many people: you certainly require a structure but the boss is not necessary**

# In practice...

Autonomous teams

No bosses or organization chart
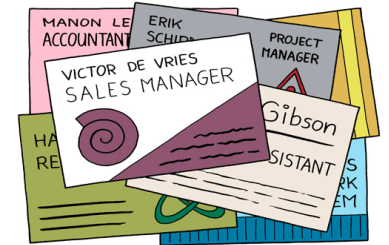
No job descriptions or job titles
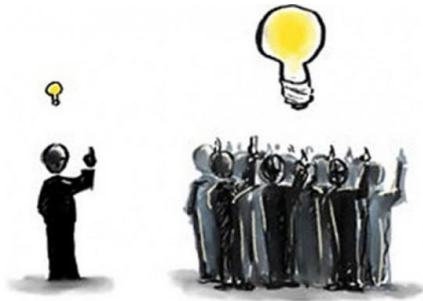
Distributed decision-making

Open Information flow

Conflict resolution

# Decision Making

Hierarchical decision making

## PEER ADVICE PROCESS

Consensus
- Endless discussion
- Dilutes responsibility

Anyone in the organization can make any decision...but you need to get Expert Advice

# Advice Process on Salary



**MORNINGSTAR®**

- Write a letter to give you a % increase

- Every factory chooses a committee in the election

- The committee arranges all the letters

- The committee advises only
  but **you take full responsibility**

- All information is open to the public

1. Self-management

2. Wholeness

3.

- **Rational**
- **Resolute**
- **Decisive**
- **Determined**
- **Clear attitude**

- ~~Emotional~~
- ~~Spiritual~~
- ~~Intuituve~~

"We want to create an environment where every employee can bring their whole self to work and not just make a living but also have a life."

*Indra Nooyi*
CEO of PepsiCo

# Living **vs**. Making a living

"*People need more than a pay-check in their lives to gratify them.*"
**Ricardo Semler**

Tap into your **reservoir of Talent**

Harvard Business Review

**Stop Worrying about Your Weaknesses**
by Peter Bregman

**Excitement**

# Follow-up on people

*"If people aren't motivated, they don't need to sign-up for a motivational training. They need a different job!"*
**Ricardo Semler**

- **No Formal Job Description**

- **Free Job Rotation**
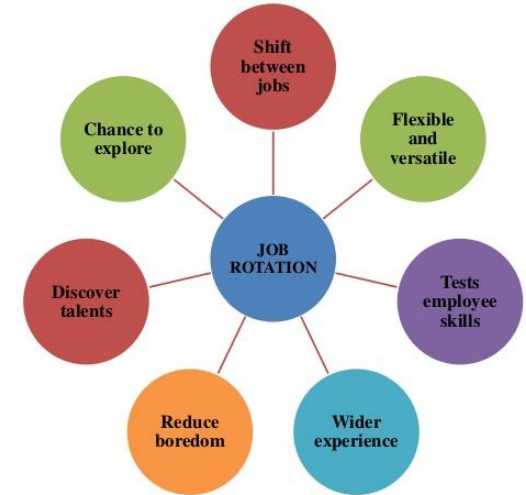
# In practice...



Self-management



Safe and supportive environment



Explicit ground rules



Reflective spaces



Ego-free Meetings



Physical Spaces

# The True Story of Life

| | Young | Adult | Old |
|---|:---:|:---:|:---:|
| |  |  |  |
| Time | ✔ | ✘ | ✔ |
| Money | ✘ | ✔ | ✔ |
| Energy | ✔ | ✔ | ✘ |

People have learned to answer an email on Sunday evenings, but they don't know how to go to see a movie on Monday afternoon...Locked in routines.

*"**We adapt to our employees' needs** so they can **pursue their self-interest** and **fulfill the company's agenda** at the same time. While they're busy satisfying themselves, they'll satisfy the company's objectives, too. They succeed, we succeed."*

**Ricardo Semler, The Seven-Day Weekend**

**Retire a Little**

**Up'n Down Pay**

**Work-n Stop Plan**

problem

ME
WE

solution

ME
WE
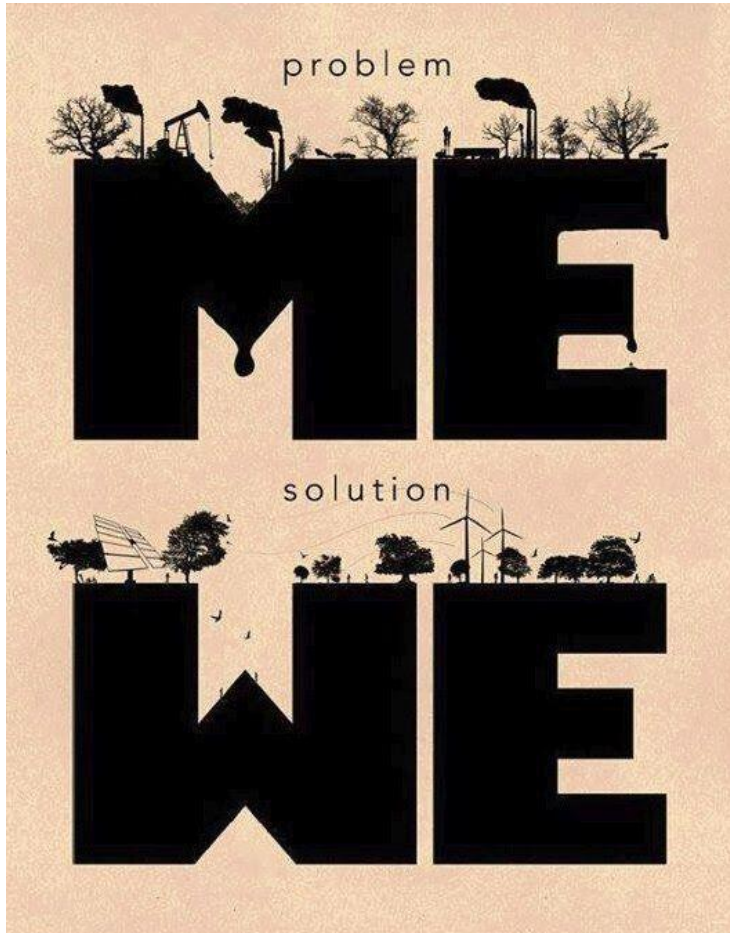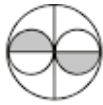
Heiligenfeld

*... auf dem Weg zu einem guten Leben!*

# Ego-free meeting
Every time I feel conflict, the person in charge will undertake a very simple job of ringing the bell

Work Environment

**making the makers**

# Welcome to **Mini-Nod**

1. Self-management

2. Wholeness

3. Evolutionary purpose

# Why Do We Exist?

# Profit is like the air we breathe.
## We need air to live, but we don't live to breathe.

**2X**

Buurtzorg's patients get
released from care twice
as fast as competitors.

**50%**

of the prescribed
hours of care

BUURTZORG

The role as a leader in this case it is not to instruct dictatorship "to **proceed in this direction**".

Rather, where the organization wants to head... It is to listen. In other words, leadership

Distributed Innovation
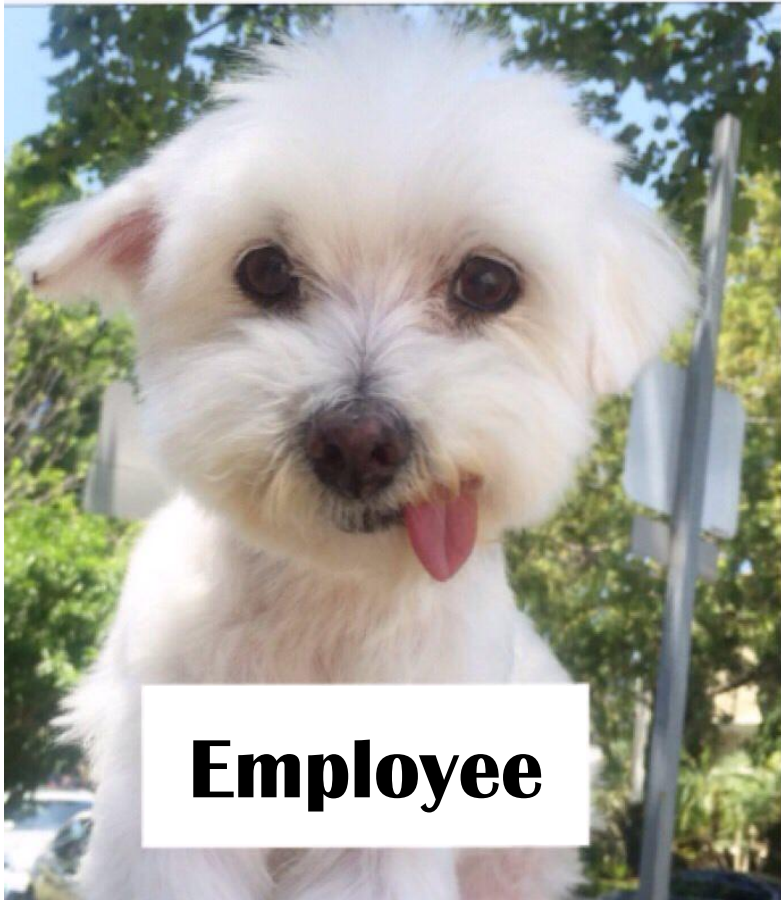
Employee

Intrapreneur

Employees led innovation

# Big Companies Must Embrace Intrapreneurship To Survive

**George Deeb** Contributor ⓘ

*I write about growth strategy, execution & financing*
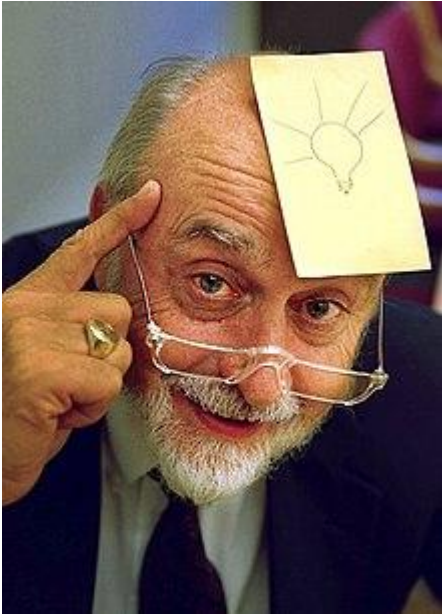
1968: Spencer Silver
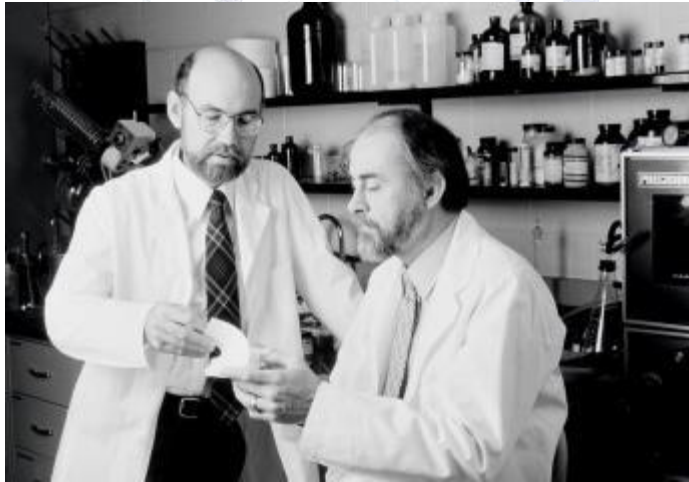
1974 >> Dr. Arthur Flry

Google

20%
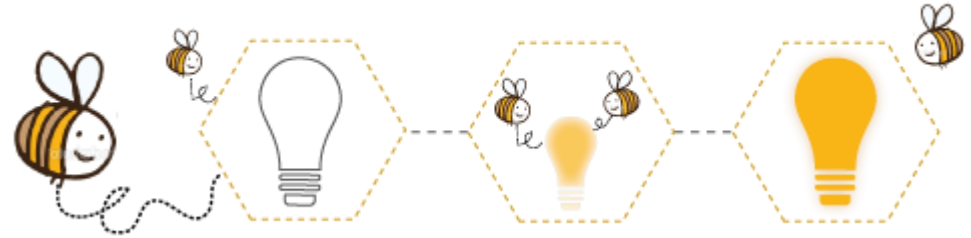
Paul Buchheit

Gmail

*I hope corporations will dedicate* **a percentage of their top innovators' time to issues that could help people left out of the global economy**… *It is a focused use of what your company does best. It is a great form of creative capitalism, because it takes the brainpower and … dedicates some of it to improving the lives of everyone else.*

**Simon Berry**

**SOCIAL INTRAPRENEURISM AND ALL THAT JAZZ**
How business innovators are helping to build a more sustainable world
A Greenleaf Publishing Book
David Grayson, Melody McLaren and Heiko Spitzeck

**THE POWER OF UNREASONABLE PEOPLE**
FOREWORD BY KLAUS SCHWAB
HOW SOCIAL ENTREPRENEURS CREATE MARKETS THAT CHANGE THE WORLD
JOHN ELKINGTON
PAMELA HARTIGAN

The Social Intrapreneur's DNA
Research Report 2014

**CHANGING YOUR COMPANY FROM THE INSIDE OUT**
A GUIDE FOR SOCIAL INTRAPRENEURS
Gerald F. Davis
Christopher J. White

**Myriam Sidibe**

Unilever brightFuture

Global social mission director of Lifebuoy soap

Microsoft

Reporting to make every BU fiscally accountable for its energy consumption

**Tamara diCaprio**

WHY

Intrapreneurship

Culture

Empowerment

Mindset

# Mindset

# The old Coke is back

By Keith Herndon
Staff Writer

Bowing to unending pressure from consumers and some bottlers, the Coca-Cola Co. said Wednesday it will reintroduce the original formula for its flagship soft drink, Coca-Cola, under the new trademark "Coca-Cola classic," while continuing to market the new Coke.

"Everyone wins," said Carlton Curtis, a spokesman for Coca-Cola. "Over 40 million consumers every day in the U.S. enjoy today's Coca-Cola, but thousands of dedicated Coca-Cola consumers have told us they still want the original taste as an option. We have listened, and we are taking action to satisfy their request."

Coca-Cola said the old Coke would be back on grocery store shelves in three weeks.

Investors embraced the return of old Coke, bidding up the soft drink company's stock by $2.37½ per share to close at $72.37½ on the New York Stock Exchange, the highest value for Coca-Cola's stock in 12 years. More than 1.6 million shares of Coca-Cola stock changed hands Wednesday, the largest Coke trading volume ever on a day when the issue rose.

The stock for Pepsi-Cola's parent company, PepsiCo Inc., was down 75 cents per share to close at $57 per share.

Wednesday's announcement by Coke caught the soft drink industry by surprise. In fact, an...

'We did not understand the deep emotions of so many of our customers for Coca-Cola.'

— DONALD R. KEOUGH
Coca-Cola president
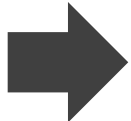
➡ **It is a bigger financial and strategic risk to launch a business to the end-customer only <u>after completing the whole product</u> or service.**

# Human Centered Innovation
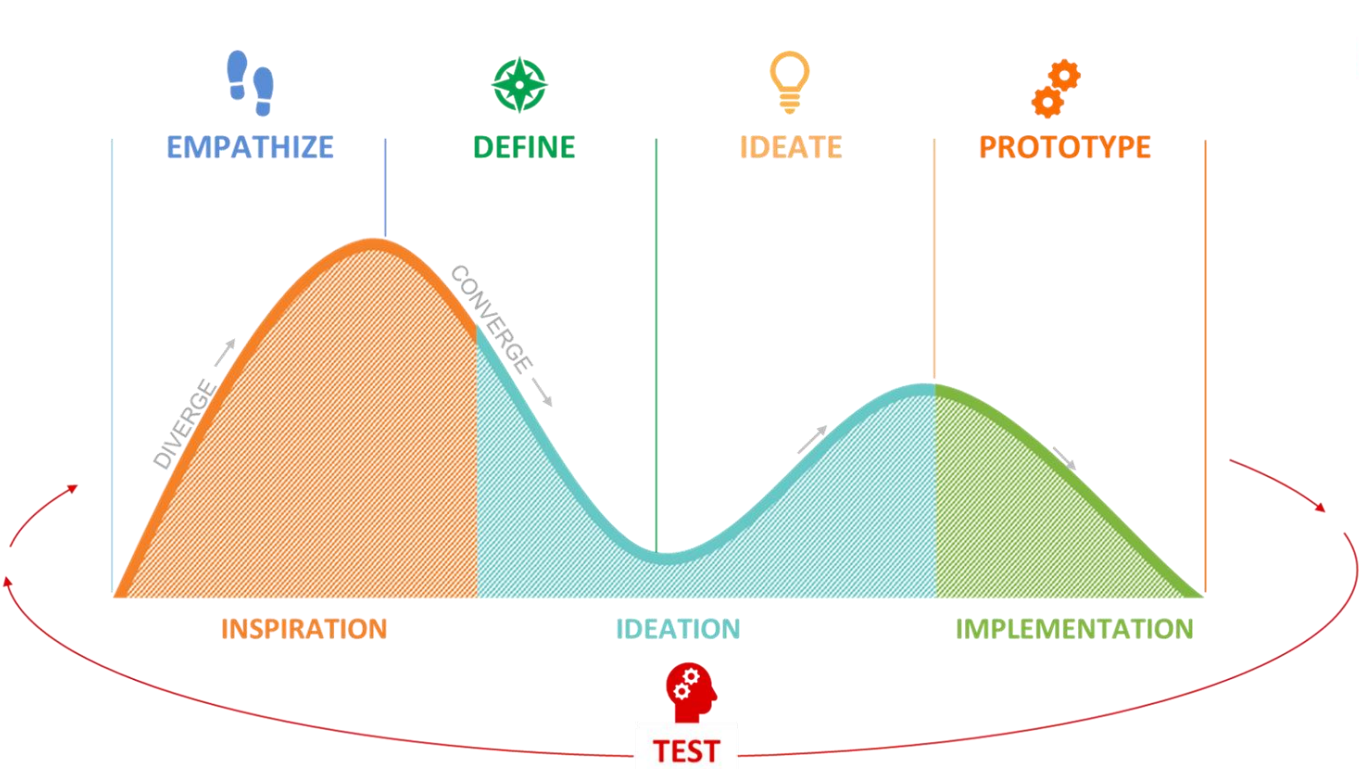
# Stop Achieving BIG Failure

*If we're building **something that no-body wants**,*

*what does it matter if we accomplish it...*
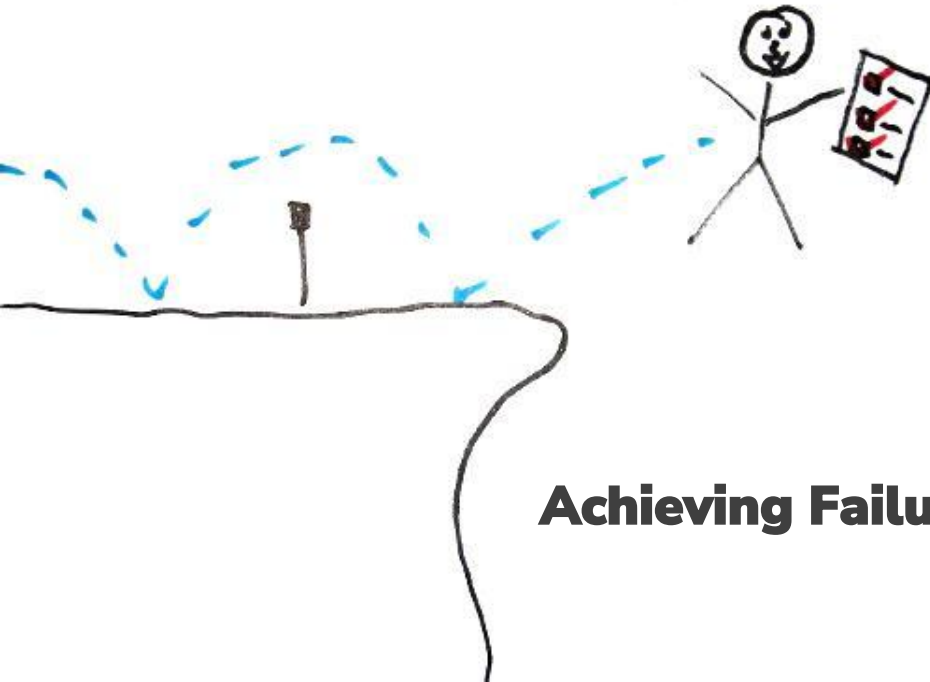
- ☐ On time
- ☐ On budget
- ☐ With high quality
- ☐ With beautiful design?

**Achieving Failure**: successfully executing a bad plan

BABELE
CREATE TOGETHER

# Organizations achieve failure all the time...

## A Jumbo Win For Boeing As Airbus Announces The End Of A380 Production

**Marisa Garcia** Contributor ⓘ
Aerospace & Defense
*I offer an insider's view of the business of flight.*

THE WALL STREET JOURNAL.

## How Airbus's A380 Went From Wonder to Blunder

World's largest passenger plane was hurt by misjudged market trends, internal dysfunction and production problems

showers, the iconic double-decker was a tough sale to airlines and its future was in doubt as Airbus struggled to find new customers. Advancements in technology meant

# GE *Fast Work* (2013)



CUSTOMER NEED
Discover and frame the challenge/opportunity.

POTENTIAL SOLUTION
Propose a solution to solve the customer need.

LEAP OF FAITH ASSUMPTIONS
Identify assumptions, including commercial & technical.

MVPs
Design and execute a series of tests to prove/disprove critical assumptions.

LEARNING METRICS
Measure and explore customer actions & behaviors.

PIVOT OR PERSEVERE
Based on customer validation Persevere, Pivot, or Stop.

CUSTOMER

ACT
DISCOVER
DEVELOP
LEARN

Chip Blankens

New working product each 3 months

Co-creation with sales team & suppliers

Engineers direct customer feedback

Half the program cost, 2x the program speed

40,000 ppl have been trained in the lean startup methodology

**IBM**

**10,000+ formally trained designers operating out of 44 design studios in over 20 countries!**

**2x**

faster to market

**300%**

return on investment

**75%**

increased team efficiency

A Forrester Total Economic Impact™ Study
Commissioned By IBM
February 2018

## The Total Economic Impact™ Of IBM's Design Thinking Practice

How IBM Drives Client Value And Measurable Outcomes With Its Design Thinking Framework

## The Loop drives us

Understand the present and envision the future in a continuous cycle of observing, reflecting, and making.

**Observe** ›
Immerse yourself in the real world.

**Reflect** ›
Come together and look within.

**Make** ›
Give concrete form to abstract ideas.

# Benefits & challenges

Scientific approach business feasibility

Reduces the risk of economic loss

Accelerates product development

Quickly learn what is not working

Track leaning and pivot effectively

The innovation Theater...

PERCENTAGE OF RESPONSES

| | |
|---|---|
| Concerns about showing products to customers before they are "baked" or "polished" | 50% |
| Hard to create minimum viable products in our industry | 36 |
| Don't have necessary resources (people or funding) | 33 |
| Current business model is inflexible | 32 |
| Marketing or sales feel like they own customer relationships | 29 |
| Threatens executives' decision-making authority | 27 |
| Regulatory issues | 24 |
| Competitive concerns | 12 |
| Other | 24 |

© HBR.ORG
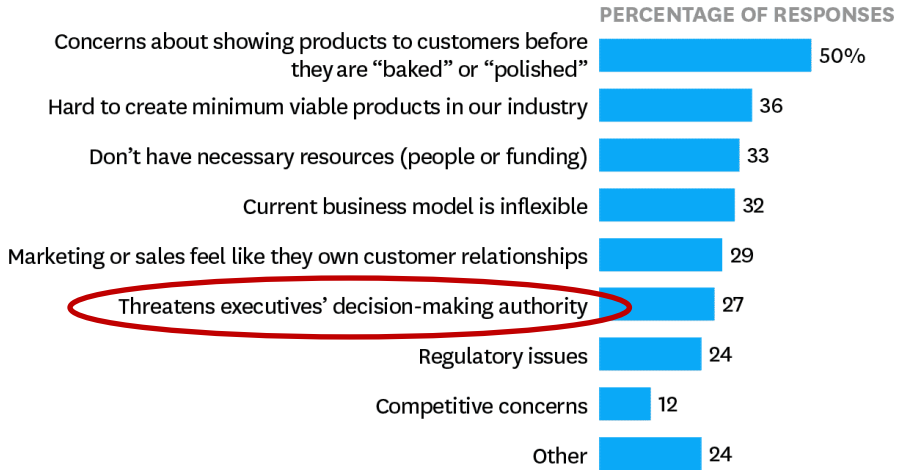
Empowerment

Culture

"The **company of the future** will look very different from the tight-rein, centralized management approach of today.

Organizations that thrive will embrace democracy, **loose hierarchies**, and will focus on improving collective intelligence amongst their teams."

**Professor Thomas Malone | MIT**

How to get there?

Based on the book of Frederic Laloux's: Reinventing Organizations

v1.3 by circle43.org

**Organizational stages of development:**

**Impulsive - Red**
"Well adapted to chaotic environments, but ill-suited to achieve complex outcomes in stable environments."
VALUES: Command authority, division of labor

**Conformist - Amber**
"Can plan for long term, and can create organizational structures that are stable and can scale."
VALUES: Long term perspectives, size and stability, formal roles, processes

**Achievement - Orange**
"Effectiveness replaces morals. The better I understand the way operates, the more I can achieve."
VALUES: Innovation, accountability, meritocracy

**Pluralistic - Green**
"Seeks fairness, equality, harmony, community, cooperation, and consensus. It insists that all perspectives deserve equal respect."
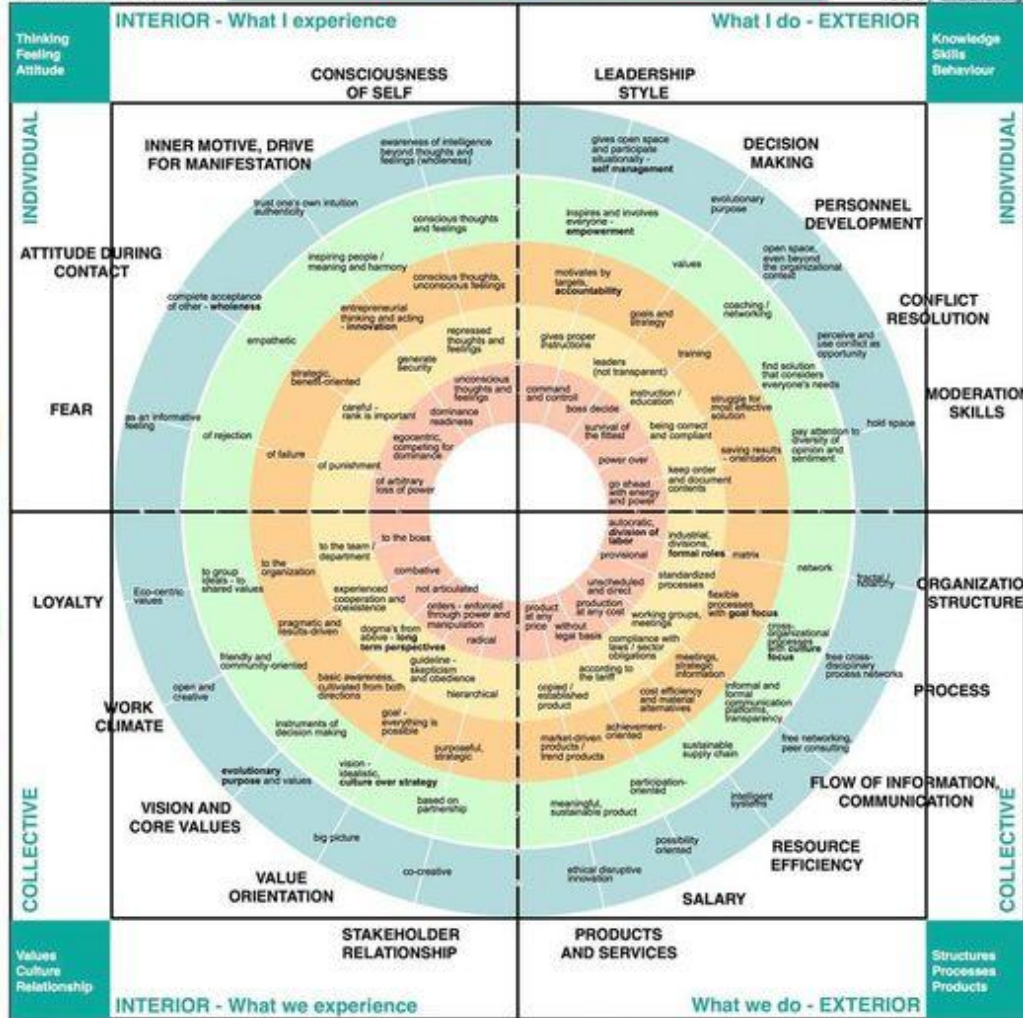VALUES: Empowerment, values-driven culture, multiple stakeholder perspective

**Evolutionary - Teal**
"Can accept, that there is an evolution in consciousness, that there is a momentum in evolution towards ever more complex ways of dealing with the world."
VALUES: Evolutionary purpose, wholeness, self management

INTERIOR - What I experience | What I do - EXTERIOR

Thinking Feeling Attitude | Knowledge Skills Behaviour

CONSCIOUSNESS OF SELF | LEADERSHIP STYLE

INDIVIDUAL

INNER MOTIVE, DRIVE FOR MANIFESTATION | DECISION MAKING

PERSONNEL DEVELOPMENT

ATTITUDE DURING CONTACT | CONFLICT RESOLUTION

FEAR | MODERATION SKILLS

LOYALTY | ORGANIZATION STRUCTURE

WORK CLIMATE | PROCESS

VISION AND CORE VALUES | FLOW OF INFORMATION, COMMUNICATION

RESOURCE EFFICIENCY

VALUE ORIENTATION | SALARY

STAKEHOLDER RELATIONSHIP | PRODUCTS AND SERVICES

Values Culture Relationship | Structures Processes Products

INTERIOR - What we experience | What we do - EXTERIOR

The visual interpretation is inspired by work of Monika Luger, Eva Kammerer-Kirch, Dr. Stefan Enzler - www.imu-augsburg.de

Author: Szabolcs Emich

# 1 Leadership Style

**How do you find the leadership style in your department?**

1. Command & Control
2. Gives proper instructions
3. Motivates by targets
4. Inspires and involves everyone
5. Gives open space and participate situationally

**NOTES**

2 Decision Making
3 Personnel Development
4 Conflict Resolution
5 Meetings
6 Organization Structure
7 Process
8 Flow of Information
9 Resource Efficiency
10 Salary
11 Products & Services
12 Stakeholder Relationship
13 Work Attitude
14 Vision & Core Values
15 Work Climate
16 Loyalty
17 Fear
18 Attitude
19 Inner Motive
20 Consciousness of Self
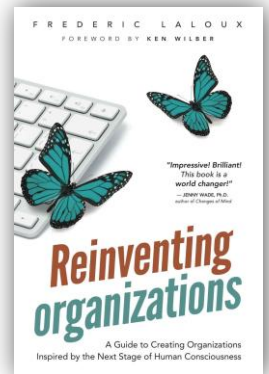
# Start
# Small

**Transparency of salaries**

**No commission for sales people (= collaboration!)**

**No HR, recruitment in functional teams**

**Focus on the Values of the company (not on budget)**

Foster Transparency
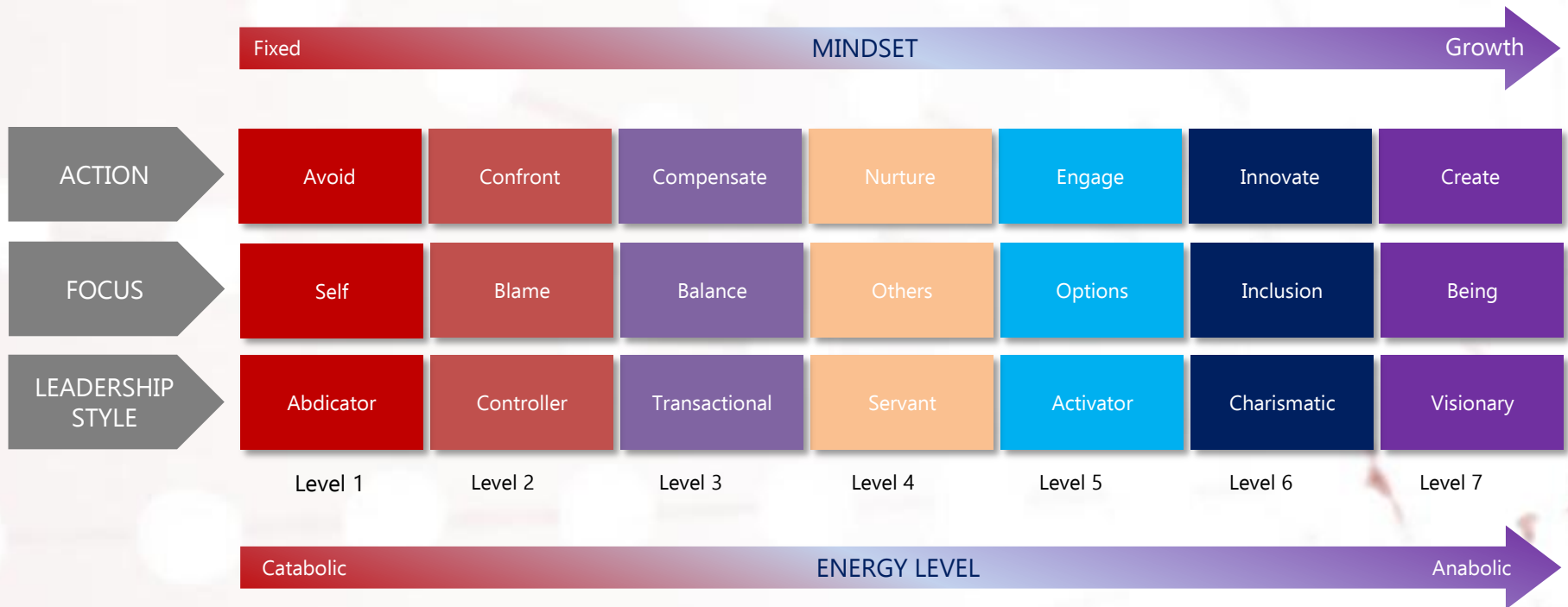
Exchange best practices

The top management is key

WORKING BETTER TOGETHER



EVANGELISCHE SCHULE
BERLIN ZENTRUM (ESBZ)

Margret Rasfeld
Headteacher

From Theory
to Practice

# Do you think that a **new paradigm** is underway?

Yes ⬌ No

A Chinese multinational consumer electronics company that transformed its organizational structure into a network of self-managed micro-enterprises, fostering innovation and entrepreneurship among employees.



an Argentinian software development company, operates with a flat structure, emphasizing collective decision-making and profit-sharing among employees

a Vietnamese EdTech company, has embraced self-management principles to foster innovation and agility within its teams.

a New Zealand based network of professionals and organizations working on social impact projects. It uses tools like Loomio to enable decentralized governance and collective ownership.

Zappos (USA)
Zappos, an online shoe and clothing retailer, adopted Holacracy, a self-management system that replaces traditional hierarchies with distributed authority. While the transition has been challenging, it reflects a commitment to reinventing organizational structures.

7. Semco Partners (Brazil)
Semco, under the leadership of Ricardo Semler, is famous for its radical approach to workplace democracy. Employees set their own salaries, choose their managers, and have significant control over decision-making processes.

8. Valve Corporation (USA)
Valve, a video game developer, operates without formal managers. Employees choose their projects and work in fluid, self-organized teams. This structure fosters creativity and innovation.

9. W.L. Gore & Associates (USA)
Known for its Gore-Tex fabric, W.L. Gore operates with a lattice organizational structure, where employees communicate directly with each other rather than through a hierarchy. Leaders emerge naturally based on expertise and influence.

10. The Ready (USA)
The Ready, founded by Aaron Dignan, helps organizations adopt Teal principles and practices. They focus on self-management, transparency, and purpose-driven work, working with companies like Johnson & Johnson and Charles Schwab.

11. Rebel Wisdom (UK)
Rebel Wisdom is a media organization that explores new ways of thinking and organizing. It operates as a decentralized collective, with contributors collaborating on projects without traditional hierarchies.

12. Crisp (Sweden)
Crisp, a consulting firm, operates with a flat structure and self-organized teams. They emphasize trust, autonomy, and a focus on delivering value to clients.

13. B Lab (Global)
B Lab certifies companies as B Corporations, which meet high standards of social and environmental performance, accountability, and transparency. Many B Corps, like Etsy and Danone North America, adopt Teal-like practices.

14. Oticon (Denmark)
Oticon, a hearing aid manufacturer, adopted a "spaghetti organization" model in the 1990s, eliminating formal departments and hierarchies. Employees work in fluid, project-based teams, fostering innovation and collaboration.

15. GitLab (Remote-First Company)
GitLab, a fully remote company, emphasizes radical transparency and asynchronous communication. Their handbook is publicly available, and decision-making is distributed across teams.

# THANK YOU

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