

MANAGEMENT

In the Future, Bosses Might Not Exist

by Josh Park



Corporate structures have traditionally been very rigid, but that trend is changing. Holacracy is an emerging system of management which calls for an infrastructure with no bosses or managers.

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Some call it the holy grail of management theory and organizational efficiency. Others call it a massive waste of time, energy, and resources. The newest, and perhaps one of the most controversial, topics going around in business management today is the idea of holacracy: a system of management... where there is actually no management.

What is Holacracy?

Designed by Brian Robertson, holacracy is basically a management theory of flattened hierarchies which promote a culture where employees have the power and freedom to capitalize on their creative juice. The idea is to take out the stifling bureaucratic system that has strangled many businesses' innovation and develop a self-organized form to increase output. In other words, in this infrastructure, there are no bosses or managers.

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In the holacratic system, employees have no titles or roles and are free to pursue whatever idea they desire. No one is there to check in with them, to evaluate them, or to order them around. Meetings are free-flowing and open to anyone who wants to attend. People work in circles based on similar interests, and often, these circles will overlap as people go after any project they want to participate in. Sounds ideal? For some CEOs, it was the exact opportunity they were looking for to revitalize their culture.

The Emerging Trend

Take Zappos, an online shoe and clothing shop, for example. There is no doubt that the company's CEO is a brilliant entrepreneur. Tony Hsieh (pronounced "Shay"), a Harvard graduate and the son of Taiwanese immigrants, founded LinkExchange in 1996 and eventually sold it to Microsoft for \$265 million. Hsieh then became CEO of Zappos, which Amazon bought for \$1.2 billion in 2009 and currently has around 1,500 employees. He recently adopted the holacratic management system in 2013, but it wasn't until this year that its employees were almost all on board. Those who disagreed with this system were asked to leave with a three month severance package since it would take the entire company's workforce to make this change possible.

But Zappos isn't the only firm that's doing this. Robertson's own HolacracyOne (H1) company has, of course, a holacracy. Twitter co-founder Evan William's blogging platform Medium is also flattening its management. And divisions of Dannon and Starwood Hotels and Resorts are adopting the system, among many others.

Why This Matters

Although Zappos has to overcome major obstacles in order to fully implement the holacratic system into its infrastructure, the fact that both startups and major international corporations are boarding the holacracy train shows just how powerful and enticing it is.

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But more importantly, this idea of self-management is what Frederic Laloux describes as “one element of a new type of organization that represented the direction humanity was leading in – away from absolute leaders and toward empowered individuals” in his book *Reinventing Organizations*. It is symbolic of the global trend of individualism to promote the freedom of creativity and self-management.

Whether holacracy succeeds remains to be seen. For established businesses, those that have existed for years, this change in management will most definitely be a difficult transition, as Zappos clearly exemplified. But for startups, this might be the advantage they need to be innovative. And if this self-management system catches on, there may soon be a time in the near future where bosses or managers might not exist.



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Josh Park is a graduate of the University of California, Berkeley. He is interested in the intersection of business, technology, and organizational and individual behavior.