

HOLAC RACY



WHAT IS HOLACRACY?

- Holacracy is a method of decentralized management and organizational governance, in which authority and decision-making are distributed throughout a holarchy of self-organizing teams rather than being vested in a management hierarchy.
- A holarchy is a hierarchy of self-regulating holons that function both as autonomous wholes and as dependent parts.
- Holacracy has been adopted by for-profit and non-profit organizations in several countries. Holacracy is designed for organizations and fundamentally differentiates the roles of the organization from the people working in it. It emphasizes on iterative governance, adaptive processes, and self-organization.

A SUCCESS STORY OF HOLACRACY

Zappos: an online shoe and clothing retailer, launched in 1999

Implemented holacracy in 2013 with over 1,500 employees

*“I think **flexibility** and **adaptability** is what’s actually going to be the competitive advantage. And holacracy allows for faster **flexibility** and **adaptability**.” CEO Tony Hsieh*

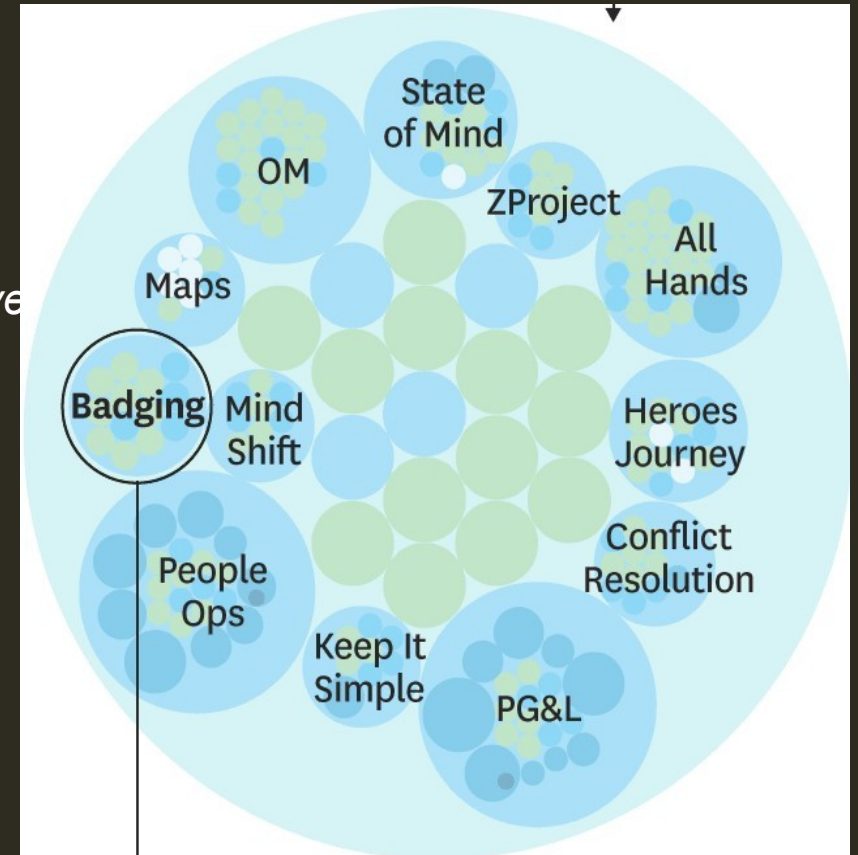
Circles replace the pyramidal hierarchy

Circle structure: „**circles**“, „**subcircles**“ and „**supercircle**“

Circles: “values”, “projects”, “functions”, “segments”

(150 departments evolved into 500 circles.)

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A SUCCESS STORY OF HOLACRACY (CONT'D)

Circle (supercircle) could contain **subcircles**

Subcircles: Particular functions of the company

Ex. marketing, production

Circles and **subcircles** consist of “**Roles**”

Roles: Tasks broken down from a traditional job

Ex. social media, advertising, web marketing in a marketing circle

Special roles: Specific type of roles

Ex. **Lead Link** and **Rep. Link**, substitute for titles of managers in pre-ho

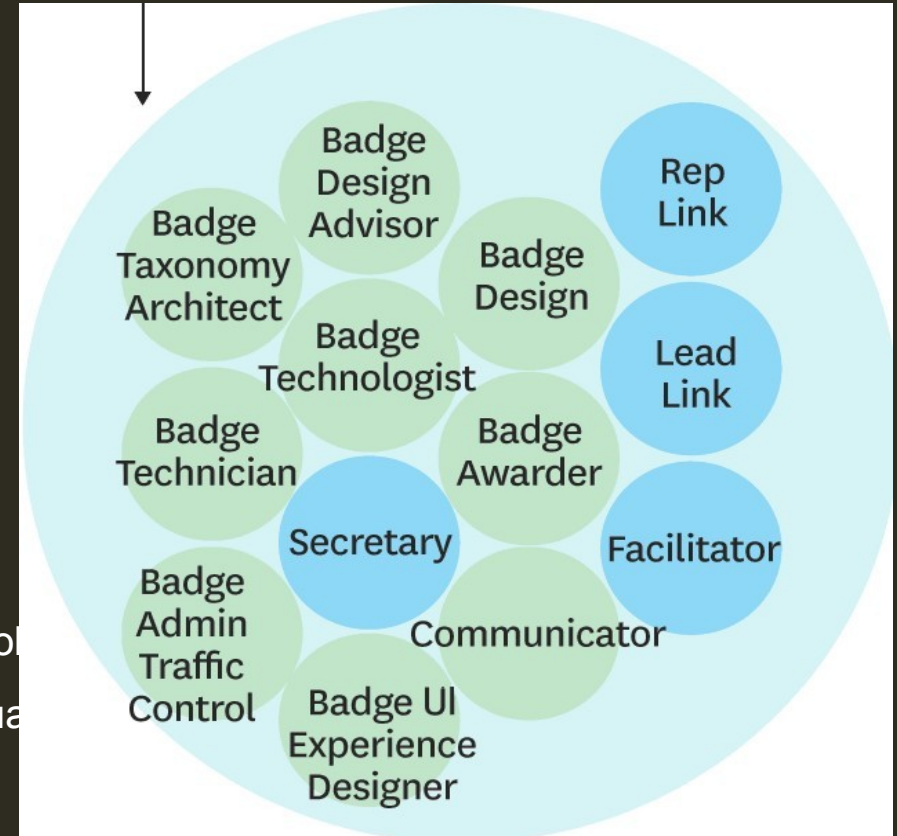
Difference - leadership responsibility belongs to the roles, not the individual

Decision making - the majority doesn't rule

Any circle member can propose changes, and they are adopted unless another member objects on the grounds that they would harm the circle.

In some part of stuff and function, **stability** is secured. Ex. customer service.

SUBCIRCLE OF BADGING



A FAILURE STORY OF HOLACRACY

A place to read and write big ideas and important stories



Founded in 2012

Implemented holacracy structure in 2013

Reversed the holacracy structure in 2016 due to:

- 1. Inability to synchronize efforts at scale**
- 2. Difficulty to codify responsibilities while growing fast**
- 3. Difficulties faced in recruitment due to misconceptions**

FACTORS THAT AFFECT SUCCESS

- No managers.
- Increase the efficiency, transparency, innovation, and accountability.
- Collaboration and cooperation are key.

FACTORS THAT AFFECT FAILURE

- New concept and needs more studies.
- Losing human factors.
- Uncertainty situations like, “What happens when things go badly?”, “Or how do I manage my career?”

CONCLUSION

- Holacracy boosts the Organizational DNA with enhanced capacity to consciously have an incremental change and improve over time.
- It avoids traditional approaches to achieving order and rather adopts a peer-to-peer self organization. It depicts a broader societal trend and leaves out conventional models.
- If organizations want to pursue their purpose and be free from the of top-down planning, Holacracy is a sure path to tow. It makes the impossible pursuit of agreement possible and helps organizations to be fast and more agile.
- Though Holacracy can not solve all organizations' tensions and fears, it provides a stable ground to curbing them.

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