

# The why of new organization forms:

## Trends that affect the way we think about organization:

- Competition driven by speed and innovation
- Rise of information products replacing physical products
- Focus on shared value
- Highly educated workforce
- Integration of technologies

## Trends around organizational forms:

- Departments are out; processes are in
- Hierarchy is out; self-organization is in
- Internal is out; external is in
- Planning & control is out; experiment is in
- Mechanistic is out; organic is in
- Orders are out; information is in

# What: Six new organization forms

## The multidimensional organization

- Balances several dimensions rather than only one or two
- A manager is responsible for each dimension
- Conflicts are solved and priorities are set based on profitability per client
- Supported by one undisputed source of information and a collaborative culture

## Value proposition based ecosystem

- Gather a limited set of firms around one value proposition
- This value proposition can be aimed at one or more clients
- As the value proposition is likely to change over time, managing the dynamics of these ecosystems is an important skill

## The Spotify model

- Aims to speed up software development
- It scales agile by using autonomous multifunctional teams (squads)
- Each squad is part of a tribe (department focusing on a certain business issue)
- Each squad member is part of a chapter. Chapter lead is their hierarchical boss
- Model is suitable for software development, non-routine activities and requires a streamlined IT architecture

## Open source organizations

- Are organizations in which volunteers develop a resource for the whole world to use
- The main governance mechanisms are benevolent dictatorship, consensus based democracy and information transparency
- Their strengths lies in the high motivation of the volunteers to contribute; their weakness in the lack of formal control mechanisms to ensure alignment
- 'Innersourcing'

## Holocracy

- Radical decentralization of decision-making is achieved by grouping in a circle
- The circle divides roles among individuals
- Each employee can decide anything within her role, unless it affects somebody else's role
- A tension gets resolved via a structured meeting process in the circle, using consent decision-making
- A circle and its next higher circle elect people to represent them in the other circle to ensure cross-circle alignment and a vertical flow of information

## Platform organizations: fostering online ecosystems

- Offers a set of shared assets that can easily be recombined into diverse applications
- Require a high level of internal transparency
- Complementors are organizations that make use of platforms to develop their own apps, services or products
- The ecosystem of complementors participates in the decision-making around the platform
- Are typical for an online world but occur offline as well

# QRC Organizational forms

Based on: How to survive the organizational revolution. QRC by Henny Portman, Nov'2019

## How

### The dark side

#### The limits of new organizational forms:

- The totalitarian organization and the privacy/performance tradeoff
- The disappearing middle management
- The algorithm says you are fired
- Permanent Beta
- Norms and values as totem poles
- Systems as straitjackets
- Information overload
- Best practice sharing

#### The institutional challenge:

- Labor relations: the (in)equality paradox
- Corporate governance: the responsibility paradox
- Anti-trust and the data challenge

### Internal governance: replacing planning and control

#### Reducing the coordination load:

- modularization
- Information sharing
- Internalized behavior
- Procedures and processes
- Role based coordination

#### New techniques to govern:

- Discovery driven planning
- Meetings: QBRs and Obeyas

### Budgeting and resource allocation

### Spotify rhythm

### Decision-making: expertise and advice

### From extrinsic to intrinsic motivation

### Gamification

### A rough guide

#### Copy/Paste > Mismatch

- with overall objectives
- with type of work
- with organizational interdependencies
- to organizational culture and leadership
- with size of the organization

#### Tailoring organizational forms to your context and needs

- Tribe size
- Co-location
- Self-service

#### Hybrid structures in which several forms are combined

