

Holacracy in the Practice of Sustainable Future Winners

A white paper



The winners of the future make sustainability productive for the world and their business.

Innovation and creativity play a crucial role in coping with increasing complexity. This requires employees who think in terms of solutions, collaboration, dialogue and respect for people and the world. It also requires companies to provide space for employees to make decisions in the interest of the company and themselves. Holacracy then offers a solution. It is a form of organizing without managers. Management from the top is replaced by self-organization and clear accountability throughout the company. Fast-growing enterprises such as bol.com, car manufacturer Lightyear, learning platform Springest, mortgage advisor Viisi, or solar panel manufacturer Enie.nl have experience with the principles. The reactions are enthusiastic. Still, holacratic decision-making is not a panacea. The white paper summarizes the most important arguments.

For the companies in this white paper, self-organization is a means to achieve their goals.

They have confidence in the knowledge and skills of their employees to find timely and adequate solutions to the challenges they face. Working together to achieve a common purpose, they are perfectly capable aligning the goals of their unit - referred to as a circle within holacracy – with those of the company as a whole. The same is true for coordination between units. By interacting regularly and in a disciplined way, the activities of the circles fit well together. Especially the discipline stands out within the companies in the white paper. Consultations are short and the emphasis is on listening. Employees tell what they do to achieve their goals and those of the circle. If no one makes a substantiated objection, they have the freedom to carry out their tasks as they see it. If a proposal harms another employee or circle, they withhold their consent. Through a structured process of hearing both sides of the argument, the parties try to remove the objection. There is also a good reason for this. Employees often know very well what is happening in the company's environment and how best to respond to it. The examples of Springest, Viisi, Enie.nl, bol.com and Lightyear show that the principles of holacracy can be applied broadly. Fine-tuning is required, however, to align the principles with the practice of each organization separately.

The freedom that employees experience benefits both companies and employees.

The latter are given room to develop, to do work that they enjoy, to deal flexibly with work-life relationships or to take on new tasks, even if they lie outside their field of expertise. They are therefore strongly motivated to make the most of their talents. Employees are proud of their work and their company and work satisfaction is high because they are in control of their own lives and work. Companies reap the benefits of holacratic control through highly efficient and effective work processes, reduction of coordination (costs) and decreasing recruitment and selection costs resulting from high employee retention.

Holacracy can be applied within small, medium, and large companies.

This does not mean that a detailed application of the holacratic model is suitable for every company. Structured production processes, like the production of cars, generally lend themselves less to holacratic decision making than providing mortgage advice or offering training programs online. Also, holacracy is in need of strong shoulders to carry the responsibilities. The governance model thrives best when employees show initiative, independence, and ambition. Entrepreneurship is therefore an important value within the companies discussed in this paper. Careful selection of employees is therefore required. Holacracy therefore requires a different leadership style - from directing to coaching. Leaders can be found in all parts of the company.

In a complex society and economy, self-organization is an appropriate response.

Holacracy enables companies to respond better, faster, an increasingly efficient and effective to their constantly changing environments. The five companies in this white paper each have their own experiences with applying the principles of holacracy – even though they have not all implemented them according to the book. They are exemplary for companies that want to offer their highly talented and skilled employees more responsibility and autonomy, but don't know how.