

# Challenging oligarchy and hierarchy: democratic practices and community-oriented organizing

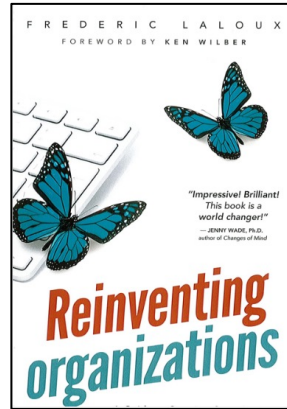
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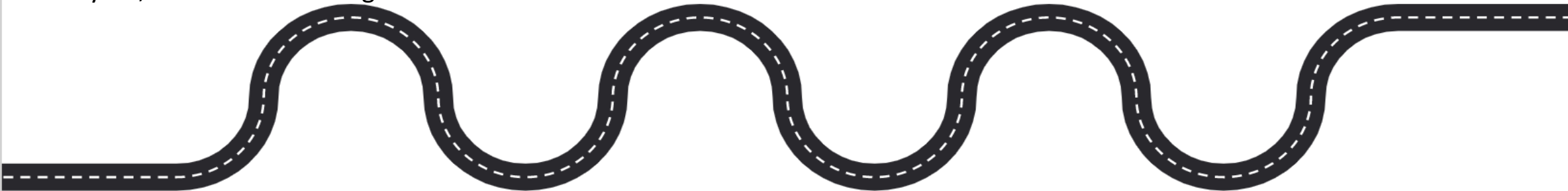
# Alternatives to hierarchy

- Autonomous teams in coal mines (Trist and Bamforth, 1951)
- flat and flexible organic forms (Burns and Stalker, 1961)
- Volvo, autonomous teams in 1970s and 80s
- Industrial democracy in 1970's and 80's
- Toyota, lean manufacturing in 1980's



Lee & Edmondson, 2017,  
Self-managing  
organizations

MODE – Minimalist  
Organizational Design  
2019-2021



Puranam, Alexy & Reitzig, 2014,  
New forms of organizing





# Research question

- Iron law of oligarchy – refuted (Diefenbach, 2019)
- What are the means and mechanisms that enable an organization to maintain democratic?

# Theoretical framework

- Self-managing organization (Lee & Edmondson, 2017)
- Democratic organizing
  - As a social norm, democracy refers not only to power-sharing and decision-making mechanisms but also to appropriate ways of treating other individuals, to patterns of authority within social interactions, and to the types of relations that diverse organizations and procedures institute among individuals in all walks of life. (Frega, 2021: 365)
- Social infrastructure (Klinenberg, 2014), Governance structure (Kolbjørnsrud, 2018), social technology (Ackermann et al., 2021), sociotechnical framework (Massa & O'Mahony, 2021)
- Bundle of co-occurring elements (Puranam, Alexy & Reitzig, 2014)

# Materials & methods

- 32 collective practices
- 100 non-hierarchical organizations
- MODO (Minimalist Organizational Design 2019-2021)
  - 7 companies, 135 interviews
  - Selection: 3 companies, 53 interviews



# Overview of case companies

	Circle	Tribe	Rhizome
Number of employees	50 - 100	400 - 500	400 - 500
Founded	2000	2000	2000
Evolvement to self-management	Had traditional hierarchy first, changed to self-management “overnight”	Self-managing from the start	Self-managing from the start
Management model	Employees do not have supervisors	Employees choose their supervisors	Administrative staff have supervisors, the majority of the employees do not
Employee ownership	None	ca. 25 %	ca. 90 %
Turnover 2020	16 million euros	44 million euros	72 million euros
EBIT (4 year average)	5.2%	9.5%	17%
Interviews	10	22	21
Industry	IT	IT	IT

# Findings: Democratic practices

Traditional management function	Peer-based practice	Quote
Decision-making	Advice process	<i>And you don't do that [the decision] in isolation, you actually do it together with everyone involved and affected by that decision. I think it works really well.</i>
Target setting	Egalitarian target setting	<i>What supports the egalitarian spirit here is that discussions are conducted with peers, not between a leader and a follower (...) people do not look for a supervisor but a sparring partner they will have the discussion with.</i>
Feedback	Raising issues	<i>So basically, we hold retros because it enables us to develop in our daily work, and to do things better.</i>
Conflict resolution	Conflict resolution process	<i>...instead of blurting out feedback, we really had a conversation and we both talked on an equal footing about that experience and where it didn't meet expectations and where maybe we [...] could not meet our own expectations and so on.</i>
Task division and task allocation	Swarming	<i>one reason why I'm here is that I can change the customer I work for and I can change the industry and I can change my team, without changing the firm.</i>

# Conclusions

1. Maintaining an egalitarian and decentralized power-with system requires *democratic practices*.
2. The non-hierarchical organizations studied here all rely on a *community-oriented framework*

Previous iterations on more democratic organizing missed e.g. these features – did not experiment/pilot long enough.



**Thank you!**

Questions, comments, ideas...