DECISION FREE SOLUTIONS

MAKING EXPERTISE MATTER.

REPORT

DECISION FREE SOLUTIONS


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# HOW A PARADIGM SHIFT IN UNDERSTANDING “DECISIONS” CHANGES EVERYTHING

## – From Racism And Discrimination In Organisations, The New Way Of Working And Leadership To Empowering Expectant Women To Achieve Their Personal Birthing Aim


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How a Paradigm Shift in Understanding “Decisions” Changes Everything

*— From racism and discrimination in organisations, the new way of working and leadership to empowering expectant women  to achieve their personal birthing aim*

## About this report

The instigation for developing the approach of Decision Free Solutions was a procurement methodology: the Best Value Approach. Rather than selecting a solution based on scoring a list of somewhat arbitrary requirements, it sets out to identify the expert-vendor able to achieve the buyer’s aims. Interested in applying its logic to project management, I was able to find neither the underlying first principles nor clear definitions of its fundamental concepts. So I started to define them myself. As a trained physicist I only accepted logic. Following this logic took me much further than I could have ever imagined. The articles in this report bear witness to this.

This report is a collection of five articles which, combined, show the power of a single paradigm shift: to view decision making not as a right, a necessity or “the way of the world,” but something that needs to be *avoided, replaced, minimised* through the utilisation of expertise. This paradigm shift — clarifying that a decision is a choice made in a situation which is not transparent — is not a clever gimmick, but follows logically from the dictionary definition of what a decision is.

In the first article the approach of Decision Free Solutions (DFS) is introduced. DFS is a generic and systematic approach, providing guidelines for new and existing methods to utilise all available expertise to achieve the goals you believe in. The approach consists out of 4 steps, 5 principles and the role of the Decision Free Leader. It can be applied in any situation where expert help is needed.

The role of the Decision Free Leader is to create the conditions required to fully utilise expertise. The second article — “Leadership explained” — defines the leadership-role, and what traits are required to take on this role successfully. It has four parts: the act of leading, the leadership trait, identifying the right leader, and “sex and leadership” (identifying the root cause of the gender gap).

The third article is titled “Your organisation upholds racism and discrimination.” It explains that *hierarchical decision making* is not only an anachronism negatively affecting organisational performance, but also a vehicle for a range of social biases to enter the organisation.

The fourth article — The approach of Decision Free Solutions in action — shows how the DFS-principles and guidelines explain the success of a range of pioneering organisations, and can also be used to propose improvements to them. Examples include Haier, Patagonia, K2K and Buurtzorg.

In the fifth and last article — “7 Misconceptions about ‘The New Way of Working’” — it is demonstrated how creating the conditions to optimally utilise expertise within the organisation is the essence of what is known as the new way of working. Knowing the underlying principles, a range of misconceptions which hamper the wider proliferation of the new way of working — e.g., change must be radical, hierarchy must be flattened, and it is all about trust — is exposed.

Jorn Verweij                                                                                    Hilversum, December 31, 2020

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ARTICLE

DECISION FREE SOLUTIONS


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# INTRODUCING THE APPROACH OF DECISION FREE SOLUTIONS

— Resolve Frustrations. Utilise Expertise. Free Up Resources. Make Change Happen.

# Introducing the approach of Decision Free Solutions

*— Resolve frustrations. Utilise expertise. Free up resources. Make change happen.*

## Management summary

The approach of Decision Free Solutions (DFS) provides guidelines for new and existing methods to utilise all available expertise to achieve desired outcomes. Its motto: "Resolve frustrations, Utilise expertise, Free up resources, Make change happen".

Implementing the approach of DFS results in i) Achieving desired outcomes at minimal risk, ii) Minimal use of resources, iii) Resolving frustrations.

The uniqueness of the approach of DFS stems from the clarified definition of a single word: "decision". That this clarification — as will be shown — has such impact demonstrates the power and importance of language, as it is through language that we see the world. Quite literally so: the members of the Namibian Himba tribe — who speak a language that has no separate word for "blue" — famously take noticeably longer to identify a single blue square among many green ones[1].

Equally, DFS' single paradigm shift provides a new powerful perspective. Instead of seeing "decision making" as life's oxygen — a strength, a token of power, an earned right, an indication of boldness and incisiveness, a skill, an organisational necessity, "the way of running things" — DFS makes a distinction between "decisions which increase risk" and those which don't. DFS goes on to show that the latter category — as follows from its dictionary definition — aren't actually decisions.

The approach of DFS sets out to utilise expertise to *replace* "decisions" with "substantiated choices". This improves performance, frees up resources, and avoids the proliferation of societal biases which are at play when making decisions. DFS is unique, also, in explaining how "expertise" can be identified through observation, allowing (non-)performance to be predicted.

The approach of DFS sets out to overcome two central challenges in optimally utilising expertise:

- The prevalence of all types of decision making preventing the use of expertise (hierarchical, and as found in rules, procedures, protocols, checklists and contracts)
- Ensuring the clear communication between experts and non-experts to prevent mechanisms of control and decision making kicking in

To do so it provides guidelines in the form of four steps (DICE), five principles (TONNNO), the role of the Decision Free Leader, as well as clear definitions of crucial terminology.

Implementing DFS is an antidote to the fragility, the madness, the wasted resources, the many frustrations (from lack of autonomy, trust and freedom, to the grievances of racism and discrimination), and the risk involved in how most systems and organisations operate. As DFS is a wholly logical approach, it requires no assumptions, no leap of faith, no degree in semantics, no contracts, no special training — and it is entirely for free. The new way of working is now.

[1] See https://burnaway.org/blue-language-visual-perception/

**About this document**
In the following chapters it is explained 1) what DFS looks like in practice, 2) what makes DFS stand out from other approaches, methods and organisational/management philosophies, 3) how utilising expertise is linked to resolving frustrations, freeing up resources and making change happen, 4) how DFS clarifies the concepts of "decisions" and "expertise", and how the latter can be observed and be used to predict performance, 5) what the DFS guidelines consist of (DICE, TONNNO, DFL), and 6) which organisations will benefit from implementing from DFS (and how to get started). The final section provides a brief summary of several examples of "DFS in action". A graphical summary of the approach is provided in Figure 1.

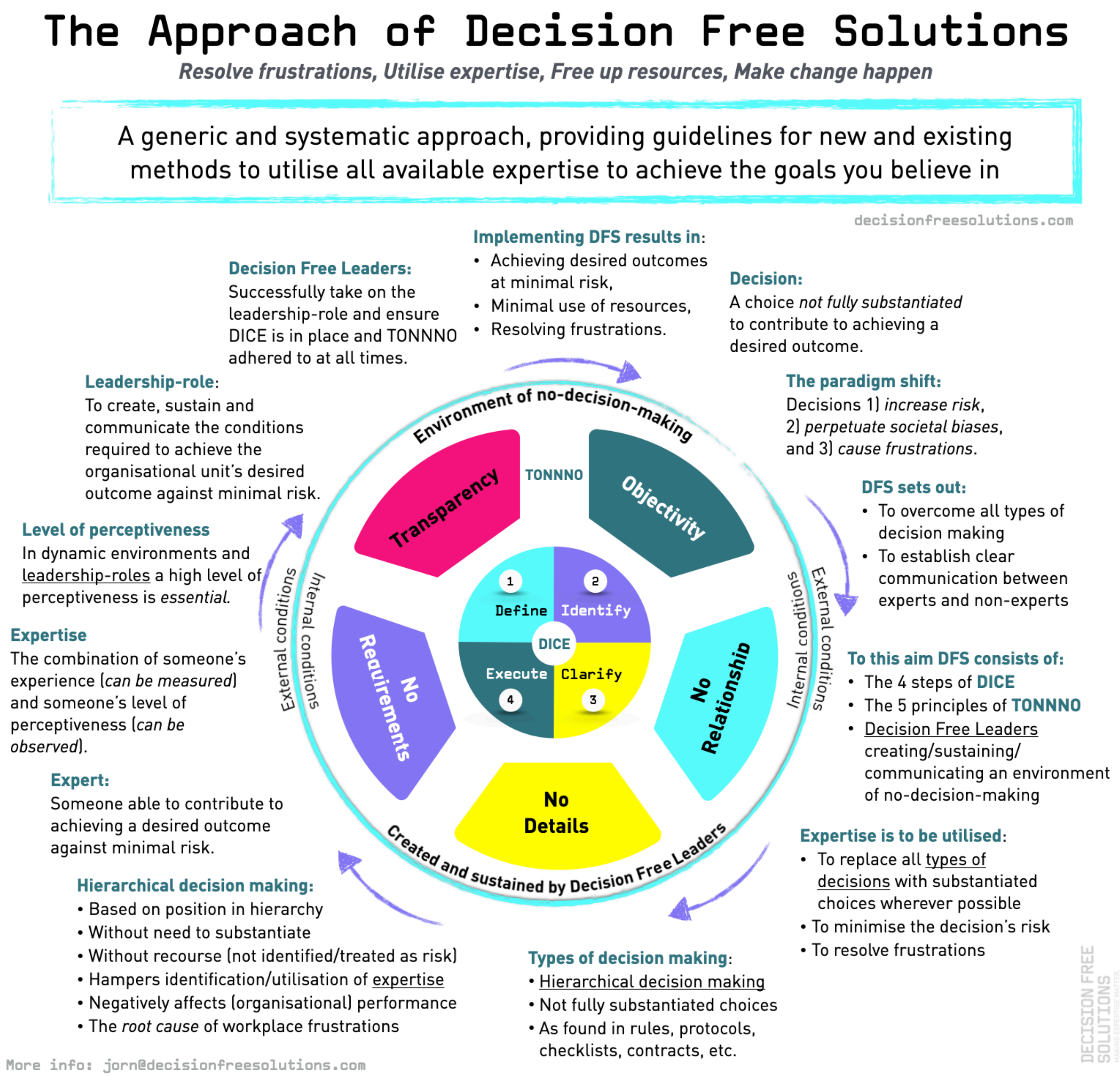

*Figure 1. Graphical summary of the approach of Decision Free Solutions.*

# Content

## What does the approach of DFS look like in practice?

The approach of Decision Free Solutions is about identifying and utilising expertise. DFS provides guidelines to either improve existing ways of working, or to come up with new ones, to:

- Achieve a particular desired outcome at minimal risk
- Minimise the use of resources
- Resolve (workplace) frustrations

As DFS is built on a paradigm shift, and the *clarification* of the definition of the commonly used words "decision" and "expertise," the interested reader has somewhat of a hill to climb before the view can be enjoyed. The alternative is to keep on trying to improve results and conditions by doing the same things in slightly different ways, and hope for a different outcome.

DFS doesn't advocate a drastic reorganisation of the way work is done. It advocates a new way of looking at what stands in the way of using expertise, and how to ensure it is utilised optimally. Consequently, DFS can be implemented locally, gradually, reversibly and at a pace the organisation is comfortable with. Seeing new things allows for making changes. These changes can be small. Over time many small changes still make big changes possible.

To optimally utilise expertise, DFS sets out:

- <u>To minimise all types of decision making preventing the use of expertise</u> (hierarchical, and as found in rules, procedures, protocols, checklists and contracts)
- <u>To establish clear communication between experts and non-experts</u> to prevent (the felt need for) mechanisms of control and decision making

A typical sequence of "stages" of how DFS overcomes these two challenges in practice is shown in Figure 2.

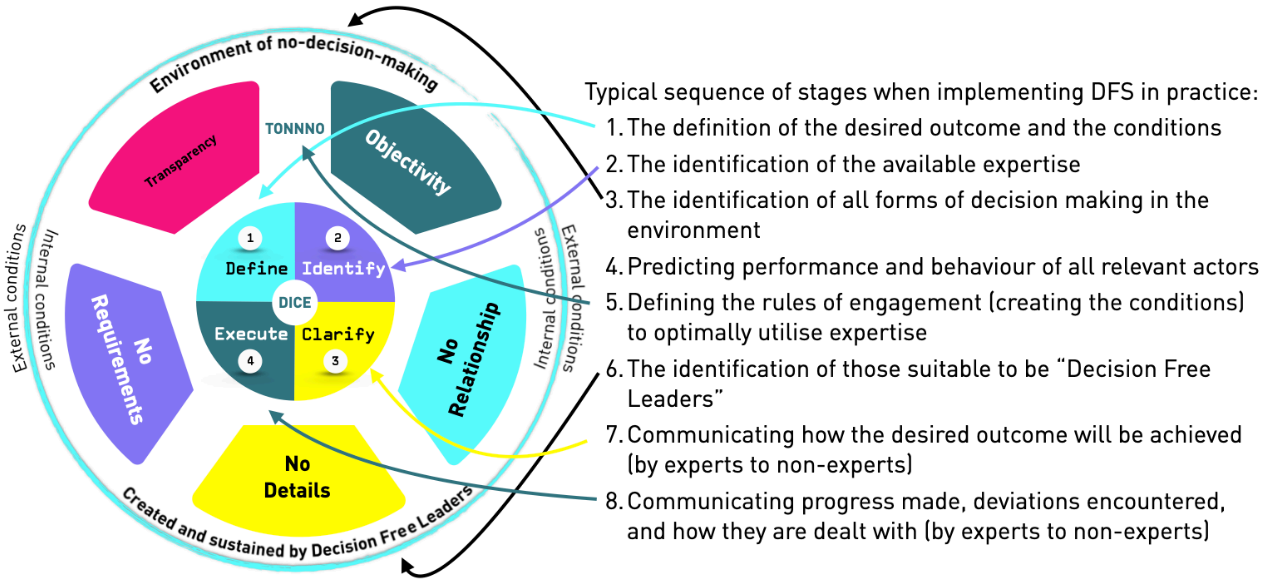


*Figure 2. Example of a sequence of stages when implementing DFS in practice.*

## What makes the approach of DFS unique?

To optimally utilise available expertise is not a new goal. There are a number of existing approaches and management philosophies that have a similar or identical aim. But none of these approaches is built on a paradigm shift and is both logical, generic and systematic.

The approach of Decision Free Solutions (DFS) has several unique elements:

- DFS' starting premise is making a rigorous distinction between decisions which increase risk, and decisions which don't — as the latter aren't technically decisions, it proposes a paradigm shift of how to look at decisions: at something that needs to be *avoided, replaced, minimised*.
- As decision making not only increases risk but also perpetuates (societal) biases, implementing DFS will not only improve performance but also resolve (workplace) frustrations from lack of autonomy, trust and freedom to the grievances of racism and discrimination.
- The approach of DFS is both logical, generic and systematic:
  - It can be implemented in any field, at any level, at any scale, both gradually and reversibly (from *organisations* to *management* to *procurement* to *sales* to *birthing* to *whatever*)
  - Without the need for courses, certificates or contracts or having to buy into multiple programs requiring constant clarification by costly consultants
  - Without requiring a restructuring, a reorganisation, the immediate and full departure of current practices or an adherence to pre-cooked policies, procedures and templates
  - Without demanding a leap of faith or relying on "experimentation" — if you see the logic you can go and run with it at a pace of your own choosing
- DFS can be used to both develop new methods as well as to improve existing ones, offering logic and guidelines to arrive at a method, approach or procedure which is best suited to achieve the desired outcome within a given environment — logic and guidelines which allow any change or (cultural) transformation to be sustainable
- DFS allows for the identification of both (non-)expert individuals and organisations through the observation of behavioural characteristics, and therefore for the prediction of (non-performance).
- DFS — because of its "decision making paradigm shift," and its ability to identify expertise (and thus predict performance) by observation — is a unique and powerful tool for research in a vast range of fields (e.g. organisations, management, leadership, "new way of working")

## What is the approach of Decision Free Solutions for?

Decision Free Solutions is a generic and systematic approach, providing guidelines for new and existing methods to utilise all available expertise to achieve the goals you believe in

The approach of DFS is *generic:* It can be applied in *any situation* where assistance is required to achieve a particular desired outcome. By optimally utilising *expertise* the approach aims to fully achieve this desired outcome, and to do so at minimal risk.

The approach of DFS is *systematic:* it is built on logic and the clear definition of terminology which is of central importance. This logic can be used to develop new methods from the ground up (e.g. in organisations, management, procurement, sales, healthcare, birthing), but it can also be used to critically assess (and improve) existing methodologies and ways of working.

The approach of DFS offers guidelines: it consists out of four steps (DICE), five principles (TONNNO) and the concept of the "Decision Free Leader".

*Resolve frustration, Utilise expertise,*
*Free up resources, Make change happen*

The motto of the approach of Decision Free Solutions is: Resolve frustration, Utilise expertise, Free up resources, Make change happen:

- By creating the conditions to optimally utilising expertise a wide range of frustrations can be resolved. Not only the frustration of not achieving the desired outcome — or achieving it using many more resources than required — but also the frustrations felt by those whose expertise is not (fully) utilised. These frustrations range from lack of autonomy, responsibility, freedom, trust and fun, to the grievances of discrimination and racism [12]. DFS, focussing on utilising expertise, is a human-centred approach.
- Through the utilisation of expertise desired outcomes can be achieved more efficiently, and at minimal risk — and thus minimal use of resources.
- The combination of non-ambiguous desired outcomes and clear communication between experts and non-experts does away with the need for a costly system of control ("overhead"). This system of control is a logical reflex to minimise risks when desired outcomes *are not* transparent and expertise *is not* identified and utilised. In absence of this need for control significant amounts of resources can be freed up.
- Through the combination of minimising the need for resources to achieve a particular desired outcome and freeing up resources by reducing overhead, DFS contributes to removing a critical bottleneck in making change happen.

The starting premise of the approach of Decision Free Solutions is that a distinction must be made between decisions which increase risk, and decisions which don't. The former must be avoided through the utilisation of expertise (replacing them with substantiated choices), the latter aren't technically decisions — hence the name "Decision Free Solutions"

Implementing DFS in any field (e.g., procurement), or any system (e.g., organisations), results in a *shift* away from decision making, risk and all of its related consequences, and towards improved performance in actually achieving desired outcomes, and the resolution of a range of frustrations (see Figure 3).


*Figure 3. Implementing the approach of Decision Free Solutions results in a shift or transformation away from decision making, risk and frustrations.*

# Decision making and expertise have a complex relationship

## Decision making

DFS proposes a paradigm shift on decision making because the existing dominant paradigm — decision making is a strength, a token of power, an earned right, an indication of boldness and incisiveness, a skill, an organisational necessity, "the way of running things" — is *failing* our societies, our organisations, and the people operating within them. It is failing us because it stands in the way of utilising our skills, talents and motivation.

The dominant paradigm on decision making is not only failing us, it is also *illogical*. Following from the dictionary definition of what a "decision" is — a conclusion or resolution arrived at after careful thought — it follows that the situation in which the decision is to be made is <u>not fully transparent</u>. At least not to the person who has to make a decision: if the situation had been transparent, no careful thought would have been required.

It can thus be derived that a decision is a special type of choice: a choice which <u>cannot be fully substantiated</u> that it will contribute to achieving a desired outcome [1,2].

This *clarification* of what a decision is results in the following observations:

- Decisions increase risk (as they are choices which are *not fully substantiated*)
- Decisions arise in absence of transparency (e.g. when a situation is too complex/dynamic)
- Decisions arise in absence of expertise (to whom a situation would be transparent)
- Decisions arise in absence of non-ambiguous desired outcomes (making it impossible to fully substantiate the choices to be made)
- Decisions can be found also in rules, procedures, protocols, checklists and contracts — in *anything* containing choices which can no longer be substantiated to contribute to today's desired outcome
- Hierarchical decision making — where someone based on the *position* in the hierarchy is *entitled* to make choices which *don't* have to be substantiated, and which may *not* be contested — is both a source of organisational risk as well as frustration.

*Decisions increase risk and perpetuate (societal) biases*

Decisions not merely increase risk, however, they also <u>perpetuate (societal) biases</u>. The human brain makes use of a long list of biases to make sense of the world around us. These biases are at work when making a decision. Even knowing these biases exist is of little help. Humans are incapable of recognising their own biases: *the errors in the judgements we make are intuitive* [3,4].

Consequently, recognising that "decision" can be substituted with "a choice not fully substantiated to contribute to achieving a desired outcomes," DFS' logic results in the following statements:

1. Decisions increase risk and perpetuate societal biases — causing frustration and poor performance
2. Expertise is to be identified and utilised to substantiate as many choices as possible
3. Decisions which cannot be avoided are to be identified (and their associated risk considered for risk management)

***But...***

*Decisions aren't the problem, we all make numerous small and big decisions throughout the day!*

We make numerous *choices* during the day, which may be fully substantiated or not. Those which are not fully substantiated (a.k.a. decisions) may be associated with a small or a larger risk (of not contributing to achieving the outcome we are hoping for).

*If decisions really increase risk, we would know by now!*

Not everything we call a "decision" falls under the dictionary definition of a decision and as clarified in DFS. The fact that a decision increases risk doesn't mean this risk will also materialise (the decision — although not fully substantiated — may still contribute to achieving the desired outcome). The risk may also materialise a long time after the decision was made, and a link with a decision may therefore no longer be made.

*Which "decisions" aren't actually decisions?*

If a decision is *fully substantiated* to contribute to a desired outcome, it merely becomes the obvious and logical next step: there simply is no "choice" to be made anymore (doing something else on purpose would be sabotage). Many "decisions" are in fact formal approvals or go-aheads. Other "decisions" — e.g. those made in absence of a desired outcome — are mere "choices" (e.g., picking a colour in a board game).

*Decisions aren't actually the problem, the problem is how they are made!*

If you let experts make the decisions, then they may end up "avoiding" decisions by fully substantiating their proposals. If they can't fully substantiate the choices made, then, as they are experts, they will at least minimise the associated risks. How decisions get made is, indeed, crucial. But decisions still increase risk (and are the problem).

## Expertise

That expertise is to be optimally utilised is an open door. Expertise allows (many more) choices to be substantiated (avoiding decisions), and thus minimises the risk the desired outcome will not be achieved. Also when decisions cannot be avoided, experts are still best positioned to make these decisions — they will *minimise* the risk associated with these decisions.

At the same time it is "decision making" which often stands in the way of both identifying and utilising expertise — in the form of hierarchical decision making, and as found in rules, procedures, protocols, checklists and contracts.

*Utilising expertise minimises decision making,*
*decision making hampers the utilisation of expertise*

This results in the situation — as found in many organisations — where expertise is to be utilised to minimise decision making, but *decision making itself* is hampering the utilisation of expertise.

The approach of DFS sets out to create the conditions to optimally utilise expertise. To do so it must be clear what is meant with "expertise," and what it takes to become an "expert".

In DFS expertise is defined as "the ability to contribute to achieve a goal at minimal risk". Expertise consists of the combination of someone's experience and someone's level of perceptiveness — where "perceptiveness" is the ability to discern and understand the interrelated dynamics of a situation [5].

*The more dynamic the environment,*
*the greater the importance of someone's "level of perceptiveness"*

In environments which are static, expertise is gained predominantly through experience. The *more dynamic* the environment, however, the *greater the importance of perceptiveness* becomes [6].

"Experience" is something that, generally, is easy to quantify. It is often measured in the number of times or years someone acted in a particular environment with a particular responsibility.

"Level of perceptiveness" — which to all intents and purposes is a personal *trait* — can't be measured, but it can be readily assessed through observation.

Someone's level of perceptiveness — someone's (in)ability to see connections, to recognise how circumstance impacts outcome, to feel and take responsibility for what we do or fail to do — seeps through in everything someone does. It determines someone's core values, the way they live their lives, and their behavioural characteristics.

As a range of *behavioural characteristics* can be linked to either a very low or very high level of perceptiveness, the observation of some of these characteristics implies that many other, related , and more difficult to observe characteristics *may be readily presumed*. Examples of this — both for individuals and for organisations — are provided in the Appendix.

Crucially, as a high level of perceptiveness is required to be/become an expert in dynamic environments — which applies to both individuals and organisations — observing a range of characteristics (as listed in Table 2 and Table 3) allows one to *predict someone's or some organisation's (potential for) performance*.

In the approach of Decision Free Solutions someone's level of perceptiveness plays a pivotal role in the identification of someone's ability to minimise risk in dynamic environments and in leadership-roles. The ability to predict performance based on observations is key.

One final note on expertise: *expertise is colourless, genderless, and has no title, form, age or religion*. This is how the identification and utilisation of expertise decisively contributes to the resolution of (workplace) frustrations and grievances.

*Everyone who has a lot of experience automatically becomes an expert!*
This statement is only true in environments which are very stable and thus provide someone with a lot of opportunity to become an expert (e.g., a brick layer). A lot of experience may also result in someone becoming a "specialist". A specialist has a lot of in-depth detailed knowledge in a particular field. An expert, however, is defined by his/her ability to minimise risk in achieving a desired outcome. Whenever an environment is at least somewhat dynamic (as it is in leadership-roles), someone's "level of perceptiveness" plays an important role. Experience usually does too, but only if it goes go hand-in-hand with a high level of perceptiveness.

*I am a specialist with a high level of perceptiveness!*
A high level of perceptiveness will help greatly in becoming a specialist. A specialist with a high level of perceptiveness is also at risk of eventually getting bored and dissatisfied with his/her specialism (over time there may be less to observe and understand to satisfy curiosity). For very perceptive people their specialism can, in fact, become a trap.

*Our organisations prefers to hire generalists, not experts*
In DFS this statement would be rephrased as follows: Our organisation prefers to hire those who are able to minimise risk in a range of circumstances, not specialists. Or: Our organisations prefers to hire people with a high level of perceptiveness, not specialists. Hiring people with a high level of perceptiveness is always wise, as they have a high potential to take on leadership-roles and to minimise risk in very dynamic environments. If you provide few challenges and end up controlling them they are also the first to leave your organisation.

## The two central challenges which must be overcome

Having clarified what a "decision" is, and defined what is meant with "expertise," it follows that the utilisation of expertise is what will "overcome" decision making. However, decision making itself also stands in the way of identifying and utilising expertise. This is the first central challenge which DFS is to overcome.

The second central challenge concerns communication between experts and non-experts (often experts in something else). In absence of clear communication:

- It is near-impossible (for the non-expert) to identify expertise
- The non-expert can't be certain the "expert" will indeed achieve the desired outcome
- The non-expert — left in the blind — can't be blamed for perceiving risk and fall back to mechanisms of control (including decision making) to manage that risk

Thus, to optimally utilise expertise DFS sets out:

- To overcome all forms of decision making preventing the use of expertise (hierarchical, and as found in rules, procedures, protocols, checklists and contracts)
- To establish clear communication between experts and non-experts to prevent (the felt need for) mechanisms of control and decision making

To achieve this the approach of Decision Free Solutions introduces the four steps of DICE, the five principles of TONNNO, and the concept of the Decision Free Leader.

# DICE, TONNNO, and the Decision Free Leader

## The four steps of DICE

The logic of the four steps of DICE [7] is the following. It must be transparent what needs to be achieved to begin with. Next the expertise which can achieve this desired outcome is to be identified. This identified expertise is then to clarify how it will go about achieving the desired outcome, and then, when working towards it, communicate its progress as well as any deviations from what was clarified.

The four steps of DICE are Definition, Identification, Clarification and Execution (see Figure 4).

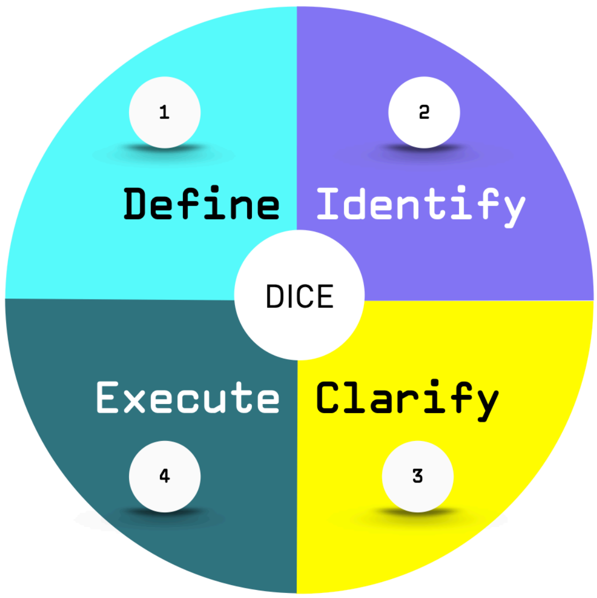


*Figure 4. The four steps of DICE.*

**Definition** — In the Definition step the desired outcome is to be defined along with the conditions internal and external) of the environment in which this outcome is to be achieved. Both are to be understood the same by all involved. The Definition step forms the basis for the identification of the expert. Desired outcomes are often "nested," where e.g., the desired outcome of a task is to be aligned with that of a team and that of an organisation. Desired outcomes can also be hidden and unintended, e.g., in the form of incentives or periodic targets, affecting how choices are made.

**Identification** — Based on the description of the desired outcome and the environment, the expert who is able to achieve the desired outcome is to be identified. This identification is usually done through a combination of the expert's experience (past performances and ability to substantiate the relevance of his/her expertise in achieving the outcome) as well as level of perceptiveness (observation of behavioural characteristics in line with the level of perceptiveness required in the environment (more or less dynamic)).

**Clarification** — The identified expert explains the activities (e.g., by way of a plan), from beginning to end, and clarifies this plan to the point that it is transparent also to the non-expert that the desired outcome will be achieved. Only when the plan is made sufficiently transparent will the expert execute the plan. Plans which are not fully transparent either include decisions (e.g., because expertise is lacking), or may eventually invoke decisions (e.g., through mechanisms of control).

**Execution** — The expert executes the plan, and periodically informs the non-expert from any deviations to the plan, how these may have an effect on the desired outcome, and how these effects will be mitigated. In absence of periodic communication the non-expert will begin to perceive risk, which it is likely to want to manage through mechanisms of control.

To ensure clear communication and to avoid decision making during any of the four steps of DICE the five principles known as TONNNO need to adhered to at all times.

## The five principles of TONNNO

The five principles of TONNNO [8] are defined to establish a clear communication between experts and non-experts and to avoid decision making.

The five principles are Transparency, Objectivity, No details, No requirements and No relationship,. A brief explanation for each is provided in Table 1. In Figure 5 these five principles "surround" the four steps of DICE — they are to be observed at all times.

| Principle | Brief explanation |
|---|---|
| **Transparency** | Whatever is communicated is to be transparent. It is to be understood in the same way by everyone taking part in the communication. That what is communicated is to be obvious, easy to understand, non-ambiguous and absent of jargon. Simplicity is key. This is most readily achieved through the use of metrics, the language of transparency. |
| **Objectivity** | Whatever is communicated is to be objective. It should be clear when it is achieved. It should be measurable. The use of metrics results in objectivity. An example is the generation of metrics through IoT, which is in support of achieving "zero distance" between identified need and outcome. |
| **No details** | The communication is to avoid details. Details result in complexity instead of simplicity. |
| **No requirements** | Requirements, in the sense of imposed demands and obligations which cannot be substantiated to contribute to achieving the desired outcome, restrict the use of expertise. |
| **No relationship** | Relationships which bypass the identification of the expert to achieve a particular desired outcome are to be avoided — e.g. existing connections forged while achieving different outcomes, established referral patterns, scheduling systems. |

*Table 1. Brief description of each of the five principles of TONNNO.*

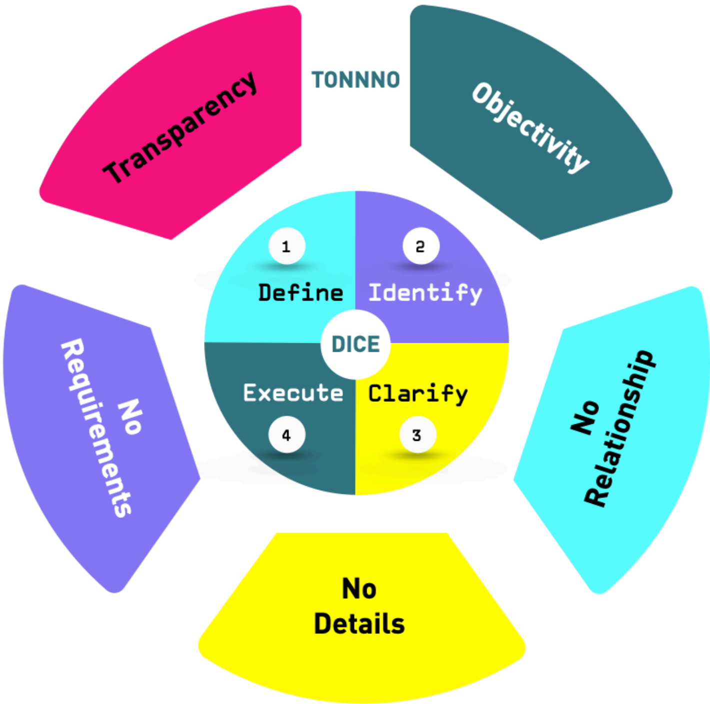


*Figure 5. The five principles of TONNNO are to be observed at all times.*

## The Decision Free Leader (DFL)

In any situation where several people collectively contribute to achieving a desired outcome a leadership-role — be it a formal or informal one — is identified.

In DFS the definition of a leadership-role as found throughout the organisation (e.g. team leader, project manager, procurement officer, CEO, etc.) is the following [6]:

> The leadership-role is to create, sustain and communicate the conditions required to achieve the organisational unit's desired outcome at minimal risk.

The Decision Free Leader (DFL) is someone who takes on the responsibility (the role) of ensuring that expertise can be utilised and that decisions are identified, avoided whenever possible, and the associated risk of the remaining decisions minimised.

The DFL-role is to create, sustain and communicate an *environment of no-decision-making* (see Figure 6). Here the guidelines offered by DICE and TONNNO are indispensable.

The actual activities associated with the DFL-role will vary from field to field and throughout an organisation. It may come down to making sure desired outcomes are defined and understood the same by all involved, to creating and sustaining a safe and inclusive environment or working culture for all.

The role of the DFL typically coincides with the leadership-role, but this most not necessarily be the case. To take on the DFL-role/leadership-role on successfully requires the ability to deal with change. A prerequisite to take on this role is a high level of perceptiveness, as explained in detail in [6]. Typical behavioural characteristics consistent with a high level of perceptiveness can be found in Table 2 in the Appendix.

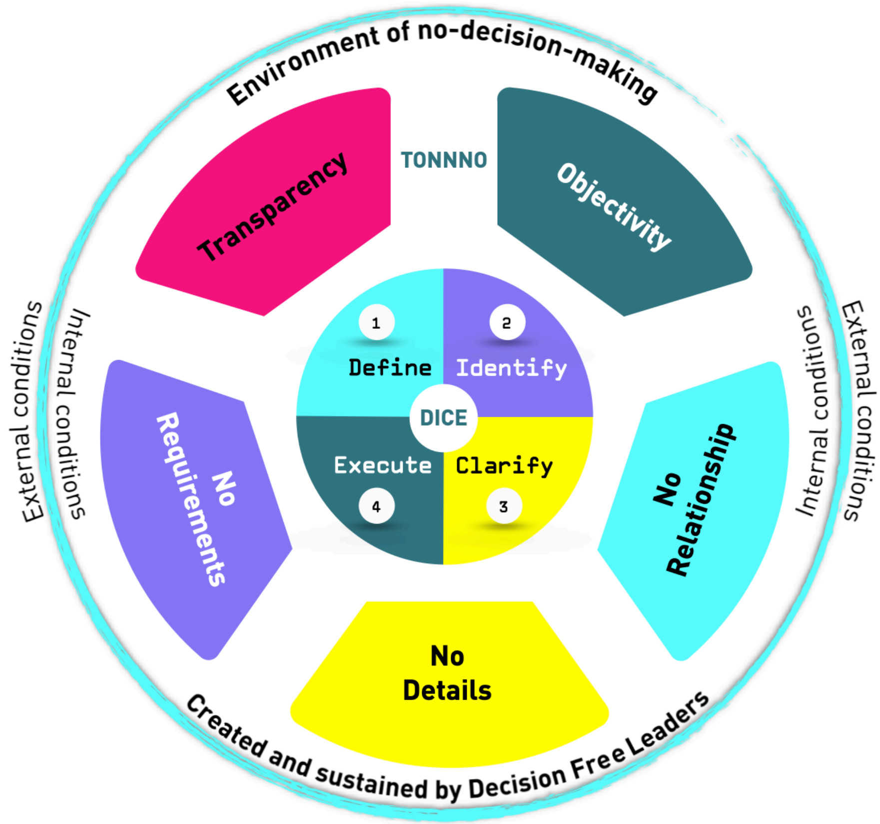


*Figure 6. Decision Free Leaders are responsible for creating, sustaining (and in some cases communicating) an Environment of no-decision-making.*

## Which organisations will benefit from implementing DFS?

No organisation will be worse off if it makes better use of available expertise. So, as long as it is done at a pace and to an extent the organisation can manage, every organisation may benefit from implementing DFS. Having said that, for those organisations which operate in a static environment, the gains may be marginal and the effort may not be worth it.

Implementing DFS becomes **crucial**, however, when the organisation:

- Operates in a competitive, dynamic and rapidly changing environment
- Is highly dependent on identifying, utilising and retaining experts in their workforce
- Is highly dependent on identifying and utilising *external expertise* to achieve their goals
- Is highly dependent on creating, improving and communicating their superior solutions
- Is exposed to risks which, when they occur, will have a great organisational impact
- Has to minimise the use of increasingly scarce resources of any kind
- Is working towards achieving desired outcomes it is passionate about
- Is in need of a (cultural) transformation to improve performance and resolve frustrations
- Has already managed a transformation resulting in better performance and the resolution of many frustrations *and wants to sustain this transformation*
- Wants to make change happen

## What does it take to implement DFS and realise its benefits?

To implement DFS the sole requirement is that its logic is understood. Identifying decision making comes first. Wherever decisions are made, expertise is either lacking or not utilised.

To realise the maximum benefits of DFS — from resolving frustrations to freeing up resources to making change happen — may involve many (organisational) changes. Consequently the principles of change management apply fully.

Each organisation has a certain capacity for change. Greater organisational changes rely, to a greater extent, on people in leadership-roles having a high level of perceptiveness (which may thus be a practical bottle-neck). In the end what it takes to implement DFS is, in fact, implementing DFS (see Figure 2).

There are many organisations who have introduced ways which succeeded to improve outcomes and resolve frustrations. Be it in a particular aspect of an organisation, or as a whole. Many of such examples can be found in [9]. But, crucially, using DFS, there is no need to "experiment", as DFS allows for a logical approach to change, which can be predicted.

In "The approach of Decision Free Solutions in Action" [10], several new ways of working as pioneered by a range of organisations (and as can be found in [9]) are explained using DFS' guidelines. An overview of the examples provided in that document are listed in the next section.

What it takes, ultimately, is the *need* and or *desire* to achieve one or more of the benefits that comes with optimally utilising expertise.

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## Examples of "DFS in Action"

In the document "The approach of Decision Free Solutions in Action" [10] several pioneering organisations and methods are discussed (as summarised below). The document provides examples of high-performing organisations doing things "differently". In each instance the perspective of DFS is applied to explain the logic behind it. Sometimes it makes suggestions as to how performance can be improved even further.

The greater point the document makes is that the route to increased organisational performance is not one of "experimentation". There are plenty of organisational examples available as to how expertise can be utilised better, and each and every time there is an underlying logic which can be used to adapt it to local circumstances.

**An organisation rigidly avoiding decision making** — Buurtzorg is a Dutch organisation providing neighbourhood care. Buurtzorg employs more than 14.000 nurses distributed over more than a thousand autonomous self-managing teams, with an office of no more than 50 people, and 20 coaches. Buurtzorg is a famous organisation in management literature for its lack of hierarchy and its spectacular results in terms of finance, quality of care and job satisfaction. DFS explains how the organisation's success hinges on a single principle: minimising decision making.

**Why "K2K Emocionando" is so successful in transforming organisations** — A small team of visionaries have organised themselves in "K2K Emocionando". This group has successfully transformed more than 50 organisations, predominantly in the Basque country of Spain. They call their approach "NER," which stands for New Style of Relationships. DFS is not only able to provide an explanation for the success of their approach, its logic also allows for suggestions for possible improvements.

**Proposing enhancements to Haier's famous RenDanHeYi-model** — Over the course of four decades, Haier, the Chinese white goods and electronics manufacturer, went from building faulty fridges to servicing customer needs at the time they arise. Their latest transformation is built on their unique RenDanHeYi-model (and often referred to as a "platform ecosystem"). Today, Haier consists out of 4'000 independent micro-enterprises able to make almost all of their own choices without consulting superiors or breaking protocol. Simply based on its guidelines, DFS is able to propose further enhancements to this most modern of organisational models.

**A successful and "hidden" cultural transformation in a governmental department** — The successful cultural transformation of the Belgian "Ministry of Social Security" shows that a transformation is possible also in very traditional and hierarchical organisation. But the initiator of this transformation also had to hide his intentions from his superiors to do so. The ministry went on to receive the "Gender Balanced Organisation Award" without having a gender policy in place. Which, according to DFS, is a logical outcome when creating the conditions to utilise expertise.

**The importance of purpose and perceptiveness** — The American retail company "Patagonia" has a mission statement which provides clear guidance in making organisational choices, minimising the need for rules and regulations, and attracting people who care. Other organisations hire people not based on their resumé, but based on alignment with an organisation's core values or cultural fit (municipality Hollands Kroon, Spotify). DFS explains the logic behind the success of these organisations.

**The Achilles heel of new ways of working is sustainability** — There are quite a few success stories to be told when it comes to organisational transformation. Often these organisation where either on the brink of failure and in need of drastic change, or they started with an idea of how to do things "different". What these organisations tend to have in common is a willingness to "experiment". What most of these organisations also have in common, is a need for continued experimentation, guidance and support. DFS explains the constant threats these organisations are exposed to, and how they can be remedied "from within".

**Defining a salary structure in absence of hierarchy** — In organisations which have made the transition from a strictly hierarchical organisation to a flatter and less formal one, the compensation system also needs to be altered. Two different approaches — from the UK firm Smarkets and the Swiss company Freitag — are analysed, and it is shown how DFS guidelines can be used to define a new compensation scheme from scratch without the need for experimentation.

**Procuring expertise instead of products or services** — Almost all organisations have a department of procurement to procure products and solutions. In many cases buying organisations have a good idea of what they need. But when the buyer lacks the expertise to confidently define requirements, or when organisational success hinges on the successful *delivery* of the vendor's solution, traditional procurement strategies — based on defining requirements, exchanging detailed information, and control — are unable to identify the *expertise* they are in need of. Applying DFS to procurement results in a method which both *identifies* and *utilises* the expertise of the vendor best positioned to achieve the organisation's desired outcome.

**Decision making as the cause of stress, interventions and trauma in birthing** — Birthing is an entirely physiological process which requires no interventions in 95% of all births. But despite the intimacy, the "magic" and its life-altering importance, a plethora of rules, procedures and protocols makes it practically impossible for the expectant mother to have the birthing experience she wants for herself. DFS explains how expectant women can be empowered to achieve a safe, non-traumatic and personal birthing experience without unwanted interventions.

# Appendix

## Identifying someone's level of perceptiveness through observation

The concept that the "level of perceptiveness" shines through in a number of linked behavioural characteristics, many of which can be easily *observed* (and others predicted) was introduced by Dr. Dean Kashiwagi [11]. It is explained at length in [5, 6].

To perceive is "to become aware, to come to realise or understand" (Oxford dictionary). Perception differs from mere observation in that it comes with a certain type of curiosity, a desire to link the observed effect to a cause. In "perceptiveness" it is the elements of "awareness" and "understanding" which are required to take on the role of the Decision Free Leader successfully.

As the ability to perceive lies on a continuous spectrum — from all-perceiving to non-perceiving — the assessment of someone's level of perceptiveness becomes more reliable the more consistent and the more apparent the observed characteristics are. In practice, relatively few observations already suffice to distinguish between perceptive, somewhat perceptive, and non-perceptive individuals.

The behavioural characteristics of either a perceiver or a non-perceiver can be grouped. Some of these grouped characteristics are easy to observe, others are not. Which simply means, as the characteristics are related, that those characteristics which are difficult to identify can be *derived*.

For example, you might not be able to directly observe whether someone is trustworthy or not, but you can observe whether someone is *likely* to be trustworthy. A series of observations in one situation thus allows you to *predict* how someone is likely to behave in another situation.

In Table 2 the behavioural characteristics for a perceiver and for a non-perceiver are shown. For a detailed explanation of the four categories see [5].

| PERCEIVER | | | |
|---|---|---|---|
| **No decision making** | **No control and influence** | **Steadiness** | **Caring** |
| Conditions and universal rules determine outcome: utilise everyone's expertise | Understands outcome depends on conditions and can't be forced | Not easily surprised, accepts reality, doesn't feel threatened | Aware of interrelatedness role of environment, own responsibility to contribute |
| • Always aiming for transparency<br>• Identifies decisions as risk<br>• Approver and enabler<br>• Embraces meritocracy<br>• Focus on goal to be achieved<br>• Doesn't micro-manage<br>• Has overview<br>• Welcomes support<br>• Encourages creativity | • Doesn't try to persuade<br>• Focus on identification of others' skills and talents<br>• Focus on alignment<br>• Accepts reality<br>• Humble<br>• Never blames individual<br>• Results are produced by culture/entire team<br>• Avoids dogged pursuit of unattainable goals | • Approachable<br>• Doesn't compete<br>• Doesn't abuse or discriminate<br>• Responsible<br>• Respectful<br>• Honest<br>• Informal<br>• Thoughtful<br>• Quiet<br>• Communicates directly<br>• Communicates openly | • Will make others feel at ease<br>• Interested in the whole person<br>• Achieves work-life balance<br>• Volunteers<br>• Compassionate<br>• Patient<br>• Supportive<br>• Trustworthy<br>• Good listener |
| **NON-PERCEIVER** | | | |
| **Decision making** | **Control and influence** | **Erratic and emotional** | **Lack of caring** |
| Conditions and universal rules are poorly perceived, event's outcome unclear | Fails to see outcome is pre-determined by conditions and universal rules | Lack of understanding, surprised by behaviour and outcome, insecure | Fails to see interrelated-ness, disregard for role of environment, not part of |
| • Likes decision making<br>• Belief in "gut instinct"<br>• Feels no need to explain decisions<br>• Does not mind contradicting oneself<br>• Does not prepare for meetings<br>• Quick to make up excuses<br>• Likes to talk instead of listen<br>• Strictly adheres to hierarchy<br>• Unable to change | • Preference for rules, protocols and contracts<br>• Values relationships and loyalty over expertise<br>• Links performance to the individual<br>• Readily apportions blame and praise<br>• Belief in incentives<br>• Greatly values hierarchy, authority and prestige<br>• Disregard for truth<br>• Uses information strategically; hidden agenda | • Displays abusive behaviour<br>• Cause of stress for those around<br>• Sees everything as win-lose<br>• Sees colleagues as competitors<br>• Never responsible when things go wrong<br>• Self-centred<br>• Boastful<br>• Opportunistic<br>• Easily hurt/feel threatened | • Focus on self (as opposed to e.g. family)<br>• No volunteering work that requires effort<br>• Unable to take other people's perspective<br>• No interest in other people's problems<br>• Not moved by other people's fate<br>• Focus on wealth as measure of self-worth<br>• Belief that people get what they deserve |

*Table 2. Overview of behavioural characteristics associated with a high level of perceptiveness (Perceiver) and a low level of perceptiveness (Non-perceiver) (from [6]).*

## Identifying an organisation's level of perceptiveness through observation

What applies to individuals also applies to organisations. Organisations which have access to, and also utilise, expertise are equally better at observing and grasping changes in the environment they operate in. They tend to respond quicker, operate with greater responsibility, provide better quality solutions, etc. Vice versa, organisations which operate predominantly through decision making will have to deal with plenty of internal risk. They try to manage this risk through many layers of management, rules, procedures, protocols, etc.

| Characteristics of a PERCEIVING (expert) organisation | | | |
|---|---|---|---|
| **No decision making** | **No control and influence** | **Steadiness** | **Caring** |
| Conditions and universal rules determine outcome: utilise everyone's expertise | Understands outcome depends on conditions and can't be forced | Not easily surprised, accepts reality, safe environment | Aware of interrelatedness with environment, own responsibility to contribute |
| • Loose or nearly absent hierarchy<br>• Relatively few but well prepared meetings<br>• Quick to respond<br>• Issues get resolved quickly<br>• Measure performances<br>• Everyone shares sense of responsibility<br>• Quality assurance instead of control | • Few rules and protocols<br>• Few staff functions, staff functions have supportive role<br>• Minimises the use of contracts<br>• Facilitates work-life balance<br>• Recognises performance is always collective<br>• No-blame culture | • Low employee turnover<br>• Few to no complaints of racism and discrimination<br>• Informal culture<br>• Easy access to leadership<br>• Open communication<br>• Not prone to litigate<br>• Relatively high job-security | • Has clear vision and mission providing context for organisational purpose<br>• Organisational purpose/ mission/vision resolves frustrations<br>• Uses profits to pursue organisational purpose<br>• Interest of client is interest of organisation<br>• Shares lessons learned |
| **Characteristics of a NON-PERCEIVING (non-expert) organisation** | | | |
| **Decision making** | **Control and influence** | **Erratic and emotional** | **Lack of caring** |
| Conditions and universal rules are poorly perceived, event's outcome unclear | Fails to see outcome is pre-determined by conditions and universal rules | Lack of understanding, surprised by development and outcomes | Sees organisation in isolation, as competing with outside world |
| • Strictly hierarchical<br>• Many management layers<br>• Long response times<br>• Frequent and poorly prepared meetings<br>• Meetings have lots of participants<br>• Issues don't get resolved without 'decision maker'<br>• Produce lots of internal information/ communication<br>• Large marketing/PR expenditures | • Many rules, protocols and contracts<br>• Lots of internal control and inspection<br>• Many formal staff functions producing directives<br>• Reliance on complex legal contracts<br>• Use of individual bonuses and other (financial) incentives<br>• Long work weeks are the norm | • Quick to litigate<br>• Culture perpetuates societal biases<br>• Internal conflicts don't always get resolved<br>• Internal competition for resources<br>• Unclear who is responsible<br>• Unpredictable company politics<br>• High employee turnover<br>• High sick leave<br>• Frequent reorganisations | • No or unclear vision and mission<br>• Sees profit as organisational purpose<br>• Focus on short-term performance and developments<br>• Little interest in (long-term relationships with) clients<br>• Win-lose mentality<br>• No clear strategy<br>• Limits flow of information, both in- and externally |

*Table 3. Overview of behavioural characteristics of both perceiving (expert) organisations and non-perceiving (non-expert) organisations (see [5]).*

In Table 3 some organisational characteristics, many of which are easy to observe also from the outside, are listed for both perceiving (expert) and non-perceiving (non-expert) organisations.

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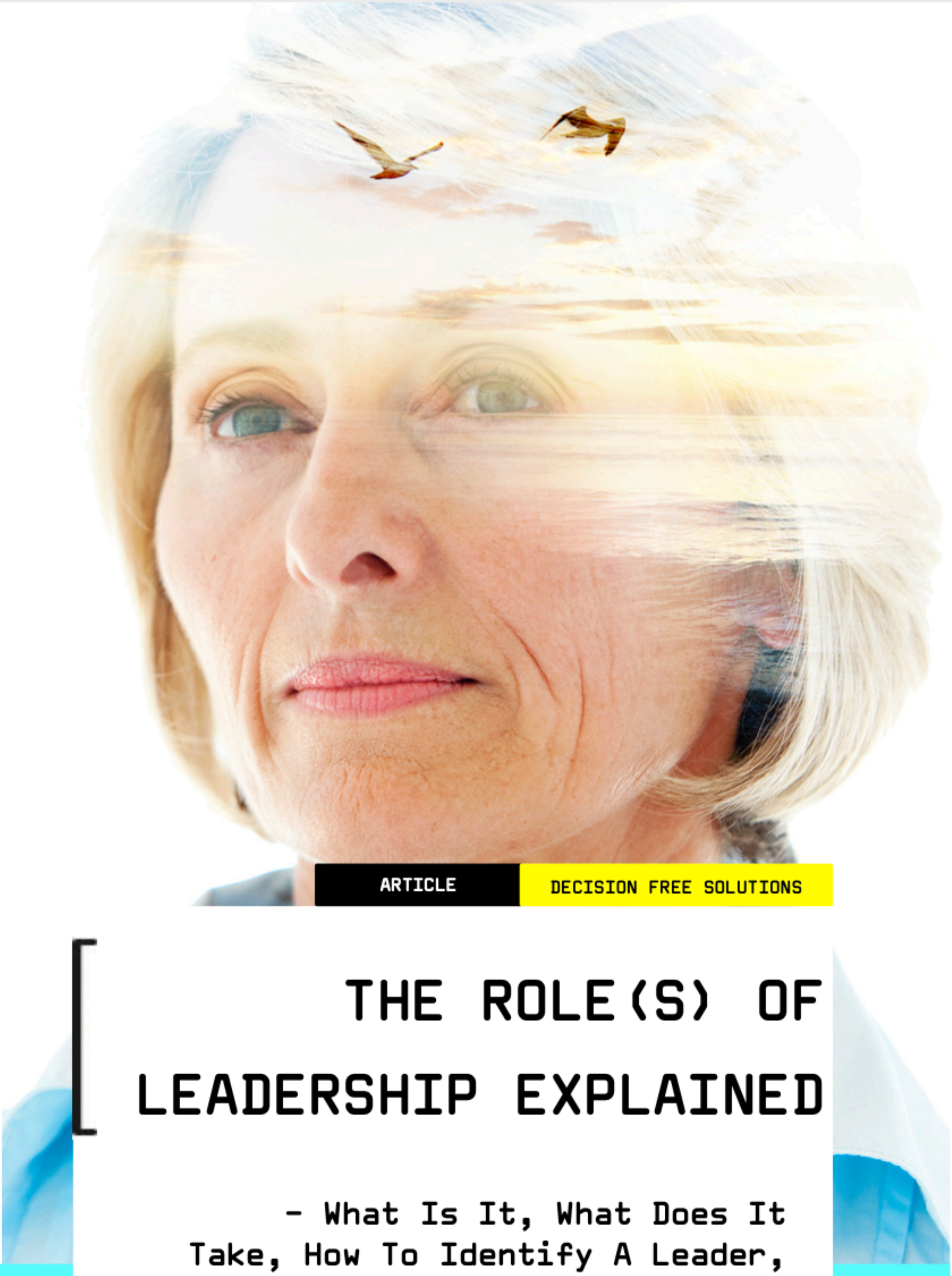

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# THE ROLE(S) OF LEADERSHIP EXPLAINED

## – What Is It, What Does It Take, How To Identify A Leader, And How To Close The Gender Gap


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# The Role(s) of Leadership Explained

*What Is It, What Does It Take, How To Identify a Leader, and How To Close the Gender Gap*

## A Summarising Introduction for Busy Leaders

Existing leadership theories are failing today's organisations. Not because they are unsound or necessarily outdated, but because — to mention one just important reason — they generally fail to fully take into account how the complexity of the organisation's environment impacts the way it is to be lead. Many a times it is simply left to the reader to find out when what model applies.

What is missing is not a new theory trying to outdo all previous ones. What is missing is a framework providing a logic and generic model to leadership which allows one to determine for oneself what to *do*, and which existing theories or models may be of help in doing it. A framework offering new perspectives on leadership-related findings, and opening up new avenues for leadership-related research. This article introduces such a framework. It defines leadership as a role, explains that the "act of leading" is about *minimising decision making*, and identifies "perceptiveness" as the key trait to take on leadership-roles successfully.

This article consists out of four parts. The first part defines what "the act of leading" is about. It not merely tries to *define* leadership, but focusses on what it is that needs to be accomplished. It identifies a leadership-*role* as follows: "The leadership-role is to create, sustain and communicate the conditions required to achieve the organisational unit's desired outcome at minimal risk." This role can be found in many positions throughout the organisation.

The second part begins with recognising that those who are in leadership-roles have to deal with change. This is the case also in what are otherwise stable environments, as anything out of the ordinary will be escalated up the hierarchy. It then identifies the one essential ability required to take on the accompanying leadership-role successfully: *perceptiveness*.

As someone's ability to perceive is, for all intents and purposes, constant, it follows that not everybody is suited to take on the leadership-role in any given environment. In the second part four leadership-types, and four types of environment, are identified. Rather than "to train leaders," organisations are thus encouraged to identify the environments in which individual employees — with a certain level of perceptiveness — are able to take on a leadership-role successfully.

The third part explains how to *assess* someone's level of perceptiveness. Someone's ability to perceive can't be *measured*, but it can be *observed*. It is explained that someone's — or some organisation's — ability to perceive shines through in a range of linked behavioural characteristics, many of which can be readily observed. Based on these observations still other linked characteristics — which don't lend themselves to observation — may readily be presumed.

The fourth part explores the implications all of this has on the "gender gap" in leadership positions. This part identifies *hierarchical decision making* as a *root cause* for the gender gap. It argues that the way to reduce the gender gap is an *indirect* one: it is what happens when organisations optimally utilise expertise in achieving their organisation goals. As such, the size of the gender gap is *a measure of organisational inefficiency*.

## A Grand Unified Theory of Leadership

The approach of Decision Free Solutions (DFS) — "a generic and systematic approach providing guidelines for new and existing methods to utilise all available expertise to achieve the goals you believe in" [1] — consists out of steps, principles, and the role of the "Decision Free Leader" (DFL).

In the context of organisations, DFS states that for organisations to be successful in achieving their goals, they are in need of leadership-roles which ensure that the expertise available to the organisation is optimally utilised. To do so — and this is the underlying paradigm shift of DFS — <u>decision making is to be minimised</u> through the utilisation of expertise. The definition of this role, and the elaborations and implications of its elements, results in a leadership theory ("DFL-theory") which is presented in this article. It can be viewed as a *non-prescriptive situational leadership theory*.

DFL-theory is 3-dimensional, considering "leaders," "followers" and their "context" together. It puts central *not* what leaders are like, or *what* they do, but what *needs to be achieved* in leadership-roles *throughout* the organisation. It provides guidelines also in absence of formal power structures and hierarchy (e.g., as found in some organisations implementing "new ways of working").

DFL-theory is *situational*: by analysing the *context* in which a particular aim needs to be achieved (e.g., in terms of environment, complexity of the aim, organisational culture and availability of expertise), it can be determined *a priori* whether the traits (behavioural characteristics) of those taking on leadership-roles *are* or *are not* essential in being successful in such roles.

Furthermore, the DFL-theory <u>logically</u> determines *which traits* may be required in what context, and how they can be identified through *simple observation*. This allows for the *prediction of performance* of both those who take on leadership-roles, and, by extrapolation, of the organisation at large.

DFL-theory is *non-prescriptive*. It offers a logical framework, and as such provides an "umbrella" for a host of contemporary theories of leadership. What is required to take on a leadership-role successfully depends on the particular responsibilities of a leadership-role at a given position, on the resources at hand, and on the environment in which it is to be achieved. Leadership-roles may be transformational, charismatic, authentic, servant, shared, distributed or still something else.

What sets DFL-theory apart from other leadership theories, is that it is an integral part of an overarching approach aimed at achieving desired outcomes at minimal risk through the utilisation of expertise. The consequence of which is that DFL-theory comes with guidelines as to *what to do* to be successful in leadership-roles as a function of context, turning it into a *logic-based practice.*

If it wouldn't be so ridiculous, one could argue that this article introduces a *Grand Unified Theory of Leadership*, which is based on logic, embraces many existing predominantly "2D"-theories, allows for the prediction of performance, and thus can researched and tested in practice.

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## Existing Leadership Theories Are Failing Today's Organisations

Over the years the author has read his pile of "management" books covering a wide range of topics. Among them are classics like "Lean thinking," "The Goal," "Heart of Change," "Thinking fast and slow," "Start with Why" and "Reinventing organisations" [2-7]. They can be considered *management literature*, for providing the interested reader with profound insights and or a new perspective.

Still many other management books have value and are interesting within a certain, narrower context. But when the topic is "leadership" suddenly the wheels tend come off and with a bump we land at the other end of the management book-spectrum: *pulp*. Then we, more often than not, hold in our hands something that may be well-written, uplifting, fun and totally identifiable. But ultimately lacking suggestions or guidelines that can be implemented in our own specific situation.

Books on leadership can, on occasion, be thoroughly interesting and thought-provoking. "The art of war," "Losing my virginity," "Primal leadership" and "Shackleton's Way" [8-11] come to mind. But you have to *look hard* to find worthwhile books on leadership. The topic appears to be a *carte blanche* for anybody to turn their personal experiences into "valuable leadership lessons". On HBR.org and LinkedIn clever leadership one-liners become the equivalent of the internet's funny cat videos.

But also more comprehensive leadership theory books, based on research, tend to be of limited value. Some studies are only concerned with *defining* leadership, not with the act of leading. Others only focus on the leaders at the very top of the organisation, ignoring the rest. Or they study leadership in the context of the organisation, but fail to take into account how the complexity of the organisation's environment impacts the way it is to be lead. Last but not least, almost all leadership theories implicitly assume that leaders exert power based on the position in the hierarchy.

Today's organisations increasingly have to operate in a very dynamic environment, asking the organisations, and its leaders, very different questions very rapidly. Many of these questions need to, and are best answered within the organisation, not at the top. Then there is a small but growing number of organisations operating without a formal hierarchy, where decision making is something to be minimised, and where "leadership" still exists but takes on a different and more fluid form.

Existing leadership theories are failing today's organisations, not because they are unsound or outdated (although an increasing number is), but because too often it is left to the reader to determine under which circumstances they apply.

What is missing is not a new theory trying to outdo all previous ones. What is missing is a framework providing a logic and generic model to leadership which allows one to determine for oneself what to *do*, and which existing theory may be of help in doing it. This article proposes such a framework.

This new perspective on leadership may allow you to identify new tasks and responsibilities in your position, wherever in the organisation that may be, and change the way you lead and or the way you view your leader. It may also be the starting point for a range of new ideas of your own — from how to recruit key personnel to how to best run an organisation based on the environment in which it operates. May your imagination lead you to great and unexplored heights!

# The Act of Leading

## What is "leading" about?

The Oxford dictionary defines a leader as "a person who leads or commands a group, organisation or country," and leadership as "the action of being a leader". On the one hand this is hard to argue with — CEOs and bosses are generally considered leaders. On the other hand it is also extremely unhelpful. If there is such a thing as a "good" and a "bad" leader, and if we want to talk about "leadership qualities," we must first establish what it is that leaders should achieve. When does a leader actually lead? The Oxford dictionary defines leading as "to set (a process) in motion". But *what* is it that has to be set in motion, and *to what aim*?

If we take the definition of a "leader" literally, then *anybody* who leads or commands an organisational unit — of whatever size — is to be called a leader. In practice, organisations — and the people operating within them — often make a distinction between a "leader" (or leadership) and "managers". This distinction is supported by some thinkers who believe leaders and managers are somehow discrete entities, requiring an entirely different skill-set [12,13], and many popular "Leader versus Manager"-lists circulating *ad infinitum* on LinkedIn support this view[2]. Others believe that any categorical distinction between leaders and managers is artificial [14, 15]. More importantly, however, this discourse is entirely irrelevant to the performance of the organisation itself. What matters is an understanding of what"leading" actually implies.

In leadership literature — a good overview of which is provided by [16] — leadership is usually portrayed as a one- or two-dimensional phenomenon. The focus is often on a person ("the leader"), or the interplay between the leader and its "followers". What is a generally missing from leadership models and theories is *the environment* in which the organisation is to achieve its goals.

In today's dynamic, interconnected and increasingly complex world, a "leader" staying clear of all things management related is as rare as a "manager" never facing a situation where leadership skills are required. What is more, there is a small but growing number of organisations where there no longer is a hierarchically defined leader. But even in absence of an appointed formal leader, these organisations still harbour people "taking the lead". Increasingly, leadership models which consider the actions and behaviour of those who are able to exert power based on their position within the organisational hierarchy — often considering only those who are at the very top of the hierarchy — are of little practical use.

Today's organisations harbour many different "pockets" of expertise and specialisms which all have to collaborate to achieve the organisation's aim, and which all have their own characteristics and unique challenges. These organisational units have to accomplish tasks. Tasks which are to be non-ambiguous, aligned with achieving the organisational aim, requiring resources, to be performed at minimal risk. None of which simply "happens".

Whether the organisation has a hierarchy which "appoints" leaders or not, in every organisational unit the conditions should be in place to achieve the tasks at hand. Who can contribute to achieving these conditions, and what skills are required to do so, will depend on the position in the hierarchy

[2] Invariably these lists make "managers" look like spiteful losers that want to rob you of your freedom and your creativity.

(even in the flattest of organisations there will be a primus inter pares), the task at hand, and the environment in which the task is to be accomplished.

A *practical* leadership theory does not restrict itself to merely defining "who" the leader is, or "what" leading is to achieve, but also "how" it is actually done. It is to take into consideration that leadership is not be restricted to a person or hierarchical position, that leading is to be seen in the context of achieving an aim, and that this aim is to be achieved in a particular environment.

## The definition of the leadership-role

In leadership literature there are almost as many definitions of leadership as there are authors. A comprehensive example of a definition of leadership is "a process whereby an individual influences a group of individuals to achieve a common goal" [17]. But merely defining the word "leadership" doesn't say anything about how it is accomplished or to what aim, and as such its relevance in "the real world" is close to naught.

To be able to have a discussion on leadership which is meaningful in the context of everyday situations, we must talk about what needs to be achieved. We must also identify that we are talking *not* about a type of person, and *not* about a hierarchical position either. We are talking about a *role*: the *leadership-role*.

What this leadership-role looks like, what it takes, and how important it is in any given function depends on many factors. Most importantly, however, this leadership-role must be first defined. So here it comes.

> The leadership-role is to create, sustain and communicate the conditions required to achieve the organisational unit's desired outcome at minimal risk.

Before explaining the various elements of this definition in more detail, the next section will first highlight how this definition based on roles relates to existing leadership research, viewpoints and discussions as well as enduring dilemmas.

## How the definition of leadership-roles relates to existing leadership theories

The definition of the leadership-role provides a perspective on leadership which at times differs radically from existing leadership theories:

- By defining leadership-*roles* rather than *leadership*, the responsibilities are no longer anchored to hierarchy or hierarchical position. Leadership-roles may still predominantly be taken up by those in certain hierarchical positions, but the definition allows for leadership-roles also *in absence* of hierarchy or other formal structures (e.g., in organisations implementing self-management).

- The former is made possible because of the underlying paradigm shift: those taking on leadership-roles are not *to make decisions*, but to ensure that *decision making is minimised* (see also the next subsection). Naturally, this paradigm shift also has dramatic consequences with regards to the leadership-*style* required in such roles (see also the section: "On gender and leadership").
- Along the same line, leadership-roles, and their responsibilities, are not just reserved to the top of the hierarchy either. Leadership-roles can, must and are taken up by people *throughout* the organisation. Roles may also be rotated, or be assumed only in a certain context/situation.
- In the concept of leadership-roles, there is not, by definition, an explicit or implicit "power imbalance". Power is not a pre-requisite, as the person taking on this role is not trying to control, direct, guide or transform other people or their situation *unless this would result in achieving the desired outcome at minimal risk* (which is never).
- The definition doesn't care whether employees are appointed in these roles, naturally assume them, be chosen by their peers, are recruited, or even recognised as such. By definition, *whomever* creates/sustains/communicates the conditions to the purpose as defined is taking on a leadership-role.
- In organisations where "leadership" comes with the job description and or the position in the hierarchy, these "leaders" may not be able to successfully take on the leadership-role. Just because someone's job description is "manager," it does not mean these managers are unable to successfully take on the leadership-role. In other words, in the context of leadership-roles, the popular dichotomy between leaders and managers is not only false, it becomes entirely meaningless.
- By linking the responsibilities to achieving "a desired outcome at minimal risk," the definition not only provides an answer to the more pertinent question "what is good leadership" [18], it also allows for its assessment (were the conditions to minimise risk in place?).
- By linking the leadership-role to achieving "a desired outcome of the organisational unit," it no longer sets the "leader" apart from the "followers" — they share, and are to achieve, a common goal.
- By linking the leadership-role to creating, sustaining and or communicating "the conditions" for achieving the desired outcome at minimal risk, the definition becomes situational. Fore example, when the organisation's environment is *stable*, and where the person taking on the leadership-role is also the expert, a traditional hierarchical form of leadership may be *optimal* — as the "decisions" made will carry the least amount of risk. In *dynamic* situations the traditional hierarchical form of leadership will only *increase risk* (as the expertise required to minimise risk will be distributed, and needs foremost to be utilised). In this situation creating the conditions to allow for self-management may be crucial. Context, alas, is key.
- By linking the leadership-role to the conditions for achieving the desired outcome "of the organisational unit," the activities and also the required skills and experience for a particular role will differ based on how this unit is defined. At the highest organisational level the leadership-role (e.g., CEO) may include communicating the organisation's vision. Within a team (e.g., team leader) it may be pivotal to ensure the desired outcome is understood the same by all involved.
- Leadership-roles are no longer linked to a narrow set of characteristics, or skills, or activities. Traditional and ubiquitous "leadership training programs" assuming leaders are to make decisions and are "in a position of power" become rather futile. The skills and talents needed to take on leadership-roles successfully vary based on context. Yet there is still an argument to be made for the "trait" or "behavioural characteristics" which is essential to take

on the leadership-role in especially dynamic situations. This is the topic of the section "Identifying the right leader".

## The definition of the leadership-role explained

Now a closer look at the various elements of the definition of the leadership-role:

- **The organisational unit** — This merely indicates that those taking on the leadership-role do for a given "unit," be it a team, project, department or the organisation as a whole.
- **Achieve the desired outcome** — This can also be read as achieving the "goal" or "aim" of the organisational unit. The leadership-role is thus directly associated with the organisational context.
- **At minimal risk** — In absence of unlimited resources, and possibly in the presence of competitors, desired outcomes are not merely be achieved "one way or another". They are to be achieved at minimal risk. There are two types of risk to be minimised: outcome risk and resource risk. The leadership-role concerns itself with minimising the risk the desired outcome will *not* be (fully) achieved, or will be achieved against (many) more resources than minimally required. It should be noticed that "minimal risk" is not a quantity which can be measured objectively. But the logic implied is that risk is minimised if the available expertise relevant to achieving the desired outcome is optimally utilised. Someone taking on the leadership-role may not have access to the expertise required to fully avoid risk. Many times the desired outcome has to be achieved in situations which cannot be controlled. Some times the desired outcome may even be completely out of the realm of possibilities. But what can be achieved — and assessed — is the optimally utilisation of available expertise (as explained by the approach of Decision Free Solutions [1]).
- **The conditions** — A library can be filled with books written on "the conditions" the leadership-role is to establish for the organisation to be successful. For a certain organisational unit, operating within a certain environment, with a certain established culture, with a collective of people with certain characteristics, a certain book — offering a unique perspective on how to create the conditions for this one particular situation — can be written. Fortunately, the combination of logic and the provided definition of the leadership-role allows for a *generic* description of what these conditions are. To achieve a desired outcome it must first be transparent to all involved what this outcome is. In order to minimise risk, the *experts*[3] in achieving this outcome are to be identified. These experts must be able to fully utilise their expertise. This requires that experts and non-experts are able to communicate with each other (to prevent non-experts from feeling the need to control experts), and that "hierarchal decision making" is overcome (to prevent that someone disregards an expert's substantiated choices merely on the basis of his/her hierarchical position). In the approach of Decision Free Solutions [1] four steps (DICE, [19]) and five principles (TONNNO, [20]) have been identified which comprise the conditions to fully utilise expertise. This approach also identifies that most organisations will *not* be able to instil these conditions — which collectively constitute a *culture* — if only for not having sufficient people

[3] 'Experts' are defined as those people able to minimise risk in achieving a desired outcome. An expert is not to be confused with a 'specialist'. A specialist is someone who is very knowledgeable in a certain field, which says nothing about the ability to minimise risk trying to achieve a desired outcome. Experts are able to explain how they will achieve a desired outcome in an easy-to-understand way, without using details or technical language. Specialists tend to speak jargon and often are a poor fit for a leadership-role.

with the right characteristics to take on the leadership-role in leadership-roles[4]. Being able to positively identify these people is the topic of the next two sections of this article.

- **Create, sustain and communicate** — Here we arrive at the "action" of leading, the *process* (i.e. creating the right conditions) to be *set in motion*. It involves ensuring the desired outcome is non-ambiguous, the available relevant expertise both identified and utilised, decision making minimised, and the communication between experts and experts-in-something-else transparent. In almost all instances, especially for leadership–roles at the "top" of an organisation, the focus is on creating, sustaining and communicating a *culture* (within a team, project, organisation, whatever). A culture which is safe and not only allows, but actively encourages everyone to bring their expertise to the table in order to achieve the desired outcome at minimal risk. If the culture providing these conditions doesn't exist, it is to be created. Once created it is to be sustained. At all times the leadership-role is to communicate this culture[5]. Someone taking on the leadership-role may not excel at all three elements, but all three elements are crucial[6].

## An example of an organisation without leadership: Buurtzorg

Buurtzorg is a highly successful organisation that has attracted a lot of attention. It features prominently in Frederic Laloux' "Reinventing Organisations" and in "Corporate Rebels: Make work more fun" [7,23].

Buurtzorg is a Dutch organisation founded in 2006 whose name translates to "neighbourhood care". Buurtzorg sets out to provide client care from a holistic perspective. The organisation employs almost 15.000 nurses — distributed over a 1'000 extremely autonomous self-managing parallel teams, supported by training, coaches and an IT-platform — with an office of no more than 50 people and 20 coaches. Buurtzorg's results are extremely positive across the board: financially, quality of care (patient satisfaction), and job satisfaction.

Buurtzorg doesn't have a hierarchy, in the sense that the teams aren't subordinate to coaches, and coaches not to its CEO. Buurtzorg avoids decision making across the board to not interfere with its employees utilising their expertise to provide care to their patients (as described in more detail in [24]). The office doesn't come up with rules or protocols, the coaches don't tell the teams what to do, and the team-meetings are organised such that any informal hierarchy is avoided.

It's CEO — Jos de Blok — doesn't consider himself a leader, as he isn't needed in providing Buurtzorg's services to their patients. He doesn't make decisions.

Yet the importance of Jos de Blok for the organisation — which he founded — is hard to underestimate. Through interviews, presentations, the way he dresses (no suits), his social media

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[4] As will be argued in the last section, those organisations which have an above average number of women taking up leadership-roles throughout the organisation tend to be organisations which (have the potential to) utilise expertise.

[5] In the approach of Decision Free Solutions this culture is called the culture of no-decision-making, where a 'decision' is identified as a special type of choice: a choice which is not fully substantiated. A choice which, thus, increases risk (see [21]).

[6] Compare with the three proposed leadership styles of "designer," "steward" and "teacher" as required to build a shared vision and encouraging everyone to pursue its values [22]).

accounts and many other sometimes very subtle ways, too, he communicates and sustains the principles underlying the culture of Buurtzorg, and almost personally embodies it (transparent, easily accessible, open, no-nonsense).

The CEO of Buurtzorg successfully takes on the leadership-role for the entire organisation, the way the coaches do this for the teams, and the"facilitator" does this for his/her colleagues during the team-meeting.

Buurtzorg set out to avoid hierarchical decision making and unnecessary rules and protocols from the very beginning. The resulting structure of self-managing teams is widely admired. But this doesn't automatically mean that other organisations, pursuing other goals, in other environments, are to shed hierarchy and adopt "self-management" in order to improve performance.

## A shift from "leaders" to "leadership-roles" does not require radical change

Organisations tend to be complex systems, and this often applies also to the environments in which they have to achieve their goals. As "radical" the underlying paradigm shift may appear to be from traditional definitions of "leadership" to "leadership-roles" as proposed here, the transition towards "minimising decision making" isn't. In fact, it is fairly easy, and can be done both locally, gradually and reversibly, and without a need to restructure the organisation[7].

From complexity theory follows that one shouldn't work towards some idealistic goal, but start with what can be improved in the existing situation. Organisations interested in moving away from hierarchical decision making can do so gradually. Their organisational structure must not be radically changed.

A first step would be to identify which part of the organisation is exposed to the greatest risks. In other words, where in the organisation would optimally utilising expertise have the greatest impact and greatest return? The next step would be identifying all instances of "decision making" — be it hierarchical, or as found in rules, protocols, procedures, checklists, best practices, etc.

The third step is to work towards creating the conditions to optimally utilise expertise. Which begins with defining non-ambiguous desired outcomes, and identifying the expertise relevant to achieve it, and to what extent it is available to the organisation. The approach of Decision Free Solutions [1] provides four steps and five principles, as well as the role of the "Decision Free Leader," to guide this process.

Remains the question: are those who are in hierarchically defined leadership positions also automatically suited to successfully take on leadership-roles? If Jos de Blok would step down, what characteristics to look for in the one to replace him?

[7] For example, instead of managing by decision making one can manage by approval (see [37]).

## Can everyone take on the leadership-role successfully?

The collective behaviour and attitude of all those who take on the leadership-roles in an organisation determines *how it goes about* achieving desired outcomes, and *how* the organisation relates to its employees, its customers and its environment (see [65]).

To take on the leadership-role *successfully* requires a *single trait* (or 'ability'). Whether someone possesses this trait, and if so to what degree, cannot be measured, but it can be easily *observed*. In other words, *not everybody* can take on the leadership-role in any given situation, but, given the situation, it is *easy* to identify those who can.

*The implicit statement* the definition of the leadership-role makes, is that to take on the leadership-role successfully you must be someone *who cares*. Not just because the one who takes on the leadership-role is to achieve a desired outcome *for someone or something else* (i.e. the organisational unit). Not just because this person is to create, sustain and communicate the required conditions *for others*. But because to do all this one has to have a high level of perceptiveness. Those who have a high level of perceptiveness can't help but care — as will be explained in the next section.

But first a quick couple of leadership related Q&A (as found in literature) in support of the idea that being able to identify those who are most likely to be successful at taking up the leadership-role — regardless of the position in the hierarchy — will have an impact on the organisation's performance:

- *Does it actually matter who the organisation's leader (the CEO or boss) is?* The answer is yes [25-27].
- *Is the leader solely responsible for the success of the company?* The answer is no [28].
- *Does the leadership style have an impact on how management performs?* Yes, it does [29].
- *Has research identified an overriding characteristic of what makes a good leader?* No, it hasn't. It has merely identified that the impact of (the style of) leadership depends on the circumstances the organisation finds itself in (e.g. type of organisation, type of industry, geographical location) [30-32].

# The Leadership Trait

## Those in leadership-roles invariably have to deal with change

The skills needed to *successfully* fulfil the leadership-role vary immensely from situation to situation. The need for the leadership-role itself may be nearly absent in managing a well-attuned team of skilled workers operating in a relatively stable environment. It may be front and centre in managing an interdisciplinary project trying to fly to the Moon and back before the end of the decade. But no matter how different the circumstances, the definition of the leadership-role — as well as the outcomes of leadership-related research — *logically* points to a single essential trait or characteristic.

The leadership-role — the *act* of leading — concerns itself with creating, sustaining and communicating the required conditions to achieve a desired outcome at minimal risk. In hierarchical organisations (practically *all* organisations) the leadership-role is to be taken on by leaders, managers, project leaders, team leaders, procurement officers, etc., as they are the ones who are in a position (have the *mandate*) to act out this role.

Taking on this role means having to deal with changing environments and new unique challenges. Oftentimes the "conditions to achieve a desired outcome at minimal risk" still have to be created, and changes will thus have to be made.

But also when these conditions are more or less in place, there will be change that has to be dealt with. In what are otherwise stable environments anything which is out of the ordinary will be escalated up the hierarchy. Lack of resources, frustrations, disputes, anything that is unclear, ill-defined and or in need of resolution will land at the feet of the one carrying the leadership-role.

Add to this the changes imposed by changing market conditions, competitors, legislation, politics, etc., and the leadership-role clearly requires an ability to deal with changing conditions. In summary, the leadership-role revolves around dealing with change.

## Each leadership-role is unique, but the trait required tends to be the same

The first step of the approach of DFS is called "Definition". It is only logical that the expertise relevant to achieve a desired outcome can only be identified and utilised if this desired outcome — and the context in which it is to be achieved — is transparent to all involved. This holds true for the organisation at large (i.e., the organisation's mission), as well as for any single department and team (e.g., a project goal).

In a small organisation the desired outcome may be a simple statement which is readily understood the same by all involved. In larger organisations the vision and mission statements become increasingly more important to allow employees to *interpret* the desired outcome (e.g., of an assignment) within the organisation's broader context.

Having clarity on the organisational unit's desired outcome is merely the first step in creating the conditions to minimise risk. Next the people best able to achieve it shall be identified: the *alignment* of people's capability with the tasks at hand. Once this has been established, the available expertise is to collectively *clarify* how the outcome is likely to be achieved. Finally, it has to be ensured that all available expertise can indeed be utilised to achieve the desired outcome [19].

At every level within the organisation these leadership-role responsibilities translate to *different* tasks requiring *different* talents. But there is one talent or trait that is needed in all of these situations.

To optimally utilise expertise, one has:

- To minimise all types of decision making preventing the use of expertise (hierarchical, and as found in rules, procedures, protocols, checklists and contracts)
- To establish clear communication between experts and non-experts to prevent (the felt need for) mechanisms of control and decision making [1,33].

A traditional organisation will only be able to *truly overcome* these challenges if it has — or manages to identify and appoint — a sufficient number of people in hierarchical positions who are able to collectively nudge the organisation's culture into the desired state. But also in organisations operating without clear and or strict hierarchies, the availability of people with the right trait is key to be successful. In this context, the statement "hire for culture, train for skill" needs a small but crucial clarification: hire for *high level of perceptiveness*.

Whomever takes on the leadership-role is to be able to *perceive* whether the culture is in place to fully utilise available expertise, *perceive* what is shaping this culture, as well as *perceive* how any change made impacts this culture. This person must at the same time also *perceive* the organisational unit's environment, any changes therein, and the impact these changes may have on achieving the desired outcome. Last but not least, this person is to be able to *perceive the level of perceptiveness of others* around him/her, in order to know what may be needed to best utilise their expertise.

## Perceptiveness is a precondition for successful leadership

To perceive is "to become aware, to come to realise or understand" (Oxford dictionary). Perception differs from mere observation in that it comes with a certain type of curiosity, a desire to link the observed effect to a cause. In "perceptiveness" it is the elements of "awareness" and "understanding" which are required for the action of leading.

The ability to observe change is not enough. It must be combined with an interest in its causes. As only then the *impact* these changes are likely to have on achieving the desired outcome can be identified, predicted, prepared for and or prevented. Awareness and understanding allow for the assessment of the urgency, as well as the direction that leading has to take.

Perceptiveness alone doesn't automatically make for a good leader. It is merely the starting point for the action of leading itself. Good leadership often also requires experience (having been in similar situations before) and or specific knowledge on how the organisation ticks. It may at times also be important to be intimately familiar with the organisation's activities and challenges.

That experience, specific knowledge and familiarity with the organisation are, in many situations, crucial for success is supported by plenty of research, see e.g. [28,34,35]. But in almost all situations, the ability to create the conditions to optimally utilise expertise — and thus minimise risk in achieving the desired outcome — *stands or falls* with the ability to perceive.

The greater the *level of perceptiveness*, the greater someone's *potential* to take on the leadership-role. As will be shown, the *required* level of perceptiveness (as well as that of experience) *varies greatly* with the characteristics of the environment of the organisational unit. The more change, and the more dynamic this change, the higher the required level of perceptiveness.

There are still a great deal of organisations, and still many more leadership-roles, where a great deal of experience may be equally or more important than perceptiveness. For each leadership-role, however, *some* level of perceptiveness is required to deal with the inevitable change, and to ensure risk will continue to be minimised.

## How to identify "perceptiveness"?

Where someone's experience is generally easy to assess, and usually well documented in a *curriculum vitae,* the same is not true for perceptiveness. Fortunately this problem has a solution. Although "level of perceptiveness" can't be *measured*, it can be reliably determined through *observation.*

In the next section it will be explained how "perceptiveness" expresses itself in a range of behavioural characteristics which can be readily observed. The more observations — and the more consistent and the more "extreme" they are — the greater the reliability of its assessment. These observations allow for the determination of an individual's potential to minimise risk in a particular environment.

Interestingly, the same principle applies to organisations as a whole. Based on a range of easy to observe behavioural characteristics of organisations, many of an organisation's future actions — as well as its likelihood of success — can be *predicted* with a certain degree of likelihood. Observing the behaviour of an organisation's leadership team is often a good and captivating starting point.

# Identifying the Right Leader

## Perceptiveness, experience and environment

The leadership-role is to create, sustain and communicate the conditions required to achieve the organisational unit's desired outcome at minimal risk. The person who takes on the leadership-role is to combine perceptiveness with experience. The *level* of perceptiveness and the *amount* and *type* of experience required to successfully take on this role varies based on the environment in which the organisational unit operates.

To be able to identify the right person to take on the leadership-role thus requires an assessment of i) the organisational unit's environment, and ii) a person's level of perceptiveness and relevant experience within this environment.

In this section — using simple models, diagrams, and logic — it will be explained how the *required* level of perceptiveness and experience for a particular leadership-role can be identified. This is followed by an explanation of how someone's *ability to perceive* can be determined through the observation of a range of *behavioural characteristics.*

## The Event model and predicting outcomes

That *perceiving* is an essential ability to successfully take on the leadership-role follows logically from a simple model as proposed by Kashiwagi [36]: the Event model (see Figure 1). The Event model — where an "event" is simply anything that takes time — takes as its single assumption the principle of causality. That is to say, nothing happens without being caused. This means that *in principle* — ruling out divine intervention — an *omniscient* person could *predict* the outcome of each and every event.

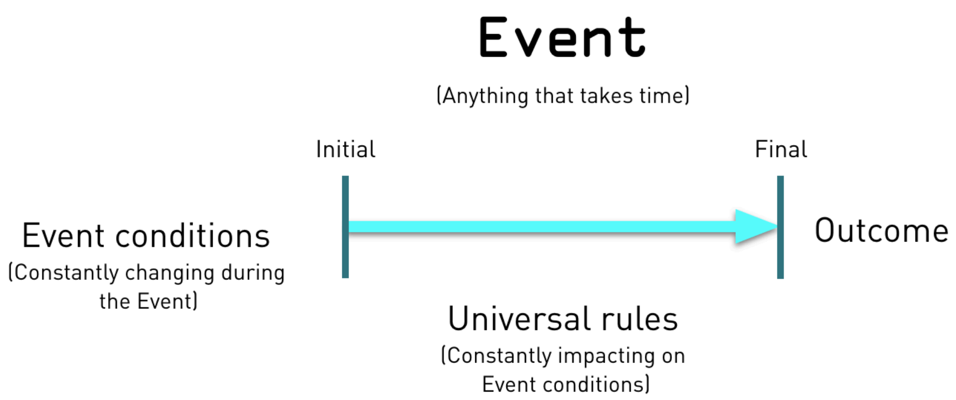


*Figure 1. The Event model.*

In the Event model any event has, at any given moment, a number of event conditions. At the beginning of the event these are called "initial conditions," at the end of the event "final conditions," or simply "outcome". Throughout the event the conditions are simply there, ready to be perceived.

The Event model states that conditions are impacted upon by so called "universal rules". These rules are — to all intents and purposes — unchanging. Examples are "the Archimedes' principle," and "abusing people at work negatively affects their motivation" (so if people are abused during an event, the event's condition "people's motivation" will change in a predictable way). Some of these rules can be taught (e.g., principles of project management), but most rules affecting everyday events follow from having been in situations where cause and effect relationships were perceived and lessons were learned[8].

A simple example. Imagine you are a few steps away from someone who is holding a string that is pulled at by a balloon eager to escape. Next you are told that the event is "person lets go of string". Immediately, without thinking, you know the outcome of this event. This is because you *perceive* all of the relevant initial conditions — person holding a Helium-filled balloon — and you have plenty of *experience* in similar situations to be familiar with the *universal rule* at play: if you let go of a Helium-filled balloon, it will rise. And it did. You correctly predicted the future.

But what if you are a few steps away from a person holding a balloon with both hands, the string dangling? Is the balloon filled with Helium or air? When the person lets go, will the balloon rise or fall? You are still an expert — in both gravity and Helium-filled balloons — but you would have to guess the outcome of the event. You may be an expert, but if not all of all of the initial conditions can be perceived, you can't be certain what the event's outcome is.

In organisations, also everyday events tend to be rather complex. It is rather unlikely that all the event's conditions are perceived, and that all relevant universal rules are readily identified. From the Event model follows merely that *the more* of an event's conditions are perceived, and *the more* universal rules are known, *the greater the likelihood* the outcome of the event will be *predicted* correctly.

## Achieving desired outcomes

The "core-business" of organisations is not guessing the outcome of events, however. It is organising activities (events) *to achieve a desired outcome*. In the case of the person about to let go of the balloon, what to do if the desired outcome is: "get hold of the balloon"? Although you can't be sure whether the balloon will rise or fall, you will lunge forward trying to grab the string. Perhaps the balloon will slowly fall to the floor. But you have no choice if you want to *minimise the risk* the desired outcome won't be achieved.

You will lunge because you are an expert in this situation. Experts are able to *minimise risk* in achieving a *desired outcome*, as — based on the perceived conditions and their understanding of the universal rules at play — they know what must be done next.

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8 These "universal rules" are not "laws", and they mustn't be objective and measurable cause-and-effect relationship's either. Instead of "A causes B" it would be better to see "universal rules" as "B *values* A as a precondition". This is, in fact, a metaphysical issue (see [64]). But the important take-away here is that, in practice, there may be more preconditions than "just" A which result in B. Because of someone's experience this person may recognise a certain situation and predict what will happen next, without this someone being able to identify every single "precondition" and its relative contribution to the predicted outcome.

## Experience versus expertise

When referring to someone's "experience," we generally refer to e.g. the number of years someone has been active in a certain field, or the number of times someone participated in similar type of events. For example, someone has 20 years of experience in the field of project management, or was a project leader in ten different projects.

But someone's *experience* by and of itself doesn't communicate whether someone is also *good* at something. It doesn't automatically mean this person will be able to minimise risk when asked to be the project leader in an *entirely new situation*. What we are really interested in, is the *collection of universal rules* someone is aware of.

Someone's awareness of universal rules consists out of rules obtained through study as well as through unique personal observations. Studying "project management" you are taught the "universal rules" of how to manage a project. It is a "universal rule" that a project needs some kind of business justification, that roles and responsibilities need to be defined, that uncertainties need to be considered, etc., or otherwise the project may fail. These rules apply to almost all projects and all project leaders better take heed.

But each project takes place in a unique organisation, in a unique environment, with unique conditions and unique universal rules which can't be found in any book. A pending restructuring may make people insecure, a recent leadership change may result in changing priorities, the absence of a clearly stated mission is likely to result in lengthy discussions every step of the way.

The degree to which someone actually perceives these conditions and identifies and assimilates new universal rules is what is of interest. It is the *combination* of *perceptiveness* and *experience* which ultimately determines whether someone is, or may become, an *expert*.

## Leadership-types and types of environment

An *expert-leader* — someone who successfully leads the organisational unit to achieve the desired outcome at minimal risk — likewise is to combine perceptiveness with experience. In Figure 2a the various possible combinations are shown in a diagram.

Where it comes to the leadership-role anyone is represented by a point somewhere on this diagram. Any one person combines a certain level of perceptiveness with a certain amount of experience. In this diagram it is assumed that a combination of perceptiveness and experience to the right of the dotted green line ("the arbitrarily drawn expert-leader threshold") is required to be *successful* at the leadership role.

For each of the four quadrants in Figure 2a a leadership-*type* has been proposed. For example, those who have a modest level of perceptiveness, but have a lot of experience, are of the leadership-type "Skilled".

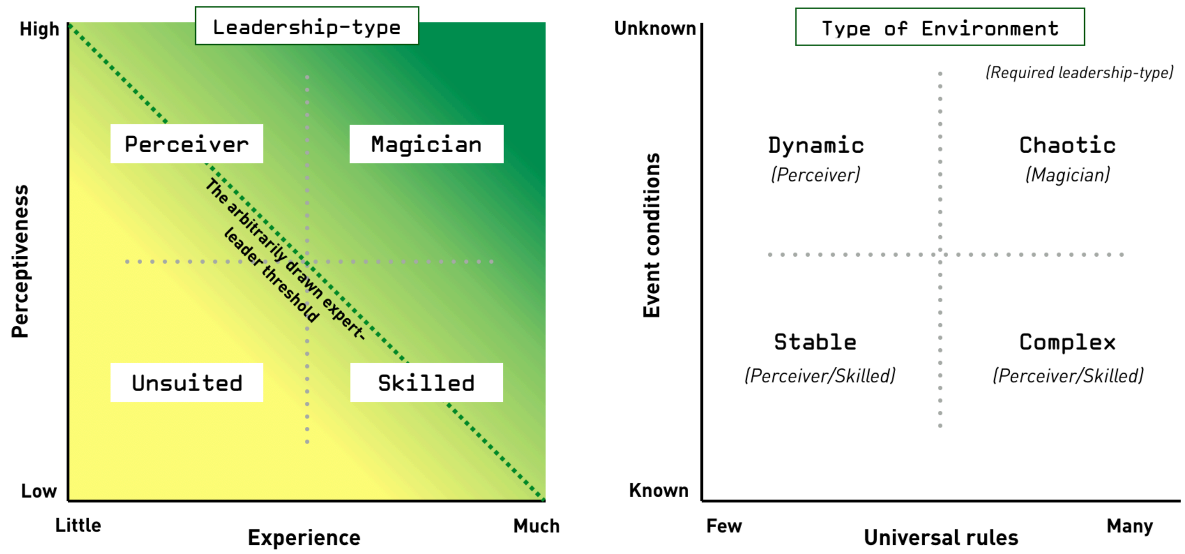


*Figure 2a (left). Four leadership-types based on combinations of perceptiveness and experience.*
*Figure 2b (right). Four types of environments based on combinations of known event conditions and number of universal rules at play.*

Whether a certain leadership-*type* will be successful in a given organisational unit depends on how dynamic and complex the unit's environment is. The more dynamic, the more event conditions will change (and are thus not "known"). The more complex, the more universal rules will be impacting upon these conditions.

In Figure 2b the various combinations of known event conditions and number of universal rules are shown in a diagram. Each quadrant corresponds to a type of environment and has been labelled.

For example, when many event conditions are unknown, and there are many universal rules which impact these unknown conditions, the environment is labelled "Chaotic".

As is indicated below each environment label in Figure 2b, each organisational unit operating in a certain type of environment requires a certain leadership-*type* in order to be led successfully. The more dynamic an environment, the more likely event conditions are to change, the greater the importance of someone's perceptiveness. If, on top of changing conditions, there are also a large number of universal rules are at play, the greater the importance of someone's experience becomes as well.

It is this combination of perceptiveness and experience — and the required "mix" to take on the leadership-role successfully in a given situation — that makes it *impossible* to produce blanket statements on what it entails to be a "good leader". In a "Stable" environment, having considerable experience may go a long way in being a good leader. Experience alone counts for much less, however, when the environment type is "Dynamic".

## The practical implication of types of leadership and environments

With the concepts as depicted in these two simple diagrams, a number of leadership-related questions can be answered.

*Are leaders born?* (See [30]). The answer is yes and no. Yes, as, to all intents and purposes, someone's level of perceptiveness can be considered a constant. No, as perceptiveness by itself is not enough to be a good leader in all environments.

*Is a good leader in one situation also a good leader in another situation?* No, as to minimise risk one has to perceive the relevant conditions *and* be aware of the universal rules impacting upon them. In different sectors, different fields, and different organisations also different universal rules will be at play.

*Must a good leader also be a "specialist" in the field the organisation is operating in?* If we take the Oxford definition of a specialist ("a person highly skilled in a specific and restricted field"), then it depends on the field. Some organisations operate in an environment so dynamic and so complex that the leader must first and foremost be very perceptive. Such a person can be successful with only a very limited understanding of the organisation's own expertise. In other organisations, however, a thorough understanding of the organisation's specialism may be crucial to be able to lead successfully.

*Does a "specialist" make for a good leader*? Following the definition of "specialist," then the answer is "usually not". Whereas a specialist is *devoted to a particular subject,* an expert *minimises risk for others* (see also [37]). Those two are not to be confused. The key leadership trait is perceptiveness, not detailed knowledge or experience.

Most importantly, however, the model explains why it is futile to invest in generic programs aimed at preparing employees for leadership positions somewhere within the organisation. To improve an organisation's performance it is — when it comes to leadership-roles — essential to *align* someone's level of perceptiveness and experience with the type of environment in which he/she is most likely to be successful.

Given the "right environment" almost everyone can take on the leadership-role successfully. But to assume that anyone can be trained, motivated or incentivised to become a successful leader in any given environment is, in one word, ludicrous.

## Identifying the level of perceptiveness

As indicated in Figure 2b, the most prevalent leadership-type is "Perceiver". This is because, also in relatively stable environments, where experience can be more easily built and relied upon, anything that is out of the ordinary will be escalated up the hierarchy and land at the feet of the leadership-role. In virtually all leadership-roles change has to be dealt with, requiring a certain level of perceptiveness. But how to identify someone's level of perceptiveness?

The concept that the level of perceptiveness can be *observed* (and future behaviour predicted) was introduced by Kashiwagi [36]. It is explained at length in "How to predict future behaviour of individuals and organisations" [38].

Perceptiveness, as mentioned earlier, differs from mere observation in that it comes with a type of curiosity. A *drive* to understand, an *innate interest* in discovering what is cause and what is effect. It is actually the more *humane* thing to do — not even our closest relatives, the chimpanzees, work with the concept of causality [39].

No one *readily* perceives *all* the conditions and *all* the universal rules which determine the outcome of an event. To become an expert takes learning. This "cycle of learning" — where each cycle can be viewed as an experience in which one or more universal rules are learned — starts with perceiving some of an event's conditions, or any change therein, and how this affects the outcome of the event.

For example, growing up we learn that there is such a thing as gravity, that glass can break, and that toddler's have limited control over their limbs. If we see a toddler sitting at the table, next to a glass of water, we know what is likely to happen next. We perceive the conditions and know the universal rules at play.

We are all experts in something in some field or another. And the greater our perceptiveness, the fewer circles are needed to grasp how an event's outcome is determined by *what* universal rules impacting upon *which* conditions. The key observation to make is that someone's perceptiveness is a *trait*, and thus reflected in all a person does (and the same goes for organisations, too).

As someone's level of perceptiveness is a trait, this level can be identified by observing all sorts of behavioural characteristics which are *linked* to perceptiveness. This is what makes identifying perceptiveness a relatively easy thing to do. Some people will move the glass out of the toddler's reach, or perhaps even replace it with a plastic cup. Some will hold the door open for others, some will dispose of litter that is not their own.

These are very simple examples of perceptiveness in relatively common and familiar situations. People who hold open the door for others are not *therefore* also likely to be successful at the leadership-role — they may still lack the required experience. But the principle holds. So those who *don't* hold open the door for others, who *don't* move the glass away or pick up litter, are not directly *likely candidates* for successfully taking on the leadership-role in almost any environment.

## Behavioural characteristics of perceivers and non-perceivers

As the ability to perceive lies on a continuous spectrum — from all-perceiving to non-perceiving — the assessment of someone's level of perceptiveness becomes more reliable the more consistent, and the more apparent the observed characteristics are. In practice, relatively few observations already suffice to distinguish between perceptive, somewhat perceptive, and non-perceptive individuals.

The behavioural characteristics of either a perceiver or a non-perceiver can be grouped. Some of these grouped characteristics are easy to observe, others are not. Which simply means, as the characteristics are related, that those characteristics which are difficult to identify can be *derived*.

You may not be able to directly observe whether someone is trustworthy or not, but you can observe whether someone is *likely* to be trustworthy. A series of observations in one situation thus allows you to *predict* how someone is likely to behave in another situation.

Which behavioural characterises can be grouped together — and for what reason — can be explained using the Event model. They fall loosely into one of four different "containers": no decision making/decision making, no control and influence/control and influence, steadiness/erratic and emotional, caring/lack of caring.

The Event model simply states that an event's outcome is determined by the event's initial conditions and universal rules impacting upon these conditions. To someone with a *high level of perceptiveness* — who perceives many of these conditions and has become aware of many of these universal rules — this is simply the way things happen, and "a given".

In the case of wanting to achieve a *desired outcome*, this person knows that this desired outcome will only be achieved if the right conditions are in place. Such a person knows that making choices which are not fully substantiated (a.k.a. decisions[9]) means expertise is lacking, and he/she will thus try to avoid having to make them (container 1). Such a person knows that exerting "control and influence" will not change the outcome of an event (container 2). If the conditions are not in place to achieve a particular outcome, then this is simply reality and an opportunity to draw lessons from. Come what may, such a person will behave in an emotional stable way (container 3).

The fourth container of behavioural characteristics is related to "caring". If you are very perceptive you will be more aware of how someone's environment plays a decisive role in someone's "outcome". A high level of perceptiveness also makes someone more aware of how so many things are interrelated.

"Caring" — or more broadly "soft skills" — is, at least in part, rooted on this multi-facetted awareness. Behavioural characteristics falling in this container are of vital importance, as the leadership-role is about (the impact of) change and creating conditions and achieving outcomes *for others.* As stated in [40], "caring" is the key difference between leading and supervising.

In Figure 3, for each of the four containers, examples of behavioural characteristics are listed which are associated with a *very high level* of perceptiveness (Perceiver), as well as a *very low level* of perceptiveness (Non-Perceiver). These characteristics are thus indicative of whether someone has — or does not have — the potential to successfully take on the leadership-role in a given environment.

[9] A 'decision' — as follows logically from the definition as found in the Oxford dictionary — is a choice which is not fully substantiated to contribute to achieving a desired outcome, see [19]. Decisions always increase risk and should be treated as such.

The characteristics listed are a somewhat random subset of all of the characteristics that are out there. But each characteristic is *logically* linked to either a high or low level of perceptiveness[10]. Someone who would consistently display many or all of the behavioural characteristics in one of the two lists is on the *extreme end* of the perceptiveness spectrum. For more context and more and other examples, including the behavioural characteristics of *organisations*, see "How to predict future behaviour of individuals and organisations" [38].

| PERCEIVER | | | |
|---|---|---|---|
| **No decision making** | **No control and influence** | **Steadiness** | **Caring** |
| Conditions and universal rules determine outcome: utilise everyone's expertise | Understands outcome depends on conditions and can't be forced | Not easily surprised, accepts reality, doesn't feel threatened | Aware of interrelatedness role of environment, own responsibility to contribute |
| • Always aiming for transparency<br>• Identifies decisions as risk<br>• Approver and enabler<br>• Embraces meritocracy<br>• Focus on goal to be achieved<br>• Doesn't micro-manage<br>• Has overview<br>• Welcomes support<br>• Encourages creativity | • Doesn't try to persuade<br>• Focus on identification of others' skills and talents<br>• Focus on alignment<br>• Accepts reality<br>• Humble<br>• Never blames individual<br>• Results are produced by culture/entire team<br>• Avoids dogged pursuit of unattainable goals | • Approachable<br>• Doesn't compete<br>• Doesn't abuse or discriminate<br>• Responsible<br>• Respectful<br>• Honest<br>• Informal<br>• Thoughtful<br>• Quiet<br>• Communicates directly<br>• Communicates openly | • Will make others feel at ease<br>• Interested in the whole person<br>• Achieves work-life balance<br>• Volunteers<br>• Compassionate<br>• Patient<br>• Supportive<br>• Trustworthy<br>• Good listener |
| **NON-PERCEIVER** | | | |
| **Decision making** | **Control and influence** | **Erratic and emotional** | **Lack of caring** |
| Conditions and universal rules are poorly perceived, event's outcome unclear | Fails to see outcome is pre-determined by conditions and universal rules | Lack of understanding, surprised by behaviour and outcome, insecure | Fails to see interrelated-ness, disregard for role of environment, not part of |
| • Likes decision making<br>• Belief in "gut instinct"<br>• Feels no need to explain decisions<br>• Does not mind contradicting oneself<br>• Does not prepare for meetings<br>• Quick to make up excuses<br>• Likes to talk instead of listen<br>• Strictly adheres to hierarchy<br>• Unable to change | • Preference for rules, protocols and contracts<br>• Values relationships and loyalty over expertise<br>• Links performance to the individual<br>• Readily apportions blame and praise<br>• Belief in incentives<br>• Greatly values hierarchy, authority and prestige<br>• Disregard for truth<br>• Uses information strategically; hidden agenda | • Displays abusive behaviour<br>• Cause of stress for those around<br>• Sees everything as win-lose<br>• Sees colleagues as competitors<br>• Never responsible when things go wrong<br>• Self-centred<br>• Boastful<br>• Opportunistic<br>• Easily hurt/feel threatened | • Focus on self (as opposed to e.g. family)<br>• No volunteering work that requires effort<br>• Unable to take other people's perspective<br>• No interest in other people's problems<br>• Not moved by other people's fate<br>• Focus on wealth as measure of self-worth<br>• Belief that people get what they deserve |

*Figure 3. Examples of behavioural characteristics linked to someone with a very high (Perceiver) and very low (Non-Perceiver) level of perceptiveness distributed over the four containers.*

[10] It is thus implied that it is extremely unlikely to find people who clearly demonstrate characteristics as listed in the containers for both the Perceiver and Non-perceiver.

## The evidence linking perceptiveness to good leadership

That perceptiveness can be observed is not a new idea [36], but the link between perceptiveness and good leadership as described here *is*. *As is* the definition of what leadership is to achieve — the act of leading. *As is* the generic nature of this definition, defining the leadership-role not as a responsibility of the individual highest in the hierarchy, but as a role that is to be taken up *throughout* the organisation.

Perceptiveness is identified as the one trait essential to fulfil the leadership-role successfully. Success is here defined as safeguarding the conditions to achieve a desired outcome at minimal risk. Which, in turn, requires that this desired outcome is non-ambiguous, that available expertise is aligned with the tasks to be performed to achieve it, and that this expertise can be fully utilised.

Finding evidence in support of "perceptiveness being essential" to take on the leadership-role successfully is non-trivial. The concept is new, after all. On top of that, there are few organisations which actually fulfil the needed requirements. Defining unambiguous desired outcomes — for the organisation as well as for all its organisational units — is a rare thing to happen. As is the alignment of expertise with the tasks at hand. Even when this does happen the *anachronism* that is "hierarchical decision making" readily gets in the way of fully utilising expertise [21,33,42].

There are, however, several management philosophies and approaches which also aim to create the conditions to fully utilise available expertise (and try to overcome, either fully or in part, the challenge hierarchical decision making poses). Examples are Lean [1], Vested outsourcing [43,44], the Best Value Approach [45], and the self-management aspect of teal organisations [7] (such as the management system of Holacracy [46]).

A good place to start looking for evidence for the central role perceptiveness plays would be in those organisations which made these management philosophies work. An analysis of the behavioural characteristics of the people taking on the leadership-roles in these organisations would go a long way in supporting, or refuting, perceptiveness being a key leadership-trait. To the author's knowledge such an analysis doesn't yet exist.

Another seemingly logical place to look for evidence is in "transformational leadership" [47,48], and analyse the characteristics of those who are deemed successful in it. There is plenty of anecdotal evidence that such leaders demonstrate behaviour which is aligned with perceptiveness. But transformational leadership tends to preoccupy itself merely with the highest leadership-role in the hierarchy, and not with the leadership-roles throughout the organisation. Also, it concerns itself more with style rather than with the conscious and successful creation of the conditions to achieve desired goals at minimal risk.

A final approach would be to look at organisations which have been successful over a long time period — say 10 to 15 years — and who not only outperformed the market, but also their competitors. Such an organisation may be assumed to have created the conditions to consistently utilise expertise and minimise risk *better* than the competition. Studying such organisations one would have to look at a whole range of factors. Not just the characteristics of the leader, but also e.g. the importance of the leadership-role in management, and the characteristics of the people hired to be in that role. As it happens, to a certain degree, such a study exists.

Jim Collins and his team of researchers looked for companies that made a transition from merely good to great companies (as defined by the post-transition cumulative stock returns outperforming the market with at least a factor of three over a fifteen year period) [27]. Having identified eleven such companies (and their less successful counterparts within the same industry) they systematically analysed each case on a range of topics.

The first finding as reported in Chapter 1 concerns leadership: "*We were surprised, shocked really, to discover the type of leadership required for turning a good company into a great one. Compared to high-profile leaders with big personalities who make headlines and become celebrities, the good-to-great leaders seem to have come from Mars. Self-effacing, quiet, reserved, even shy — these leaders are a paradoxical blend of personal humility and professional will.*"

The second finding stresses the importance of character, as well as alignment: "*We expected that good-to-great leaders would begin by setting a new vision and strategy. We found instead that they* first *got the right people on the bus, the wrong people off the bus, and the right people in the right seats — and* then *they figured out where to drive it."* [27]

What is meant here with "the right people" isn't defined, but in Chapter 3 various descriptions are provided, including the following: "*In determining "the right people," the good-to-great companies placed greater weight on character attributes than on specific educational background, practical skills, specialised knowledge, or work experience. Not that specific knowledge or skills are unimportant, but they viewed these traits as more teachable (or at least learnable), whereas they believed dimensions like character, work ethic, basic intelligence, dedication to fulfilling commitments, and values are more ingrained*" [27].

As evidence goes, this is merely an encouragement to design and execute more targeted leadership research.

## New avenues for leadership research

The definition of the act of leading, and the pivotal importance attributed to the trait of perceptiveness in doing so successfully, calls for a reinterpretation of existing leadership books and publications. At the same time it opens up an entirely new world for leadership research. For example, on the relevance of someone's gender, yes/no, in leadership-roles (the topic of the next section). But also research in many other areas.

One of those areas would be the recruitment of people to take on leadership-roles. As an unnamed good-to-great executive stated, "*The best hiring decisions often came from people with no industry or business experience. In one case he hired a manager who'd been captured twice during the Second World War and escaped both times. 'I thought that anyone who could do that shouldn't have trouble with business'*" [27]. To escape an institution designed to keep you incarcerated — and to do so twice — requires a very high level of perceptiveness. Such a person, *logically*, would be very well suited to take on a leadership-role.

Perhaps, when it comes to applying for leadership-role positions throughout the organisation, the time has come to start rewriting the traditional *curriculum vitae* and to replace listings of job positions and associated responsibilities by experiences which communicate "level of perceptiveness".

Another interesting research topic would be ranking the development of a company's stock value purely based on its leadership's behavioural characteristics pertaining to perceptiveness. Any correlation found would allow one to also *predict* a company's performance going forward, freeing some monkeys from having to throw darts.

## Predicting presidential performance

Any theory worth its salt should be able to produce verifiable predictions. In March 2017, the author published an article which predicted — based on several decades of behavioural characteristics in line with someone who is a non-perceiver (as listed in Figure 3) — that Donald Trump would 1) not change, 2) would not achieve his aims, and 3) would not allow others to achieve them for him either [38].

What may now appear, to some, self-evident, certainly wasn't at the time. Many respected analysts wrote publications for major news outlets predicting that the experience found in Trump's cabinet, as well as "the weight of the office," would blunt Trump's impulses and cause a change in his style. What's more, with the presidency, the house and the senate in Republican hands, results were likely to be produced swiftly.

Whether these predictions can actually be "measured" to be correct may be up for debate. But at the very least it is a very public experiment in using observations of behavioural characteristics to predict performance in a leadership-role.

# On Gender and Leadership

## What this section tries to do

The starting point of this section on gender and leadership are *psychological differences* between "men" and "women" as can be explained from an *evolutionary perspective* — and what it may or may not imply in relation to the leadership-role.

The reason for writing this section is plain curiosity. The author was curious to see what would happen when applying the concepts of "perceptiveness" and "hierarchical decision making" to an issue which seems to defy resolution — the gender gap in leadership-roles.

## The hypothesis

The *hypothesis* the author arrived at is the following: If organisations, across the board, *would strive to be more efficient* in how they spend resources to achieve their organisational aims, then one would find that the relative number of women who take on leadership-roles throughout organisations *will have increased*.

Another way of formulating more or less the same is the following: organisations which have a *similar* proportion of women taking up leadership-roles throughout the organisation as the proportion of women in the rest of the organisation, make better use of the expertise available to them than organisations which have a *smaller* proportion of women taking up leadership-roles.

In short, <u>an organisation's gender-gap is a measure of organisational efficiency</u>: the greater the gap the poorer its performance.

## The angle: perceptiveness and decision making

Where, as mentioned in the first section, books and articles on leadership tend to provide little of value that can be practically implemented, this is even *more true* for what is written about gender and leadership. Not only is a comprehensive definition of "leadership" usually missing, added to this is an endless array of possible viewpoints and the occasional agenda. A quick read of the articles collected in HBR's "On Women and Leadership" [49] gives an idea of the width of the spectrum.

This section first looks at whether there is a psychological difference between the sexes with regards to *perceptiveness* — there is — and then at what this implies for taking on the leadership-role and organisational performance. This section goes on to present *hierarchical decision making* as a *root cause* for the gender gap in leadership positions, and describes what it would take to close this gap.

## Biological differences and perceptiveness

Based on converging lines of empirical evidence from developmental neuroscience, medical genetics, evolutionary biology, cross-cultural psychology, and new studies of transsexuality, there are *significant* psychological differences between “men” and “women”. The *magnitude* of these differences can be classified as varying from small to medium to large [50]. Not all of the psychological differences are relevant when it comes to the topic of leadership. But for some traits a link with the leadership-role may readily be presumed.

The psychological traits more prevalent in “women” are “interpersonal trust”, “conformity,” “sensitivity to negative emotions” (magnitude of difference is *small*), “empathy” (*large*) and “interest in people over things” (*large*).

More prevalent in men are “impulsivity” (*small/medium*), “risk-taking” (*medium*), and “task-oriented leadership” (*medium*) [50].

Several of the more prevalent characteristics for women are associated with behaviour that is related to a higher degree of perceptiveness (see e.g. Figure 3). This it *not* the case for the more prevalent characteristics for men. This distinction is in support of the statement that “women” (taken as a group) have a higher level of *(social) perceptiveness* than “men”.

At the same time — as will be explained further below — the traits that are more prevalent in “men” than in “women” are in support of the statement that “men” (taken as a group) are more comfortable at *decision making* than “women”.

Considering perceptiveness first, what does this difference between men and women — even if the magnitude of the difference in perceptiveness would be small — imply with respect to the leadership-role?

From Figure 2a follows that, when considering “men” and “women” with the *same experience*, *more women than men* would be to the right of “the arbitrarily drawn expert-leader threshold”. In other words, **women are (slightly) more likely than men to take on the leadership-role successfully**.

But there is *no such thing* has having “the same experience”. Experience is merely a concept where “more experience” correlates with “more learning opportunities” to identify universal rules. Men, because of societal biases, may actually be given more opportunities than women.

The more interesting question to ask is whether organisations will do better when they have more women — with, as a group, a *higher level of social perceptiveness* — in leadership-roles throughout the organisation.

Put somewhat differently, can a *higher* level of (social) perceptiveness be linked to an *improved* organisational performance *in and of itself*.

According to the field of psychological science, it can.

## Perceptiveness and organisational problem solving

In psychological science, organisations are "coordinated social systems operating within a social environment". Perceiving the social context within an organisation is important for individual performance, but also for organisational success [51]. Logically, given the *social nature* of organisations, a person's *social skills* are very important. This is not new either.

The construct of "social intelligence" was introduced already a century ago [52]. Subsequent attempts to *measure* social intelligence has merely resulted in identifying a range of variables — such as interpersonal intelligence, social competence, social skill, self-monitoring, emotional intelligence and *social perceptiveness* [53-59].

When it comes to *problem solving* within an organisation, the social abilities of "social perceptiveness" and "social affordance" have been identified as being *critical* to success [60]. Here *social perceptiveness* is defined as the capacity to be aware of the needs, goals, and feelings of others as we all as the greater social environment. Individuals with a high level of social perceptiveness are able to "accurately perceive the social situation and determine the requirements of the social context" [60].

*Social affordance* is defined as the predisposition to develop social networks in organisations. Those with a high level of social affordance "will develop networks that enable them to cope with the problem solving challenges of their position" [60].

To oversimplify, a high level of social perceptiveness will help in identifying certain organisational problems, and a high level of affordance will help in finding solutions. These two abilities come with their own series of characteristics. Although there is considerable overlap between them, these two abilities must not necessarily be found in the same person.

A high level of *social perceptiveness* correlates which certain psychological traits which are more prevalent in "women". As stated, the variables reflecting a high level of *social affordance* have considerable *overlap* with those for social perceptiveness — such as *apparent sincerity*, *social astuteness*, *interpersonal influence*, and *agreeableness*.

Social affordance also correlates with still *other* variables, such as *extraversion* and *political savviness* [60]. Here *extraversion* is generally considered to be more prevalent in "women," and *political savviness* is associated more with "men".

## Today's organisations fail to identify women's suitability for leadership-roles

Female employees make up about 45% of the workforce of the "S&P 500 companies," yet only 5% of these companies have a female CEO [62]. In Europe, too, women are severely underrepresented in management and decision-making roles, representing on average just 11% of the membership of the governing bodies of the companies included in a large McKinsey study [63].

This study suggested that the companies where women are most strongly represented at board or top-management level are also the companies that perform best. Although this study noted that there may not be a cause-and-effect relationship, it did use "good business reasons" as an argument to increase women's participation in business in general, and their presence in the boardrooms and top management in particular (a view upheld by the International Labour Organization, see [67]).

Unfortunately, the measures this study suggested — create transparency by implementing gender diversity KPI's, implement measures to facilitate the work-life balance, adapt the human resources management process, help women master the dominant codes/nurture their ambition — all have something in common: they miss the larger and more pressing point.

Companies that perform best — who achieve more or all of the company's goals against less or minimal risk — are, *logically*, those companies most successful at creating the conditions to optimally utilise available expertise.

The argument presented here is that companies that perform best do not do so *because* they have women in leadership positions (as somewhat tacitly assumed in [58]). Rather, these companies have more women in leadership positions *as a consequence* of what makes them perform so well: optimally utilising available expertise.

Companies outperforming their competitors are better at creating the conditions to attract and retain more expertise *and or* make better use of the expertise available to them — which go hand in hand. These companies have a culture in place that outperforms those of their competitors when it comes to identifying skills and talents in the workforce, and aligning them with the tasks at hand.

<u>Such a culture will result in more women in leadership-roles through two mechanisms</u>. First, the higher degree of social perceptiveness of "women" is an *organisational asset* in creating and sustaining an inclusive and safe culture which embraces expertise. They will thus be more readily identified and utilised in leadership-roles.

Second, as will be explained next, a culture which utilises the available expertise better will have a *much reduced need* for "hierarchical decision making" — which is a *root cause* for the existing gender gap *through <u>three</u> different mechanisms*.

## Why "Hierarchical decision making" is a root cause of the gender-gap

Almost all organisations are organised in a pyramid-like *hierarchical* structure. This structure has many organisational advantages. Tragically, almost all organisations also adhere to the concept of *hierarchical decision making*. Hierarchical decision making, however, is an *anachronism* which fails both the organisation and its employees.

To allow people, simply based on their position in the hierarchy, to make choices 1) which *do not have to be substantiated* and 2) which *cannot be contested* is problematic for three reasons:

- It *allows societal biases to enter the organisation* — when making decisions, decision making biases affect our judgements (the errors in judgements are *intuitive* and include gender stereo-types)

- It *favours "men"* — the combination of hierarchical power and the risk associated with decisions favours psychological tendencies which are more prevalent in men
- It *hampers the search for expertise* — in absence of a need for substantiation, no attempt at identifying and utilising expertise has to be made

Hierarchical decision making, in short, is a *root cause* for women being underrepresented in leadership-role positions. For favouring the psychological make up of men, for perpetuating prejudices against women, and for failing to identify the more than relevant expertise women bring to the table.

## How hierarchical decision making puts women at a disadvantage

To explain this requires a paradigm shift of how to look at decisions, which is explained in detail in "On decision making" [21] and "Your organisation upholds racism and discrimination" [69]. In short, and as follows logically from the dictionary definition, a decision is a special type of choice: a choice which is *not fully substantiated* to contribute to achieving a desired outcome. If a choice *can be fully substantiated*, then it the logical and obvious thing to do (and no decision is required).

That decisions increase risk is not new. It is, in fact, the *raison d'être* of a "decision making industry" offering books, methods, training and lots of consultancy. The decision making industry recognises that to expect the people in decision-making-positions to routinely make "the right decisions" would be asking for the impossible. Even when all the required information is available to them — which it never is — they are, like the rest of us, only human.

The human brain makes use of a long list of biases — including gender biases — to make sense of the world around us. These biases are at work also when asked to make a decision. What is more, even knowing these biases exist is of little practical help. Humans are incapable of recognising their own biases: *the errors in the judgements we make are intuitive* [5,66].

In organisations adhering to "hierarchical decision making" many decisions are made which both increase risk and perpetuate gender biases. In practice, hierarchical decision making simply means that someone — purely based on the *position* within the hierarchy — is *entitled* to make choices *which must not be fully substantiated*, which *cannot be appealed*, and which the organisation *meekly accepts* as the word of God.

In these organisations the societal biases concerning gender will intuitively and invisibly affect the choices which are made when it comes to recruitment and the selection of people for leadership-roles. In the case of women, it is through "decision making" (as opposed to substantiating the choice for a particular person) that gender stereotypes and prejudices against women leaders get free reign.

Hierarchical decision making thus puts women at a disadvantage because simply by perpetuating gender biases which work *against* women in leadership positions.

But decision making is also associated with risk. In organisations in which hierarchical decision making is the *lex terrae* — where there is no incentive to identify expertise and to arrive at a shared understanding of how best to move forward — the desired character traits *to be comfortable* in decision making positions are "impulsivity," "risk-taking"and "task-oriented leadership". Incidentally, these are all traits which are more prevalent, and significantly so, in "men" [45].

In organisations adhering to hierarchical decision making we will find:

1. That talents in the workforce (*of which a seizable part will be women*) will *not* readily be identified and entrusted with more responsibility.
2. That societal biases which work against women in leadership-roles have free reign.
3. That the nature of how the organisation operates — allowing people to make decision based on position without the need to substantiate them — is directly associated with more risk, which in itself makes "men," as a group, more comfortable with these roles than women.

Examples include pro-male definitions in talent management documents (e.g. the need for "unfailing availability and total geographical mobility"), assigning senior executives to select project leaders (with biases preventing women from increasing their visibility within the organisation), the "paradox of meritocracy" where a purely merit-based performance appraisal only reinforces the existing inequalities in provided opportunities, participation in leadership development programmes offered to those *thought* to have high potential, workplace norms ("think-manager-think-male" perspective), and job descriptions subtly reinforcing existing gender stereotypes (e.g. ambitious, rational and self-confident, which are more associated with men) [68].

The identification of the role hierarchical decision making plays in creating the gender gap provides a new perspective on *existing* approaches to close this gap, as well as *new starting points* for how to hope to begin closing it.

One such starting point is to start identifying "expertise" instead of "experience" (ignoring the importance of someone's level of perceptiveness in leadership-roles). The emphasis on experience not only strengthens the position of those who already get handed most opportunities, it also puts women who take time to have and look after their family at a structural disadvantage. Or worse: it nudges women — acutely aware of the pivotal need to grab any opportunity their organisation may provide them with — to postpone starting a family, or to minimise the time away from work when they made preferred otherwise.

## To close the gender gap organisations have to become more efficient

### *Many organisations can't close the gender gap*

For many organisations — and "many" is probably quite the understatement — *decision making* is not something they actually *choose* to do. It is something they are *forced* to do — because of having unclear organisational goals, because of lack of sufficient expertise, because of not actually trying to *identify* expertise, and because of lacking the culture which is safe and inclusive enough to allow the expertise which *is* available to be actually utilised.

Consequently, in most organisations there will *always* be more "men" than "women" in management positions. Because of societal biases, the emphasis on "experience," and the simple reason that "men" feel more comfortable with the inherent "risk-taking" associated with these positions in these organisations.

Measures which do not take this root cause into account may, through various incentives, end up increasing the number of women in top management positions. But these measures will *not* affect the number of women in leadership-roles *throughout* the organisation.

### *For other organisations there is an approach that which will close it*

But there are also organisations who *do* have a choice. Who *care* about achieving the desired outcome, to whom *expertise is available*, and who want to *fully utilise* all this expertise. Which is how these organisations *minimise the risk* the desired outcome will *not* be achieved, or against many more resources than actually required.

By overcoming hierarchical decision making, these organisations will *automatically* contribute to closing the gender gap. According to DFS it is merely *logical* that such organisations increase the *proportion* of women finding their way to the boardroom and taking on leadership-roles. That this proportion will, ultimately, *be much more similar* to the proportion of women in the organisation's general workforce.

When the gender gap in leadership-roles is *disproportional* to the number of women in the overall workforce — for example when 10% of leadership-roles are taken up by women who make up 40% of the workforce — this is merely *a measure of organisational inefficiency*. The greater the gap, the more inefficient the organisation is likely to be.

Here we have arrived at the hypothesis posted at the beginning of this section: If organisations, across the board, *would be more efficient* in how they spend resources to achieve there organisational aims, then one would find that the relative number of women who take on leadership-roles throughout organisations *will have increased*.

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# YOUR ORGANISATION UPHOLDS RACISM AND DISCRIMINATION

## — Why “Decision Making” Is The Cancer Of Organisations, And How Your Organisation Can Make A Difference And Improve Performance At The Same Time


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# Your Organisation Upholds Racism and Discrimination

*— Why "decision making" is the cancer of organisations, and how your organisation can both make a difference and improve performance at the same time*

## Management summary

This article sets out to show that wherever in the organisation choices are made which are "not fully substantiated to contribute to achieving a desired outcome," performance suffers and societal biases are welcomed in.  Today's organisations are abound with these type of choices (a.k.a. "decisions") because of "hierarchical decision making" and the prevalence of rules, procedures, protocols, checklists and contracts — all of which tend to contain plenty of unsubstantiated choices.

To improve this situation — to replace decisions with substantiated choices — organisations are to utilise all available expertise. Where expertise is concerned, the thing of note is that it has no colour, gender,  form, name, title or religion.

Before expertise can be utilised, it has to be identified first. Unfortunately, most of today's organisations identify "experience" instead of "expertise," disadvantaging the underprivileged (getting fewer opportunities to gain experience) even further.

This article argues and explains that the identification and utilisation of expertise is essential in drastically reducing decision making. It is this, and not traditional diversity programs, which is going to fend off societal biases from entering organisations, resolve workplace frustrations (e.g. lack of autonomy, freedom, trust,  responsibility) and improve organisational performance — all at the same time.

This article goes on to describe how you can determine, by simple observation, to what extent your organisation allows societal biases to enter its culture, and what you and your organisation can do to make a difference.

# Content

## This is what it took

On May 25, 2020, George Floyd, a 46-year-old black man and a father of five, was killed by a white police officer who knelt on his neck for more than nine minutes. All of it recorded. I saw a video-still of the officer kneeling on his neck, his hand in his pocket.

I am a 48-year old white man and a father of three, living in the Netherlands. If I see an image of sickening violence I look away. Because I can.

It took me another ten days or so to realise that I can't. That I have to take my hand out of my pocket. Using it to turn pages and learn about racism is merely the beginning.

*My perspective on racism changed in twenty minutes*

The book I picked up was "So you want to talk about race" by Ijeoma Oluo [1]. It changed my perspective in less than twenty minutes. That is how little effort was required.

Ijeoma changed my perspective by clarifying the definition of racism. To "*racism is any prejudice against someone because of their race*," she added "*when those views are reinforced by systems of power*."

This definition now included me. I live and work within these systems of power. I consume, choose, receive, send, vote, act or remain passive within these systems of power. Systems which, among many other things, make it harder to get the job, to get promoted and to get equal pay on the basis of your race, your gender, your name, your religion, the way you look.

In her book Ijeoma writes about the importance of being aware of one's privileges. She writes that when you benefit from having certain privileges, then you are also automatically in *a position of power* to confront and ultimately change these privileges. Vice versa, when you merely accept your privileges, you are perpetuating the struggles of others who lack your unearned advantages.

*I have been aware of my privileges, but I never consciously encountered them. Why is that?*

I live and work in systems in which I am privileged for more reasons than I can list. I am white, a man, straight, able-bodied, tall, thin, neuro-typical, cisgender, university-educated, born, raised and living in the Netherlands carrying a Dutch name, and because of still other reasons too.

I have been aware of my privileges, but I never consciously encountered them. I never felt a finger tapping me on my shoulder, I never found myself raising an eyebrow, and I never felt uncomfortable when opportunities presented themselves.

Why is that? Through which "invisible" mechanism are our systems handing out advantages to the privileged? What is generating my tail wind? To what have I been so blind that — having no clue — Reni Eddo-Lodge would not want to talk about race to me [2]?

## An urgently needed new perspective on decision making

I have known the answer for several years, I just never asked myself the question. My unearned advantages are handed to me through *(hierarchical) decision making*.

Where racism and discrimination are the cancer of society, *decision making is the cancer of organisations*.

*Decision making is the cancer of organisations. Overcoming it will (also) improve performance.*

Almost for as long as I have known the answer, I have been trying to come up with an accessible way to explain its logic. What has made this so challenging is that it requires a paradigm shift of how to look at decisions.

Unfortunately my line of reasoning and the arguments I like to make are too long for a casual read. The topic is also complex, and my writing not always up to it. I can only blame myself if I lose you along the way. But giving it a try may be worth it.

*The term "decision" as used in organisations today has no distinct meaning, it is always in need of context*

To explain the title of this article I first have to talk, at length, about decision making. This may seem nonsensical. You already know what a decision is, you make them all the time, big and small, good ones and also bad ones. Organisations do so too: if nobody would ever make a decision nothing would get done. The entire organisational structure is a reflection of who is entitled to make them. Yet I'll argue that decisions need to be avoided, that they have to be *replaced* with something else.

When talking about decisions we use adjectives as small, big, complex, important, bad, easy, smart, poor, wrong, right, hard and still many other adjectives too. It is not always clear whether the adjective refers to who is *entitled* to make them, to whether or not there is *sufficient information* to base them on, or to their *eventual impact* on what needs to be achieved. The term "decision" as used in organisations today has no distinct meaning, it is always in need of context.

*The essence of almost all workplace changes proposed is a shift from "decisions which increase risk" to those which don't*

But there is another, clearer, and much more powerful way to classify and distinguish between decisions: decisions which *increase risk*, and decisions which *don't*.

Decisions which <u>increase risk</u> are choices *not fully substantiated* to contribute to achieving a particular goal. Decisions which <u>don't increase risk</u> *are* fully substantiated (and thus become the logical next thing to do), *or* they indicate a formal action instead — like an "approval" or a "go ahead".

Making a distinction between decisions which increase risk and those which don't — and then identifying them — turns out to be crucial. It allows us to look at how organisations are run in a completely different way. Among many other things, it allows us to predict organisational performance, to understand why so many organisations have a need for resource-gobbling control, and to explain the mechanism by which *racism*, *discrimination* (e.g. the gender gap in leadership-roles [16]) *and many other workplace frustrations* are allowed to enter the door.

In fact, the essence of almost all workplace changes proposed today, and the underlying principle of the "new way of working," is creating the conditions to *shift* from "decisions which increase risk" to those which don't.

*Decisions which don't increase risk aren't actually decisions*

Where the decisions which *don't* increase risk are concerned: if something is either transparent, entirely logical and the obvious way forward, or merely a formal action, then, for clarity's sake — and following the dictionary definition of what a decision is — we shouldn't call them "decisions" in the first place. Because they aren't: they don't involve a choice.

*The dominant paradigm about decision making is failing our societies, our organisations and us*

That decision making needs to be avoided (or "replaced") is a paradigm shift. And a paradigm shift is required because the existing dominant paradigm — decision making is a strength, a token of power, an earned right, an indication of boldness and incisiveness, a skill, an organisational necessity, "the way of running things" — is *failing* our societies, our organisations, and the people operating within them. It is failing us because it stands in the way of utilising our skills, talents and motivation.

The dominant paradigm on decision making is not only failing us, it is also *illogical*. Starting with the dictionary definition of what a decision is — "a conclusion or resolution achieved after careful thought" — it follows that a "decision" is a special type of choice.

A decision is a choice made in a situation which is not fully transparent — at least not to the person making the decision (hence requiring careful thought). A clarified definition of a "decision" is that it is *a choice which is not fully substantiated to contribute to achieving a desired outcome* [3,4].

This implies that to avoid decision making *non-ambiguous desired outcomes* must always be in place. And the skills and talents needed to create transparency and substantiate the choices to be made must be both *identified* and *utilised*.

This is not something new. When organisations want to "distribute" or "share" decision making, or "push" decision making down the organisation, achieve it through consensus, or involve everyone affected by decisions in the decision making process, they generally strive to involve expertise and to substantiate decisions to a greater extent. What is new is the clarified definition of what a decision actually is, allowing for a *systematic* approach to identify and minimise decision making throughout the organisation.

*Rules, procedures, protocols, checklists and contracts, they tend to contain "past-decisions" which continue to increase organisational risk*

It goes without saying that, in many situations, making decisions *cannot* be avoided. Because there is simply no time to find the expert or to substantiate the choice. Or the situation is so dynamic that even an expert is not able to fully substantiate it. All of which is true, none of which changes the fact that *decisions increase risk*. A risk which can still be *minimised*.

Interestingly, with the *clarified* definition of a decision in mind, it becomes obvious that our organisations are *abound* with "choices which cannot be fully substantiated to help to achieve a goal". For example when the goal is poorly defined or ambiguous, or the choice was made in the past, in circumstances which have since changed.

The latter is frequently the case in organisational *rules*, *procedures, protocols*, *checklists* and *contracts*. They tend to contain plenty of "past-decisions". Because nobody can tell, or checks or verifies, whether they still contribute to whatever desired outcome they once were to contribute to. They are often used as measures of control. They are simply there. In the way. Blocking the utilisation of expertise. Causing frustration.

Decisions increase risk. But decisions do something else as well. Decisions are also the vehicle for societal biases entering our organisations.

## Why it is in everybody's best interest to avoid decision making

That decisions increase risk is by no means new. It is, in fact, the *raison d'être* of a "decision making industry" offering books, methods, training and lots of consultancy.

The decision making industry recognises that to expect the people in decision-making-positions to routinely make "the right decisions" would be asking for the impossible. Even when all the required information is available to them — which it never is — they are, like the rest of us, only human.

*We are incapable of recognising our own biases: the errors in the judgements we make are intuitive*

The human brain makes use of a long list of biases — among which societal biases — to make sense of the world around us. These biases are at work when making a decision. What is more, even knowing these biases exist is of little practical help. Humans are incapable of recognising their own biases: *the errors in the judgements we make are intuitive* [5,6].

Again, because it is such a crucial point: whenever we make a choice in a situation which is not fully transparent to us, whenever we are not able to fully substantiate how our choice will contribute to achieving something, then we *intuitively* make use of a long list of biases to arrive at this choice. These biases include societal biases, which is how society perceives the value, the quality, and the personal characteristics of people solely based on their race, gender, form, name, title and religion.

Tragically, given that decisions increase risk and perpetuate societal biases, today's organisations almost invariably have a pyramidical structure in which someone's position in the hierarchy determines whether they are allowed to make decisions. This is the principle of *hierarchical decision making*.

*In today's organisations decisions tend to be God-given. They create an unsafe environment*

Hierarchical decision making is, at first sight, a simple and also practical way of organising work. It may be slow at times, but at least everyone knows how it works. What makes it so *harmful*, however, is that the "power of hierarchy" makes these decisions *incontestable*. In today's organisations, decisions tend to be God-given.

This not only applies to the decisions managers make, but also the decisions which lie hidden in rules, procedures, protocols, checklists and contracts. And all of these incontestable decisions increase organisational risk by failing to tap into available expertise — or even by *preventing* its utilisation — and by failing to reduce, manage and mitigate the risks they are associated with.

For many, hierarchical decision making creates an *unsafe* environment. They acutely sense the biases at play. They are the ones who suffer the greatest frustrations caused by decision making. Decisions affecting recruitment, invitations to meetings, speaking time, opportunities to represent the company, and, of course, promotions. For the majority of us, none of this is likely to happen "on purpose". It happens intuitively, thoughtlessly, without conscious intent. As that is how biases work.

*To arrive at some kind of a solution the paradigm shift has to be made*

Taking everything together: if decisions perpetuate societal biases, increase risk, and hamper organisational performance, what is the alternative? How can organisations rid themselves of racism and discrimination *and* improve performance *all at the same time*?

Unfortunately, the "decision making industry" doesn't see decisions as something to be avoided. It merely tries to "improve" decision making [7-13]. In the context of trying to *overcome* decision making it offers few practical solutions.

If we want to make a difference, the paradigm shift has to be made.

*But…*

*Decisions aren't the problem, we all make numerous small and big decisions throughout the day!*
We make numerous *choices* during the day, which may be fully substantiated or not. Those which are not fully substantiated (a.k.a. decisions) may be associated with a small or a larger risk (of not contributing to achieving the outcome we are hoping for).

*If decisions really increase risk, we would know by now!*
Not everything we call a "decision" falls under the dictionary definition of a decision and as clarified here. The fact that a decision increases risk doesn't mean this risk will also materialise (the decision — although not fully substantiated — may still contribute to achieving the desired outcome). The risk may also materialise a long time after the decision was made, and a link with a decision may therefore no longer be made.

*Which "decisions" aren't actually decisions?*
If a decision is fully substantiated to contribute to a desired outcome, it merely becomes the obvious and logical next step: there simply is no "choice" to be made anymore (it would be sabotage). Many "decisions" are formal approvals or go-aheads. Other "decisions" — e.g. those made in absence of a desired outcome — are mere "choices" (e.g., picking a colour in a board game).

*Decisions aren't actually the problem, the problem is how they are made!*
If you let experts make the decisions, then they may end up "avoiding" decisions by fully substantiating their proposals. If they can't fully substantiate the choices made, then, as they are experts, they will at least minimise the associated risks. How decisions get made is, indeed, crucial. But decisions still increase risk (and are the problem).

*It is not decision making which introduces societal biases, it is lack of diversity in leadership positions!*
There is a strong and logical tendency to set quotas or define recruitment rules and protocols. But this doesn't address the reason why there is a lack of diversity in the first place. It also doesn't (necessarily) address the fact that proportional representation (e.g., with respect to gender, race, background) applies to leadership-roles *throughout* the organisation.

## The alternative to decision making is utilising skills and talents

Hierarchical decision making is an *anachronism*. It is a construct belonging to the previous century. Today organisations have to achieve their desired outcomes using multidisciplinary teams operating in a dynamic environment. Long gone are the days when the team leader had all the answers.

*Expertise has no colour, is genderless, and without form, name, title or religion*

To be successful, organisations need to achieve their goals, and do so with minimal use of resources (and hence minimal risk). To accomplish this, organisations need to be able to *identify* and *utilise* expertise throughout their organisation.

Here *expertise* is thus defined as "the ability to contribute to achieve a goal *at minimal risk*". Which "expertise" achieves by actually *substantiating* the choices to be made.

As mentioned before, the thing of note with "expertise" is that it has no colour, is genderless, and without form, name, title or religion.

The logical and hopeful conclusion is the following: **If organisations succeed at identifying and optimally utilising available "expertise," they will improve organisational performance *and* upend workplace frustrations — including racism and discrimination**.

This is something which bears out in practice, albeit — given that this concept is new and hasn't been academically researched — the evidence is often anecdotal.

Perhaps the best documented indication is the correlation found between women in leadership-roles and company performance. A large McKinsey study found that women are severely underrepresented in management and decision-making roles (representing on average just 11% of the membership of the governing bodies), but that the companies where women are most strongly represented at board or top-management level are also the companies that perform best [14].

The proposed logic explaining this correlation is simple. Those companies which utilise the expertise of their employees best, will both have superior organisational performance (as it utilises expertise) and a smaller gender-gap (as expertise is genderless). In other words, through the utilisation of expertise companies will automatically reduce the gender-gap in leadership-roles *throughout the organisation* — and reduce the prevalence of other societal biases at the same time as well.

*An organisation shunning expertise, run by the privileged, with a culture of mediocrity which is unsafe and where societal biases have free reign*

A more accessible example is found on the other end of the spectrum: an organisation which *actively shuns and derides expertise*. This is the public experiment known as the Donald Trump administration. In absence of any attempt to identify and utilise expertise, and often in absence of non-ambiguous desired outcomes, the Donald Trump administration operates entirely by "decision making". The result is an organisation run by the privileged which injects risk into society with every action it takes. Its culture of mediocrity is unsafe, and societal biases have free reign. An analysis of the privileges enjoyed by those in the administration, as well as how the administration's policies and directives benefit some and deprive others, may offer clear pointers as to what — for a significant part of society — these societal biases are.

## Our organisations fail to identify our expertise (they hardly try)

If you agree, or are willing to consider, that decision making increases risk and *intuitively* allows societal biases into the organisation — and that decisions are to be replaced by substantiated choices through the utilisation of expertise — then the question becomes what "expertise" actually is, and how to identify it.

The answer to this question — again a lengthy one — will show that the selection and recruitment efforts of most organisations not only *fail* to identify expertise, but also *disadvantage* the underprivileged *even further*.

"Expertise" has been defined as "the ability to contribute to achieve a goal at minimal risk". But what does it take to minimise risk? What does this expertise consist of? And if it is to be identified, what to look out for?

*In dynamic environments, if "experience" is not also accompanied by a "high level of perceptiveness" it doesn't count for anything*

"Expertise" consists of the combination of someone's *experience* and someone's *level of perceptiveness* — where "perceptiveness" is the ability to discern and understand the interrelated dynamics of a situation [15].

We *all* have an area of expertise. We are *all* able to minimise risk in certain situations. In our area of expertise we *perceive* the situation, the dynamics, the patterns and the interdependencies. In our areas of expertise we know what to do next.

If the environment we operate in is predictable and doesn't change much, then we become experts predominantly through experience. But the *more dynamic* this environment is, the *greater the importance of perceptiveness* becomes [16]. In situations with many unknowns, with many stakeholders, with changing circumstances and unique conditions, experience which is not *also* accompanied with a high level of perceptiveness doesn't count for anything.

*Our level of perceptiveness cannot be measured, but it can be easily observed*

Experience is something that, generally, is easy to quantify. It is often measured in the number of times or years we have found ourselves in a particular environment with a particular responsibility. It is what we put in our professional résumé. Not so with perceptiveness.

Our level of perceptiveness — which to all intents and purposes is *a trait* — is not something we can measure, but it is something that can be readily assessed through observation.

Our level of perceptiveness — our (in)ability to see connections, to recognise how circumstance impacts outcome, to feel and take responsibility for what we do or fail to do — seeps through in everything we do. It determines our core values, the way we live our lives, and our behavioural characteristics.

*Those in leadership-roles need to deal with change and require a high level of perceptiveness*

Those who have a high level of perceptiveness readily treat others with respect, are willing to listen, and volunteer. They take responsibility, are trustworthy, honest, thoughtful, compassionate, non-abusive, accepting reality for what it is — and the list goes on and on. All of which is *logically* linked to a high level of perceptiveness (as explained in [16,21]), all of which can be easily observed, and all of which is also *essential* to make organisations thrive. In Table 2 of the Appendix of "Introducing the Approach of Decision Free Solutions" an overview of behavioural characteristics linked to a high and a low level of perceptiveness is provided.

Throughout our organisations, anything that is out of the ordinary lands at the feet of those who take on leadership-roles. People in leadership-roles have to deal with change. To do so *successfully* they need a high level of perceptiveness.

There may be no leadership-role taking place in a more dynamic and high risk environment than the presidency of the United States. To take this role on successfully — irrespective of political orientation — an extremely high level of perceptiveness is required. Also for this role the potential for success can be assessed on the basis of behavioural characteristics of the candidates (see [23]).

*Organisations failing to take someone's level of perceptiveness into account amplify the effects of existing societal biases*

Staying closer to home, whenever we enjoy working with and for someone in a leadership-role in our own organisation, it is because of something often called "soft skills" or emotional intelligence, making us feel appreciated and valued for our input, making us feel seen. This someone may be experienced, but managerial experience is of relevance only when results have been achieved in a demonstrably dynamic environment. It is never someone's "detailed knowledge," or the "number of years" in a particular role which makes us feel motivated and enjoy our work so much more.

But instead of selecting, or recruiting, on the basis of *both* experience *and* level of perceptiveness, the focus lies squarely on "experience" in most organisations. Which is perfectly fine for roles in static environments, but experience alone says very little about someone's potential for growth or ability to do well in today's increasingly complex world.

So on top of the decision making's societal biases — which already put the underprivileged at a disadvantage when selecting or recruiting for leadership-roles or job openings — the focus on merely "experience" adds insult to injury: it puts a finger on the scale in favour of those who have been given *the most opportunities* in our society.

*Wherever decisions are made expertise is lacking*

The identification of expertise is the beginning of the thread that really does need pulling. And in various ways and forms some organisations are already doing it. It is not easy, but is necessary, and it comes with high rewards. To overcome this challenge one can simply begin by identifying decisions: wherever decisions are made expertise is either lacking or not utilised.

## The systems we live and work in are immoral by design

Even when our colourless and genderless expertise has been identified and is thus available to the organisation — and assuming the work culture makes us feel safe enough to express it — we still have to contend with the demoralising consequences of hierarchical decision making.

We all have had to deal with the disappointment of having substantiated choices and ideas ignored, overruled and discarded — without any recourse — simply based on the other person's position in the hierarchy. Decision making stifles our freedom, our autonomy, the use of our talent and motivation. We don't feel trusted. We are treated as children, yet no attempt is made to make work more fun.

*My frustration was real, yet I failed to see that I was privileged in my frustration also*

It is out of a work-related frustration, too, that I started working on an approach to optimally utilise expertise. My frustration was very real, and it drove me to work on my approach over a period of four years. Yet all this time I failed to see that I was privileged in my frustration also. I always focussed on decisions increasing risk, never on decisions perpetuating societal biases.

I never before thought about how hierarchical decision making upholds racism and discrimination, because I have never been affected by it. Because I have been blind to the frustration of *"not being given the opportunity"*. Because the system has always handed me plenty of opportunities. My sense of comfort, my unmoving eyebrows, and my forward looking attitude (because nobody was tapping me on my shoulder) were merely the side-effects of ignorance.

*Our systems are not amoral, they are immoral*

I have never considered how decision making perpetuates societal biases, because the systems in which I live and work *don't question decisions*. They don't care about moral ethics. They couldn't care less whether decisions are biased or not.

And so when societal biases enter our systems through decision making, *our systems have no mechanism to identify and purge them*. In fact, the opposite is true. The only thing our systems care about is that decisions are made by the appointed person in the hierarchy. If so, the system will use *all of its power* to support and defend this person and the decision made. Our systems are not amoral, they are immoral.

## Nothing is more frightful than ignorance in action

At this point — having made my arguments — we can revisit the disturbing scene I started this article with and see much more than just racial violence.

*Thoughtlessly accepting your privileges is ignorance in action*

As Johan Wolfgang von Goethe famously wrote, nothing is more frightful than ignorance in action. Here ignorance is not merely the absence of knowledge. “Ignorance in action” is: *not caring, not taking into consideration, or not being aware of how we actively harm others*.

When I looked away from the video-still, I looked away from “ignorance in action” in all of these three senses.

I looked away from someone applying deadly force unnecessarily and without a care.

I looked away from  a system which “discouraged” colleagues from intervening because the deadly violence was applied *by the highest in the hierarchy*. A system which defines public safety as “the presence of justice” yet, in determining hierarchy, *fails to take past racist behaviour into account*. A system *ready to use all of its considerable power* against any bystander wanting to intervene. A system which so adheres to hierarchy, and is so impervious to *any consequence* of the decisions those in power make, that pressing one’s knee on someone’s neck for minutes can become *something casual*.

I also looked away from a system that has given me all these opportunities and unearned advantages which I have always thoughtlessly accepted. All these years I have been in a position to confront my unearned advantages. It never occurred to me. It took me twenty minutes of reading to realise that I also looked away from my own ignorance in action.

## Yes, all of this also applies to your organisation

Every organisation lies somewhere on the spectrum between relying heavily on decision making (giving free reign to societal biases) and being virtually free of decision making. Between not making an effort to identify and utilise expertise, and successfully creating the conditions to utilise it optimally.

*To the privileged organisational cultures appear free of racism and discrimination*

Your organisation’s culture may appear inclusive and free of racism and discrimination — which is how most organisations appear to the privileged — but even exceptionally successful organisations which try to avoid all types of decision making may still be at risk of — unintentionally — turning less privileged but no less talented people away at the door.

To assess where on the spectrum your organisation (or your particular organisational unit) may be found is surprisingly easy. Organisations which lack a clear and or poorly communicated goal at every level, who strictly adhere to hierarchy, and who fail to identify let alone utilise expertise *have no choice* but to operate by decision making.

These organisations don’t know whether the right people are doing the right thing to arrive at something that is ambiguous to begin with. The “solution” these organisations arrive at to limit the impact of the risk that is all around them is “control”. It is an understandable reflex when nothing around you is transparent.

*Organisational "cluelessness" expresses itself in "behavioural characteristics" — a reflection of the organisation's "level of perceptiveness" and predicting (non-)performance*

Control manifests itself in numerous ways. In rules, procedures and protocols, in layers of management, in directing, inspecting and coordinating, in the incessant production of lengthy reports filled with detailed information which nobody acts upon, in the drive to make and update plans pursuing targets created out of thin air, in numerous poorly prepared meetings with numerous attendees discussing numerous topics which ultimately can only be "resolved" by the one person entitled to make a decision.

The organisational "cluelessness" expresses itself also in "behavioural characteristics": a reflection of the organisation's "level of perceptiveness". These can be readily observed from the outside and allow both for the prediction of (non-)performance as well as the (lack of) inclusiveness of its culture (see [19]). A classic one is the need for periodic "reorganisations" in an attempt to reduce the debilitating cost of the system of control ("overhead"), which — as the need to manage the risk caused by decision making remains — is a predictably cyclical phenomenon. In Table 3 of the Appendix of "Introducing the Approach of Decision Free Solutions" an overview of organisational characteristics linked with a high and low level of perceptiveness is provided.

Ultimately and verifiably, the role decision making plays in the organisation expresses itself in the disparity between representation in the workforce and representation in *leadership-roles throughout the organisation* of race, gender, religion and cultural background.

## Diversity programs, and how your organisation can really make a difference

So, concluding this article, what is it that can be done to stop organisations from upholding racism and discrimination? To end the frustrations felt by those who bring their heart, their talent, their skills and their experience to the table, or are simply denied to sit at it? To transform a system which blindly protects the decision making powers of those in certain positions at the expense, also, of organisational performance?

*Diversity programs generally fail to move the needle in a lasting and meaning full way*

Several things.

At a personal and individual level there are dynamics to be understood, observations to be made and decisions to be identified. Perhaps more urgently — as any solution begins by understanding the problem — reading about racism, discrimination and privilege may contribute to the identification of your own role (that you indeed *have* a role) in making a difference. Recognising the unearned advantages the system provides you with — and understanding how by *merely accepting* them you *actively contribute* to the head-wind and hardships endured by others — is a powerful place to start.

At an organisational level the reflex is often to create a diversity program, which generally fails to move the needle in a lasting and meaningful way [24]. Diversity programs often have targets to be met and often involve tools of control. Increasing the number of hirings or promotions of minorities can readily be achieved. Still, these changes don't always last, and they don't solve the underlying problem: a culture of decision making giving free reign to societal biases.

There are alternatives to defining a "stand alone" diversity program pursuing narrowly defined targets. An organisation's vision, mission or its "cultural values" or "core beliefs" can be defined in support of inclusiveness and safety for all. But unless the organisation requires any choices made (e.g., in hiring and promoting, but also generally) to be *substantiated* to live up to these statements, they will have no impact of note.

This article argues that organisations will achieve more diversity simply by better utilising the expertise available to them. Diversity programs could support this effort. They could, for example, track key indicators and assess how employees experience the (safety of the) organisation's culture. Diversity programs, by reporting this information, can create broad organisational awareness that there is, indeed, a problem. A problem which the privileged generally can't see otherwise.

So what is it that organisations can actually do? Organisations, too, are to understand the dynamics of their culture, have to make observations, and identify decision making. But then, where to begin?

*Some organisations have a team select their manager from their midst*

Not by reinventing the wheel. A great collection of the different ways organisations are trying to create the conditions required to utilise expertise and minimise all forms of decision making can be found in Corporate Rebels: Make Work More Fun [20].

The book contains examples of organisations taking decision making out of the hierarchy, and sometimes taking hierarchy out of the organisation. Of organisations finding ways to improve communication between experts and non-experts, managers and team members, and between teams or micro-enterprises across the organisation. Of organisations ensuring desired outcomes are understood the same by all involved, and making sure people entering the organisation and or taking up leadership-roles have a high level of perceptiveness.

These examples include the power of having a mission statement which is inclusive and provides a direction for almost all organisational choices to be made, and hiring people on the basis of their core values and cultural fit instead of skills. There is the story of Haier, which *transformed* itself five times in three decades, each time pursuing the organisational system which best suited its changing goals in a rapidly changing world, each time reducing decision making, and currently consisting of 4'000 self-managing micro-enterprises.

*One organisation replaced all rules and measures of control governing company expenses with the simple request to operate in its best interest*

Among the examples are organisations which take managers out of their offices and have them work among their teams, who have the teams evaluate management performance, and who have teams *select* the manager from their midst. There is the organisation which replaced all rules and measures of control governing company expenses with the simple request to operate in its best interest. Then there are organisations who have gotten rid of most of the hierarchy, and consequently have to come up with an entirely new, transparent and more simple salary structure.

As in so many other books considering new ways to run an organisation, “Buurtzorg” is mentioned also. Buurtzorg is a Dutch organisation founded in 2006 whose name translates to “neighbourhood care”. Buurtzorg employs more than 14.000 nurses distributed over more than a thousand autonomous teams, with an office of no more than 50 people — which does not publish any directives or guidelines — and 20 coaches who are not allowed to make any decisions either. The teams themselves, who don’t have a leader, have a meeting process which reduces decision making to an absolute minimum [21]. Buurtzorg’s results are spectacularly positive across the board, both in terms of finance (in absence of any overhead), quality of care and job satisfaction.

*“If you let go of the principles, Buurtzorg becomes a traditional organisation within years.”*

Buurtzorg is headed by its founder, Jos de Blok, who once was a nurse himself and worked himself up to a regional director before starting Buurtzorg with just two teams. He wanted to provide holistic care, looking after the entire well-being of the patients, and determined that autonomous, self-managing teams was the way to achieve it. No manager, himself included, was to tell these teams how to do their work.

## Overcoming the two Achilles’ heels of organisational transformation

To give racism and discrimination no room within organisations, organisations are in need of transformation. There are plenty of examples of organisations which have transformed, at least in part, towards a way of working involving much less decision making, and much fewer rules and procedures [20]. But, at least till now, there is no recipe.

Many organisations which have made the transformation were at the brink of bankruptcy, and had a visionary leader which stayed the course. What they pursued was much improved organisational performance — resolving a range of frustrations along the way.

For these organisations it was all or nothing, existing structures were replaced with new ones, practically from scratch. They were pioneering. Still today, in management literature, a spirit of “experimentation” is regarded to be an essential ingredient in making a transition to “a new way of working”.

*The majority of organisations are not going bankrupt, don’t want to rebuild their structure, and don’t want to go “all in” all at once*

But by far the majority of organisations is *not* on the brink of bankruptcy demanding drastic change, does *not* have an omnipotent visionary leader, does *not* feel the need to rebuild the organisational structure from scratch, and does *not* want to go "all in" all at once. For most organisations "experimentation" is not a viable or in any way helpful strategy either.

When it comes to organisational transformation there are two Achilles' heels to overcome: how to start it, and how to sustain it. Both can be overcome using the same approach.

Starting with the paradigm shift of how to view decisions, and the subsequent logical conclusion that expertise needs to be identified and utilised to overcome them, a series of steps, principles, and what is required of leadership-roles can be derived.

These steps and principles are to ensure all types of decision making are minimised, and that the communication between experts and non-experts becomes transparent. The latter is essential as any ambiguity in communication is likely to result in the common organisational reflex of wanting more control, invariably leading to the introduction of more decision making.

*The approach of Decision Free Solutions empowers everyone within the organisation*

Such an approach has the advantage that it can be used to improve *existing* organisational structures and methods, either whole or piecemeal, in any organisational unit of interest, and at a pace that suits the organisation's capability.

Buurtzorg is an excellent example of an organisation whose operation can be explained using this one single organisational principle: minimise all types of decision making to allow the nurses to optimally utilise their expertise [21].

But Buurtzorg is an organisation which had a visionary leader at the helm, which started from scratch, with only a handful of people. It learned many lessons, it experimented, and even after fifteen years, and in the words of Jos de Blok himself: "If you let go of the principles, Buurtzorg becomes a traditional organisation within years."

So, if even the founder of an organisation that was built from scratch, pursuing the same philosophy for almost fifteen years, expresses concern that its culture may not be sustainable, then what does that mean for other organisations? How are other organisations ever going to have a fighting chance to bring about a *sustainable* transformation? How can racism and discrimination and a range of other workplace frustrations not merely be *thrown out*, but also be *kept out* of organisations?

This can be achieved by using an approach which uses logic, a single organisational principle and clearly defined terminology. As this is what *empowers everyone* within the organisation to recognise decision making, and to offer a helping hand in sustaining the conditions required to upend racism and discrimination, to resolve workplace frustrations, and to contribute to improving organisational performance.

The approach is called Decision Free Solutions [17], it explains the inner-workings of organisations pioneering new ways of working, and can propose improvements as well, as documented in [25] The approach is from my hand. An ingrained video-still keeps it out of my pocket.

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# THE APPROACH OF DECISION FREE SOLUTIONS IN ACTION

## – Examples Of How DFS Explains, And Can Improve, Organisations Pioneering A New Way Of Working


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# The Approach of Decision Free Solutions in Action

*— Examples of How DFS Explains, and Can Improve, Organisations Pioneering a New Way of Working*

## Management summary

In this document the approach of Decision Free Solutions has been used to analyse and explain the results and performances of several pioneering methods and organisations as found in management literature. These concern both successful organisations which started with a new way of working, as well as those who arrived at a new way of working following a transformation. This document also demonstrates how DFS guidelines can be used to improve upon existing procedures.

Several aspects of a new way of working are addressed, including self-managing teams, hierarchy without hierarchical decision making, the tasks and selection of leadership-roles, the importance of purpose, recruitment based on perceptiveness, and the avoidance of rules, procedures and protocols. Organisations featuring in this document include Buurtzorg, Haier, Patagonia, K2K Emocionando, Spotify, Smarkets and Freitag.

This document demonstrates both the validity of the DFS concepts — the need to minimise decision making and the importance of perceptiveness — as well as its practical value in guiding organisational and procedural changes towards the utilisation of expertise. It makes the greater point that the new way of working must not rely on "experimentation". Existing organisational examples can be adapted to local circumstances by applying the underlying principles.

**About Decision Free Solutions**

The approach of Decision Free Solutions (DFS) is a generic and systematic approach, providing guidelines for new and existing methods to utilise all available expertise to achieve the goals you believe in. Implementing the approach of DFS results in i) Achieving desired outcomes at minimal risk, ii) Minimal use of resources, iii) Resolving frustrations.

The approach of DFS clarifies a "decision" as a choice not fully substantiated (and thus increasing risk) and sets out to overcome two central challenges in optimally utilising expertise:

- The prevalence of all types of decision making preventing the use of expertise (hierarchical, and as found in rules, procedures, protocols, checklists and contracts)
- Ensuring the clear communication between experts and non-experts to prevent mechanisms of control and decision making kicking in

To do so it provides guidelines in the form of four steps (DICE), five principles (TONNNO), the role of the Decision Free Leader, as well as clear definitions of crucial terminology. The approach has been introduced in [1].

# Content

# A Decision Free Organisation: Buurtzorg

## Buurtzorg's single basic organisational principle

Buurtzorg is a highly successful organisation that has attracted a lot of attention. It features prominently in Frederic Laloux' "Reinventing Organisations" and in "Corporate Rebels: Make work more fun" [2,3].

Buurtzorg is a Dutch organisation founded in 2006 whose name translates to "neighbourhood care". Buurtzorg sets out to provide client care from a holistic perspective. The organisation employs almost 15.000 nurses, with an office of no more than 50 people and 20 coaches. Buurtzorg's results are extremely positive across the board: financially, quality of care (patient satisfaction), and job satisfaction.

It is almost easier to define the organisation by what it doesn't have: managers, unnecessary policies, an HR department, marketing staff, complicated titles, and lengthy job descriptions [3].

Buurtzorg consists of over a 1'000 self-managing teams supported by training, coaches and an IT-platform. Buurtzorg's teams are highly autonomous. Each team is in charge of providing care to their customers, but also everything else. From deciding which patients to serve, intake, planning, scheduling, recruitment, which doctors and pharmacies to reach out to, individual and team training to renting and decorating their office.

For all its success, its sophisticated IT platform and a way of working honed over more than a decade, Buurtzorg's way of working can be reduced to the application of a *single basic organisational principle*: minimise decision making through the utilisation of expertise.

Founder and CEO Jos de Blok started Buurtzorg because: "We'd had enough of managers determining how people should do their work. I was convinced that true professionals know when and how to apply their competencies, without the need for managers. [...] At Buurtzorg we have no artificial hierarchy; all decisions are made after consultation. If we cannot optimally use our people's talents, this is a significant waste. Our professionals come up with new ideas. They generate thousands of ideas every day."

## Buurtzorg's way of working

Buurtzorg's way of working can be explained as follows (the numbers refer to Figure 3):

1. **Purpose** — To utilise expertise the organisation's desired outcome is to be *transparent* to all involved. This is the first step of DICE (Define). In the case of Buurtzorg this is relatively easy, as its self-managing teams are very homogenous, consisting out of qualified nurses. Still, having a clear organisational purpose is essential. In the Define-step the environment's conditions (internal and external) in which the purpose is to be achieved is to be defined as well (e.g., available resources, stakeholders, potential political changes)
2. **An environment of no-decision-making** — Utilising expertise means that most choices that will be made can be fully substantiated. Buurtzorg tries to avoid making choices which are not fully substantiated (a.k.a. decisions). Its office performs certain administrative, legal and financial tasks and provides support, but it does not produce directives, rules or protocols. Its coaches don't make decisions for the teams, and the team meetings are set up to assure

everyone's expertise is brought to the table and decision making is consequently minimised (both of which will be discussed below).

3. **Decision Free Leaders** — In DFS Decision Free Leaders are to create, sustain and communicate an environment of no-decision-making. In Buurtzorg this environment (the organisation's culture) is guarded by its CEO, the coaches, and during team meetings by the team-elected "facilitator". The CEO's role will be discussed further below.
4. **Transparency and objectivity** — One central challenge identified by DFS in optimally utilising expertise is establishing clear communication between experts and non-experts. This applies to communication within the teams, between the teams, and between the teams and the office. In the case of Buurtzorg this challenge is considerably reduced because of its homogenous workforce (qualified nurses). But a transparent and objective way to measure performance is still pivotal. It allows the objective identification of one team's performance to the benefit of all the others, it allows coaches to become proactive in providing the support where it appears to be needed most, and it does away with the need for mechanisms of organisational control. At Buurtzorg this transparency and objectivity is achieved through a comprehensive IT system providing real-time insights into a range of (also performance) parameters. It also allows the teams to communicate with one another, offering necessary support and insight.

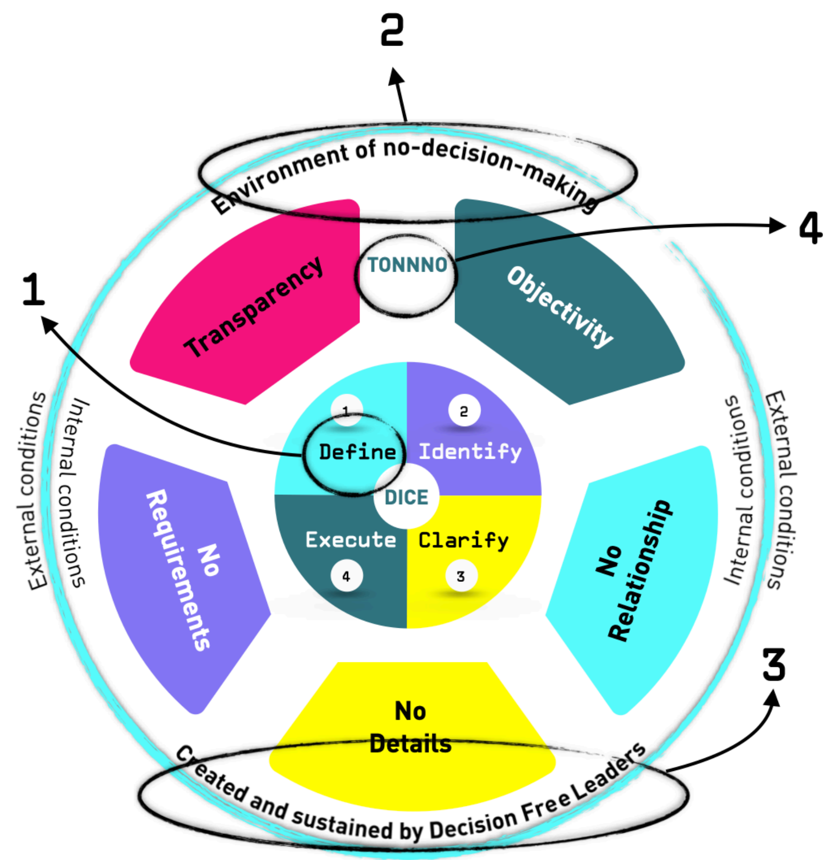



*Figure 3. The approach of DFS used to explain Buurtzorg's structure.*

## Buurtzorg's coaches and meeting process

Buurtzorg's teams look after themselves in practically all aspects, but they are not simply left to their own devices. An essential element of the support structure provided by the office is coaching. Regional coaches play a crucial role in ensuring the self-managing teams remain on track. These coaches are invaluable, *but they have no decision-making power*.

From Laloux' book: "[Coaches] are not responsible for team results. They have no targets to reach and no profit-and-loss responsibility. [...] The coach's role is to let teams make their own choices, even if she believes she knows a better solution. The coach supports the team mostly by asking insightful questions and mirroring what she sees. The starting point is always to look for enthusiasm, strengths, and existing capabilities within the team" [2].

In the same book also Buurtzorg's meeting process is described [2]:

- There is no boss. No one can call the shots or make the final call.
- The group begins by choosing the meeting's facilitator.
- The agenda is determined on the spot.
- The facilitator can only ask questions, not make statements/suggestions/decisions.
- All proposals are listed on a flip-chart and reviewed/improved/refined one-by-one.
- Each proposal is put up for a "group decision".
- The basis for decision-making is *not* consensus, but *for nobody to have a principled objection* (in recognition of the fact that the "perfect solution" might not exist)
- Any proposal adopted this way can always be revisited if new information becomes available.
- If a team gets stuck, they can request external facilitation at any time, and also turn to other teams for suggestions (e.g. through the internal IT platform).

Buurtzorg's meeting process may since have been evolved, but there are some important observations to be made here. By avoiding hierarchy (no team leader, facilitator elected by the team, no single person setting the agenda), by assuring the topics for discussion are transparent to all, and by accepting proposals only when no principled (substantiated) objection is made the available expertise is fully utilised and decision making minimised.

## The role of Buurtzorg's CEO

In DFS the responsibility of all leadership-roles throughout any organisation is always the same. It is *to create, sustain and communicate the conditions required to achieve the organisational unit's desired outcome at minimal risk* [4].

Buurtzorg's CEO — Jos de Blok — was also the organisation's founder. In an interview for a national newspaper about leadership he shared that within the organisation "leadership" is not a much-discussed topic. Jos de Blok's main organising principle, which is rooted in his own experience as a regional director of two nursing care organisations, is that managers should not have too much to say, as they readily get in the way of those who do the actual work. When asked directly whether he sees himself as the leader of the organisation, he says no. He isn't needed for any of the organisation's activities.

But he then goes on to state: "My role involves staying in touch with collaborative partnerships in twenty-five countries. On top of that I guard the principles, the flat organisation without the unnecessary bureaucracy I have always envisioned. It is all very precarious. If you let go of the principles, Buurtzorg becomes a traditional organisation within years."

From DFS' perspective, Jos de Blok successfully takes on the organisation's most visible leadership-role through *communicating his beliefs and principles*. He does this in interviews, in management-literature, in a documentary and in many other, more subtle, but by no means less visible means. He doesn't wear suits, he doesn't have an executive office, his title on his LinkedIn profile is two dashes ("- -" ), and he communicates his views through sharing and commenting on social media posts of others.

It could be argued that Jos de Blok is very much the personification of Buurtzorg's culture, and vice versa the organisation's culture is a reflection of Jos' beliefs. Consequently, Buurtzorg's main challenge may be sustaining its culture once its founder steps down.

## Why K2K is so successful at organisational transformations

### K2K's New Style of Relationships

Koldo Saratxaga, the founder of K2K Emocionando, began by implementing organisational changes in a technically bankrupt manufacturer of carriages and stagecoaches back in 1991 — resulting in an averaged annual growth of 24% for 14 consecutive years. The impact of his approach began to take flight with the creation of the K2K Emocionando-team in 2006. K2K has since transformed 70 dysfunctional organisations across diverse industries [3].

The approach, or perhaps better "outcome," of the efforts of the K2K Emocionando-team is called NER: New Style of Relationships. In the words of Pablo Aretxabala: "NER is about making people effective and the true center of organisations — working with absolute transparency, trust, freedom and responsibility. Those that have implemented NER have no hierarchical structure of any kind, no elements of control, no power struggles, no dark zones. Instead we have self-managed teams, responsibility, commitment, initiative and shared decision-making."

The steps taken to turn organisations around, and its view on leadership and decision making as shared here, are all taken from [3]. They are provided with comments from DFS' perspective. To copy K2K's measures one-to-one is unlikely to lead to success. By explaining the underlying principles they can be adjusted, however, to suit local circumstances. Sometimes they may even be improved upon.

### Organisational changes made to turn a near-bankrupt company around

Back in the early nineties Koldo Saratxaga became the "General Co-ordinator" of a company whose survival was in the balance. To survive, and thrive, Koldo set out to create an environment that was "adaptive, resilient and responsive" to a world that was constantly changing.

Several of the measures taken (from [3]):

1. **Getting rid of the hierarchical pyramid with all its command-and-control mechanisms, and replacing it with a flat organisation which consisted of multidisciplinary, self-managed teams** — In DFS *hierarchical decision making* is to be overcome. The use of self-managed teams does away with much of the hierarchy, and thus starkly reduces hierarchical decision making as well. DFS stresses that "hierarchy" in itself is not the problem ("hierarchical decision making" is), and that also in the case of self-managed teams the remaining decision making within the teams (e.g., in meetings) is to be minimised as well.
2. **Team members were assigned to projects** — Assigning team members to projects is, potentially, a form of decision making (it may violate the principle of "no relationship" if someone is merely told to take on some task by someone else). In this particular case "assigning team members" may merely have been part of making the transition in the first place, and not how project teams are created today. From the text it is not clear.
3. **Team members were able to elect their leaders** — In DFS the leadership-role is responsible for creating the conditions in which all team members can bring their expertise to the table. To take on this role successfully requires a high level of perceptiveness [4]. This can't be measured, but it can be observed. Which is what people working together do. Consequently, to have "team-appointed leaders" is a very powerful mechanism. With a few caveats. 1) The team may be newly formed and too few observations have been made to base an appointment

on, 2) in absence of any guidance the team members may make the mistake of identifying the "specialist" instead, and 3) there may be no one in the team who is truly suited to take on the leadership-role.

4. **Manufacturing and service facilities were relocated to one floor** — DFS identifies communication between experts and experts-in-something-else as one of two major challenges. To improve communication between various disciplines increasing the frequency of interaction contributes to better alignment and increased transparency.
5. **The self-managed teams could set their own objectives and time schedules** — Having *Defined* a team's desired outcome, and having *Identified* the employees who can help achieve it, then it are, logically, the same people who are to *Clarify* how this outcome can be achieved. The team sets the objectives and makes the plan.
6. **Most of the old control mechanisms were removed** — If the organisational culture provides the conditions to utilise expertise — clearly defined goals, minimised decision making, perceptive team leaders, teams setting their own objectives — responsibility and accountability automatically follow. Control mechanisms are both *no longer needed*, and also *impossible to implement* (what do you want to control?).
7. **All privileges were removed** — These included no private offices, no special dining rooms, no reserved parking, no bonuses or incentives for individual performance, and no special access to information. These measures contribute to a better communication, a "safer" environment (see next point), and greater transparency. The concept of *individual* bonuses and incentives is especially problematic — and absent in DF Organisations — as it falsely assumes that 1) performance hinges on the individual instead of the team, and 2) that individual workers can be influenced/motivated to "add more value" if you promise extra financial compensation.
8. **Evaluation was based solely on team performance** — To utilise expertise (hierarchical) decision making is to be avoided. But expertise should also be put on the table, and thus the culture must also be "safe" and encourage everyone to speak up and share ideas (e.g., by removing remaining symbols of hierarchy so that everyone feels equal). Individual evaluations are *non-sensical* as someone's performance is dependent on a range of factors the individual has *no control* over. Evaluations based on team performance, on the other hand, contribute to a safe environment.
9. **Make objectives and results known throughout the organisation** — This was done both for the objectives and results of the individual teams as well as those of the organisation as a whole. The (financial) information of how the organisation is doing is important as all the teams operate within this organisation. It is essential information in DFS' *Define*-step, as it of great importance in determining a team's objectives and the availability of the resources that would be required. It is also essential to share real-time performance information to prevent mechanisms of control to kick in (such as meetings, progress reports, and sharing a lot of information).

## K2K and leadership

In DFS the leadership-role is *to create, sustain and communicate the conditions required to achieve the organisational unit's desired outcome at minimal risk* [4].

When it comes to K2K Emocionando helping transforming organisations, Koldo Saratxaga says the following about leadership:

- **Leaders should create an environment in which employees can excel** — which aligns with the DFS definition of the leadership-role.
- **Leaders have no power** — In DFS leaders should create conditions, not make decisions, and thus are not in need of traditional hierarchical powers. In hierarchical organisations, however, managers who take on the leadership-role may still be "gatekeepers" of some sort. From DFS' perspective this is not problematic, as long as these gatekeepers avoid decision making. Instead of managing by decision making they can e.g. manage by approval (see [6])
- **Leaders don't get extra salary** — In an organisation without a hierarchy of note, and without job descriptions etched in stone, the compensation system requires a different approach. Most importantly, it must be transparent. From the perspective of DFS leaders may or may not get extra salary, as long as it is substantiated.
- **Leaders merely co-ordinate and communicate with other teams** — This is required to ensure the team can achieve its objectives at minimal risk. But coordination and communication with other teams alone does not *create* an environment in which employees can excel. This statement is at odds with the first one.
- **Teams can spread the leadership-role across two or more people** — The moment you take "decision making privileges" away from the leadership-role, then the leadership-role is merely a *role* and not a *function*. The leadership-role can thus readily be taken up by more than one person. To make this work the leadership-role must be well-defined.
- **Teams can replace the leader at any time** — Although it would be counterproductive *not to replace* someone who isn't up to the task, this "rule" also indicates that there is decision making involved in selecting the leader in the first place. A support structure for team leaders ("advisors" who don't have decision making power either) may be advisable.

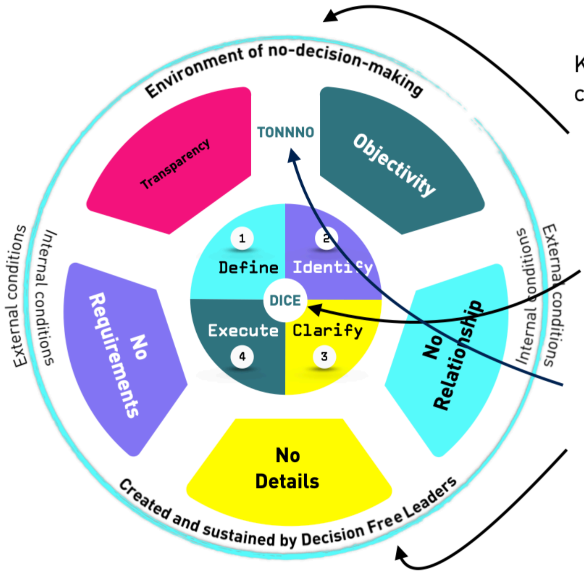
## K2K and Decision Making

In DFS a "decision" is a special type of choice: a choice which is <u>not fully substantiated</u> to contribute to achieving a desired outcome. To minimise decision making desired outcomes must be transparent and non-ambiguous, and expertise is to be utilised to fully substantiate as many choices as possible.

Koldo Saratxaga says the following regarding decision making:

- **Top-down decision making was stopped** — No hierarchical decision making.
- **Every decision taken involves the people it affects** — This will go a long way in ensuring that available expertise is optimally utilised. In DFS those choices which cannot be fully substantiated are to be at least considered for risk management.
- **Decision-making must be shared** — In DFS decision making is to be avoided first, minimised second, and the associated risk managed third. In the context of K2K Emocionando "sharing decision making" may be another way of saying that there is no such thing as hierarchical decision making. But "shared decision making" as e.g. advocated in healthcare tends to come down to *distributing the responsibility* of making the decision. It doesn't avoid the decision, and it doesn't minimise the associated risk either.
- **For decision making it is crucial to have full transparency** — Full transparency is what is needed to be able to fully substantiate a choice and thus minimise the risk it will not contribute to the desired outcome.

A summary of Koldo Saratxaga's approach, on which K2K approach is based, is provided in Figure 4.




Koldo Saratxaga's approach in turning around his first company:

1. Hierarchical decision making is removed, available expertise brought in to avoid decision making where possible, but decisions which cannot be avoided may not be identified and treated as risks.
2. DICE: Self-managed teams were created to accomplish a certain task (D), team members assigned (I), who then could set their objectives and timelines (CE). Here the identification process may have involved decision making.
3. TONNNO: Workers received a high degree of autonomy without control mechanisms (No requirements).
4. The leader's responsibility is to create an environment in which employees can excel. Leaders were appointed by the team (increasing likelihood of selecting someone with high level of perceptiveness), and had no decision making powers.

*Figure 4. Koldo Saratxaga's approach in turning around his first company.*

# The RenDanHeYi-model — Haier's lastest transformation

## Can DFS improve the world's most advanced organisational system?

There are many famous examples of organisations which went bankrupt because they failed to adapt the desired outcome to a changing environment. In contrast, Haier — a Chinese white goods and electronics manufacturer — is a spectacular example of an organisation undergoing a series of transformations in response to a change in the organisation's desired outcome and its environment.

Each sequential transformation, from a traditional pyramidical structure to today's "platform ecosystem" has been made in response to a changing desired outcome in a rapidly changing world. With each transformation organisational decision making got minimised, to the point that, today, employees can start their own micro-enterprise when they see an unserved need in the market.

Based on the DFS guidelines — and not hindered by any knowledge of existing challenges — a series of enhancements to Haier's world famous organisational model are suggested. It is to demonstrate that the logic of DFS can be applied to even the most advanced organisational system and come up with suggestions to further improve it.

## Haier's journey towards optimal utilisation of expertise

All of Haier's transformations have taken place under the leadership of its CEO Zhang Ruimin. He turned Haier from a small near-bankrupt fridge company to the world's largest manufacturer of household appliances. This remarkable journey took four decades and five organisational transformations.

In 1984 Zhang started as the head of a local refrigerator company with a poor track record of building fridges. The first transformation he initiated was to organise the factory as a pyramid and focus on constant improvement and innovation This resulted in Haier becoming a recognised high-quality vendor in China. In this transformation the company employed hierarchical decision making and, rather than customer needs, the quality of their own products were the focal point.

The next transformation was triggered by a change in desired outcome. Haier's goal shifted towards achieving global recognition. This meant diversifying, mainly through buying up other factories. When the rapid growth highlighted the limitations of the hierarchical pyramid he implemented the matrix model, accompanied by initiatives to stimulate innovation. Haier became China's largest fridge manufacturer and began exporting fridges under its own brand name.

This system still was run on the basis of decision making and mechanisms of control. When the organisation continued growing, once again limits of the organisational structure were identified. "Production slowed, frustration set in, internal systems seemed to be losing efficiency. People were spending more time writing reports than working for clients" [3].

With the onset of the internet, the organisation had to deal with customers who could compare products and who wanted their specific needs met. Haier responded to this change by changing its desired outcome yet again. It decided to produce to order, and increased local production by buying out brands in Japan, New-Zealand and America. But also the "satellite structure" had bottlenecks when it came to the new goal of trying to please clients.

The next transformation was dividing the company up in 2'000 self-organising and largely autonomous units known as ZZJYTs. These units had the freedom to innovate, to propose new products or services. Whenever an idea was good enough to start a new unit, employees could simply join if they thought they would be able to add value. This structure tapped into the expertise of its employees more successfully, but still contained a lot of silos and overhead.

Triggered by the fast proliferation of the internet, and the development of online platforms, Zhang implemented the fifth and current transformation. This time "with the goal of eliminating bureaucracy, taking down organisational walls, improving response time, and encouraging entrepreneurial thinking" [3]. In one big swoop 12'000 middle-management positions disappeared.

Two thousand ZZJYTs became 4'000 micro-enterprises of, on average, 15 employees. The enterprises were responsible for providing products and services, keeping the company afloat, and ensuring optimal customer care. They were able to "take almost all their decisions without consulting superiors or breaking protocol" [3]. All these enterprises connect with each other and create a market-place where all companies are affiliated with the same online platforms to collaborate and co-operate. Zhang himself is quoted to say that: "we try to organise ourselves like a rainforest. Eventually, every empire will collapse. A rainforest, on the other hand, will continue" [3].

As will be touched upon below, the metaphor of a rainforest for Haier's ecosystem may also hold in other aspects:

- A rainforest is extremely resilient, but it is also a brutal and ruthless place.
- A rainforest knows no delay in responding to change, but it doesn't try to keep anything alive either.
- In a rainforest nobody makes decisions, if only because there is no "desired outcome", let alone conflicting desired outcomes — which is why a rainforest can't fail, either.
- Also, in a rainforest there are no incentives nudging organisms in a particular direction.

## The RenDanHeYi-model in a nutshell

Haier's last transformation — implementing the RenDanHeYi model — has resulted in what is often called a platform ecosystem (other examples are Amazon and Google). But whatever it is called, it is both complex and powerful, as Haier's spectacular growth demonstrates. Over the last few years quite a few books and countless articles have been published on Haier, and there is much more to come.

From DFS's perspective, Haier's latest transformation continues the trend that with each transformation decision making is further minimised. This perspective does not explain how Haier "works," but it does provide logic and guidelines to explain potential challenges, and to propose further improvements.

The RenDanHeYi-model has no equivalent name in English. In Zhang's words: "Literally, "Ren" refers to each employee, "Dan" refers to the needs of each user, and "HeYi" refers to the connection between each employee and the needs of each user."

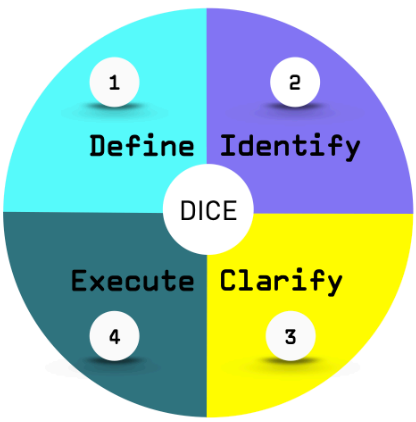
In other words, RenDanHeYi is an entrepreneurial philosophy, in which meeting the needs of the end user is the primary goal. Work is done not for the company but for the end user, be it an internal or external customer.

At Haier, employees can start their own micro-enterprise. Instead of someone *defining* some desired outcome, and then *identifying* the experts who can achieve it, the experts who are dealing with the end users can *perceive* the customer's needs and propose solutions themselves (this is also referred to as "zero distance"). There are practically no assumptions or decisions to be made in setting a micro-enterprise up for success.

In order to get funding for their enterprise, the founders have to make it transparent that there is indeed a demand for their desired outcome. They have to *clarify* how the desired outcome will be achieved to get the means to *execute* it. Here, too, the need for transparency and substantiations results in minimising decision making.

Haier's platforms allow "start ups" to get all they need — capital, suppliers, partners, other micro-enterprises, platform partners — to start their business. All without managers telling anybody what to do or how to do it (no decision making). But not entirely without guidance, as these micro-enterprises still are part of Haier.

It goes without saying that as consumer needs change, new micro-enterprises may pop up, and existing micro-enterprises may begin to struggle. This natural "competition" between micro-enterprises has to be dealt with. More on this below.




In the RenDanHeYi-model anyone who perceives a product or service for which there is customer demand can Define this desired outcome. These may be the same people who have the expertise to achieve it, foregoing the need for the Identify step. In order to realise their micro-enterprise (e.g., access to venture capital) they have to Clarify how the desired outcome will be achieved (plan) and that there is, indeed, a demand for it. Haier's internal platforms provide access to all that is required to Execute the clarified plan.

*Figure 5. In the RenDanHeYi-model the people who define a desired outcome to be achieved can be the same people who can minimise the risk in achieving this desired outcome.*

## Leadership-roles at Haier

According to Zhang, the job of the senior leader within Haier is to lead without directing, and to create a context in which others can make their own substantiated choices. In the RenDanHeYi-model each micro-enterprise determines their own course, shaped by the needs of the user they are focused on. The role of senior leadership is to remove barriers to their success, to encourage interconnections between platform participants, and to foster healthy adaptive ecosystems.

In other words, the job of the senior leader is *to create, sustain and communicate the conditions required to achieve the organisational unit's desired outcome at minimal risk*. Which is how DFS defines the responsibility of *all* leadership-roles *throughout* the organisation.

With each micro-enterprise, new leadership-roles are created. The qualities that resulting in the identification of a new customer need, will not always be the same qualities needed to successfully take on a leadership-role — a high level of perceptiveness (see [4]).

Haier's start-up micro-enterprises have a success rate of approximately 50%, which is spectacular in comparison with the success rate (8%) of start-ups in general. I do not know of an analysis of why, still, one in two micro-enterprises fail. Perhaps this is, somehow, a "healthy" rate, or perhaps it can be improved. Some suggestions made in the next section could play a role in doing so.

## Suggestions to further improve Haier's performance

Not hindered by any detailed knowledge of how its processes are organised or what challenges it faces, DFS can still provide pointers to *potential* challenges and improvements. The starting point is always creating the conditions to optimally utilise available expertise and minimise decision making.

### A rainforest's ruthlessness

Haier's RenDanHeYi-model is uniquely successful on a company level. The model also showed to create unhealthy internal competition between micro-enterprises. In an attempt to remedy this situation Ecosystem Micro-enterprise Communities (EMCs) were introduced.

The metaphor of a rainforest is interesting in several ways. A rainforest is extremely resilient
A rainforest will thrive as a whole, but this does not hold up for all of the organisms that make up the rainforest. As in a rainforest, micro-enterprises compete with each other for resources. When conditions change, so will the rainforest. At Haier, a structure is in place to spawn new micro-enterprises to deal with this change.

There is one crucial difference between a rainforest and an organisation, however. A rainforest doesn't have a purpose. Consequently rainforests don't have to make choices. There are no incentives in a rainforest. A rainforest can't fail.

### Zero distance and competing desired outcomes

In Figure 6A an, of course, simplified model of Haier's RenDanHeYi model is shown. A number of linked Micro-enterprises (ME) have their desired outcome aligned with a User Need (concept of zero distance). Theses MEs are responsible for their own survival (they may be out of a job if the ME. fails), and people working in an ME may also have a financial incentive for the ME to do well (e.g. they may be shareholders of the ME). All of the MEs also operate within the greater Haier network, and Haier, as a company, also has a desired outcome.

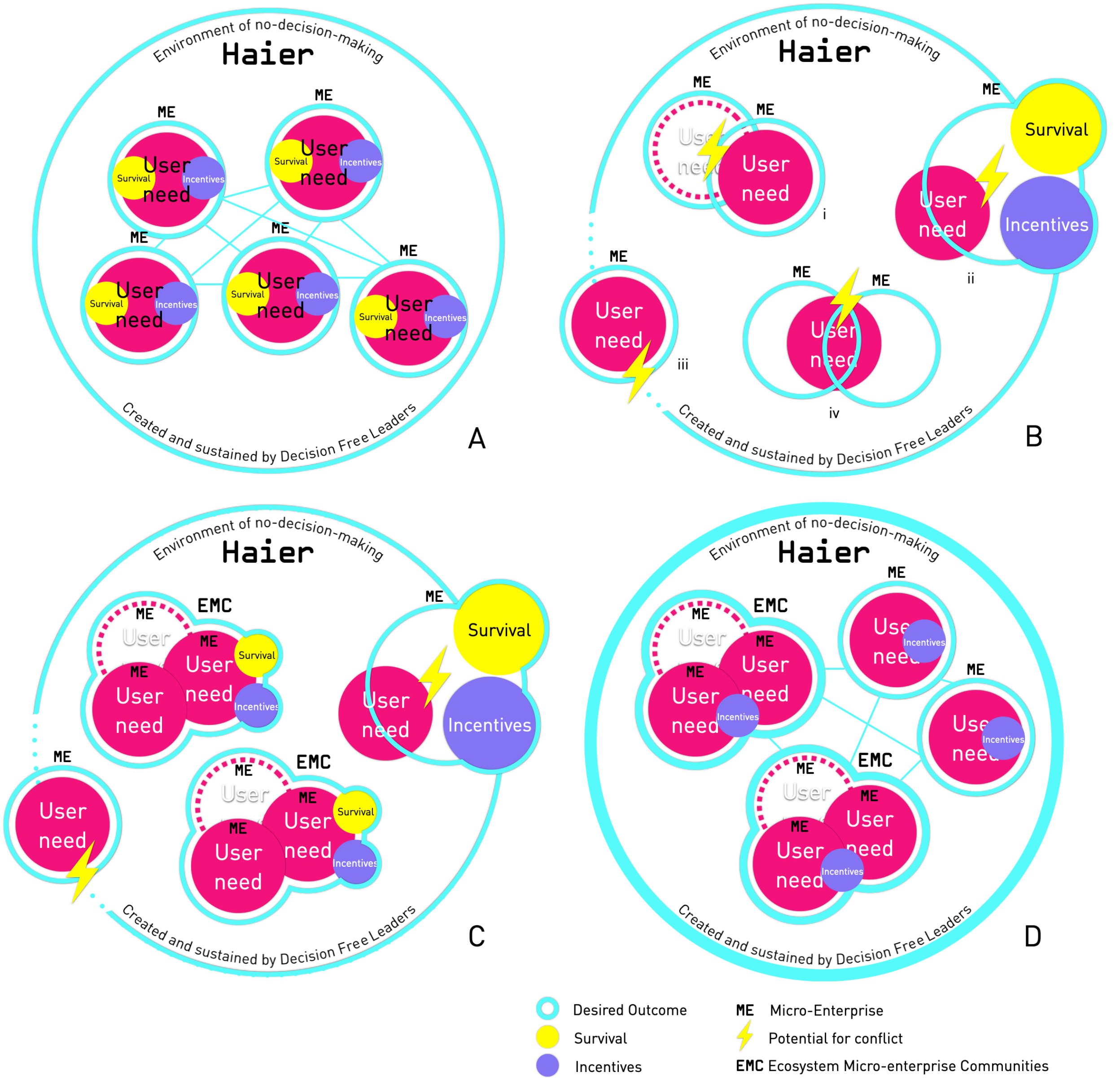



*Figure 6. The role of "survival" and "incentives" in Haier's RenDanHeYi model of "zero distance".*

In Figure 6B a number of potential conflicts are introduced. User Needs can shift over time (i), and a new ME can be formed to serve this need, which could end up being in direct competition with an existing ME. The "battle for survival" (with people's jobs on the line), and financial incentives (e.g., risk of losing shareholder value) may become "desired outcomes" themselves, competing or even taking precedence over the desired outcome of "zero distance" (ii). In absence of an overarching and non-ambiguous definition of Haier's desired outcome, some MEs may end up developing activities which may be at odds with, or somehow work against Haier's desired outcome (iii). MEs may also, at least in theory, partially capture different aspects of a User Need, and thus end up competing (iv).

In Figure 6C the introduction of EMCs will resolve some of these potential conflicts by defining, in essence, an"umbrella" desired outcome for a range of MEs. But if for MEs survival is still on the line, and there are still incentives at play, and if the desired outcome *at a company level* is providing insufficient guidance as how to develop forward, there will still be potential for conflict.

### Anchoring the concept of "zero distance" and Haier's overarching desired outcome

In Figure 6D three suggestions to improve Haier's model have been incorporated. First, "survival" has been taken out of the equation. If MEs no longer serve a User Need, instead of starting a struggle for survival they are best dissolved. This could mean considering e.g. a job-reallocation system, redistributing resources over other MEs. One way or another, it should also be in the employees' best interest to end an ME which no longer achieves zero distance.

Second, any incentive in place should no longer be allowed to play a role in substantiating choices the ME makes. Financial incentives (such as shares) often play a central role in spawning MEs. This is the entrepreneurship that makes Haier successful. If share value begins or threatens to drop, this may begin to affect the choices the ME makes. A system or procedure which "locks in" share value, and prevents dwindling share value to affect the MEs course (e.g., by dissolving the ME without people immediately losing their job) will be in support of MEs keeping zero distance. When incentives are used to help spawn new MEs, but are prevented from unnecessarily prolonging MEs existence when they fail to fulfil User Needs, then this will facilitate to dissolve MEs and to free up resources for new start ups.

Third, Haier's overarching desired outcome is to provide as much guidance to the operation of MEs and EMCs as it possibly can. What are the core principles, what is to be strived for, what is to be avoided. In a rainforest life-or-death struggles between organisms are without meaning or consequence. The rainforest, in absence of purpose, always "wins". This is not true for Haier. Internal conflicts costs resources, affecting Haier's bottom line. A non-ambiguous and guiding desired outcome, communicated and sustained by senior leadership, will benefit both Haier's culture and its bottom line.

### Leadership-roles and growing pains in micro-enterprises

Each ME starts with the identification of a customer need, and the subsequent substantiation of this need and how to address it in order to receive capital and other resources to be able to start the business. As MEs grow the people who identified the need and know how to serve it are required to hire and fire people, to determine salaries and or whether to hand out shares. They begin to build a culture.

The people who start the micro-enterprise are not necessarily "qualified" for these tasks, or, vice versa, can use their time best in their own field of expertise. MEs may be in need of assistance with leadership-roles to create a culture of no-decision-making (how to communicate, how to ensure decision making is avoided during meetings). As MEs grow, and new challenges arise, decision making will become more frequent otherwise. Some central program offering guidelines and assistance (without decision making powers), or else other MEs focussed on helping out with start up MEs (if they don't already exist), may result in a still higher start up success rate.

### Identifying expertise

As MEs grow they need to employ more people. Along the line of "hire for culture, train for skills," a "employee-resource platform" could aid in identifying the expertise an ME is in need of. This would not be a traditional job-board listing open positions and functional requirements. Instead MEs would provide descriptions of the kind of contribution (desired outcome) they are looking for in a new employee, and in which environment it is to be achieved (e.g., how dynamic). Those who want to join the ME are invited to offer substantiations as to why they think they bring what it takes for that role in that environment. Given Haier's dynamic ecosystem, having a high level of perceptiveness will always be of importance. A system of scoring an employee's contribution to the working culture (by other employees) may be both a practical and also powerful way to aid in identifying the people with the right skill-set.

## Haier's paradox

Haier's success and the RenDanHeyi model have gained a lot of attention. Through visits, conferences, seminars, literature and publications tens of thousands of people have become familiar with it. Yet few companies have been able to translate and adapt the model to their own situation.

There are a couple of possible explanations for this:

- Haier went through four decades of transformations and also growth, and arrived at a model largely through experimentation. This journey has resulted in a mindset and culture which can't be copied.
- The system itself (and the environment in which it functions) is too complex to copy — the way a rainforest can't be copied either.
- The RenDanHeyi model thrives primarily in markets flush with metrics (related to user needs and to measure performance), increasing the challenge for organisations in other types of markets.
- The investment in setting up the required platform structure may be prohibitive.

Another explanation is that, for all the publications and models and explanations offered, there are few guiding principles which organisations can use to implement the model within their particular environment, and at a scale and pace that suits them.

# Lessons from the transformation of a Ministry of Social Security

The successful organisational transformation of the Belgian Ministry of Social Security under the leadership of Frank van Massenhove, and as described in [3], is interesting for several reasons:

- It demonstrates that organisational transformations can take place also in very traditional, hierarchical and a "neglected and dusty" organisation.
- That a transformation can be successful also in absence of any mandate or buy-in.
- That creating the conditions for employees to utilise their expertise resolves frustrations.

## How to start change in a traditional organisation?

Frank van Massenhove became the head of the organisation by lying during the interviews. "If I was completely honest about my plan not to take all the decisions myself and give employees the power, I wouldn't have been appointed. So, I told them what they wanted to hear'' [3].

Traditional hierarchical organisations, employing hierarchical decision making, typically need to be on the brink of bankruptcy to make a much needed change. In absence of that, the biases in the decision making of higher management, and its focus on experience instead of expertise, works against making meaningful change.

DFS's motto is Resolve frustrations, Utilise expertise, Free up resources, Make change happen. The example of the Belgian Ministry of Social Security shows that even in absence of a mandate or a buy-in from employees, transformation can be successful. For the very simple reason that any change towards utilising the expertise of employees better automatically resolves workplace frustrations. It is the one change that finds little to no resistance.

## Winning the "Gender Balanced Organisation Award" without trying

The goal of the organisational change was "to make civil servants happy and create a more efficient government, to become an attractive place where customers and employees feel at home" [3]. The transformation took approximately three years and was mainly thought-out by the employees themselves, often after visiting other organisations. The ministry now operates in a network-of-teams structure, increased productivity (18% in the first three years, 10% annually after that), has the lowest number of illness-related absences in Belgium (virtually no burnouts), and instead of 3 the ministry now receives an average of 60 applications per vacancy [3].

One of the major changes introduced was to focus on results and not time spent behind the office. An infrastructure was set up create the freedom and flexibility to work at the times, and from a location, which suited the employees. No one checks hours, the focus is entirely on results.

This change allows for a much better work-life balance. One of the consequences has been that women are no longer "forced" into part-time employment. In each department the sexes are equally represented, which resulted in the organisation receiving the "Gender Balanced Organisation Award" in absence of a gender policy in place.

Utilising expertise resolves workplace frustrations. Decision making, rules and protocols hamper the utilisation of expertise. A gender policy is, in itself, also a form of decision making. A gender policy might actually have made it harder for women with young families to find employment with such a policy in place.

According to DFS, a logical outcome of utilising expertise and avoiding decision making is that the percentage of women in leadership-roles throughout the organisation correlates with the percentage of women in the workforce. Whether this is also the case at the Ministry of Social Security wasn't mentioned, but it would be an interesting data point.

# The importance of purpose and perceptiveness

## The relation between purpose and perceptiveness

To replace decision making with substantiated choices, desired outcomes must be non-ambiguous. An organisation's overarching purpose (the organisation's goal and reason for existence) provides important context for everyone to better understand the desired outcomes at every level within an organisation. The organisation's purpose — the ultimate desired outcome — thus is of great importance in minimising decision making.

Organisations operating in dynamic environments are in need of people with a high level of perceptiveness. This is especially the case when the organisational culture itself is dynamic (e.g., self-managing teams). But also in organisations active in more static environments, people with a high level of perceptiveness are *still* required: to take on leadership-roles. As anything out of the ordinary (e.g., lack of resources, conflicts) is usually escalated up the hierarchy (if there is one) and lands at the feet of leadership-roles. In all instances, those taking on leadership-roles have to be able to deal with change [4].

People with a high level of perceptiveness — which to all extents and purposes is a personal 'trait' [4] — are better able to see the interconnectedness between many aspects in their environment. This both results in 1) a range of observable behavioural characteristics consistent with a high level of perceptiveness [4], and 2) a greater interest in organisational purposes which are defined in a broader context (as opposed to offering products/services merely to generate profit).

Attracting or identifying people with a high level of perceptiveness — which are likely to significantly contribute to organisational performance — can be done through organisational purpose and through the selection based on certain characteristics (instead of e.g. experience or diplomas).

## Patagonia's comprehensive purpose

Patagonia is an American retail company founded by a fanatical mountaineer who started out making his own specialised high-quality climbing equipment. Today the company makes equipment for a range of sports, all of which prioritise a bond between athlete and nature.

Patagonia's mission statement is "*Build the best products, use no unnecessary harm, use business to inspire and implement solutions to the environmental crisis*."

Patagonia's purpose is directly linked to the environment, and provides a compass for the choices that need to be made. It thus decisively contributes to the working culture and to how business is to be done.

Building the best products translates not just to gear, but everything, including the company's childcare service. Implementing solutions to the environmental crisis — including a move to organically grown cotton — trumped securing growth of revenue. From [3]: "Patagonia people have a uniting sense of purpose. This minimises the need for rules and regulations. The credo acts as a guideline for every project. It improves efficiency and communication, as well as autonomy. No one's waiting for orders from the boss before acting."

## A town council selecting based on level of perceptiveness

In 2012 several Dutch municipalities fused into one: Hollands Kroon. The newly formed council set out to offer their services with "speed, efficiency and customisation." They, with input from all employees, defined six core values which are part of their identity: trust, grit, enthusiasm, contact, respect, and innovation. They got rid of 70% of the existing rules, and became the first municipality to deliver passports at no cost, six days a week, anywhere in the Netherlands [3].

To make this possible those joining the town council must sit "the core values test". In the words of one of the directors: "This helps them to decided whether [the town council] will suit them. [...] CVs do not matter, personalities do. Only when there is a good fit will a candidate go through to the next round when skills become a consideration" [3].

The core-values listed include several characteristics which can be linked to a high level of perceptiveness (especially trust, respect and contact). By selecting on these core values people with a higher level of perceptiveness will be identified, contributing to a work culture allowing expertise to be utilised and optimal organisational performance.

## Spotify's need for employees with a high level of perceptiveness

Spotify is a successful digital music service giving access to millions of songs. It grew from 300 employees in 2011 to 3,000 in 2018. Spotify's work culture is non-traditional. Instead of a hierarchical structure they have "squads", "tribes", and "guilds", which function as different ways of organising and performing work with more accountability and autonomy.

Spotify's work culture, given its dependence on accountability and autonomy, relies on a sufficient share of employees having a high level of perceptiveness. The core-values for its workforce are community, motivation and trust.

Spotify is able to attract people through their passion for music. Artists are known to stop by the office and employees can enjoy lunch jam sessions as well. Spotify knows that communities are not only formed around work, but also our collective passions.

At Spotify recruitment abides by the motto "Hire for culture, train for skills," where the culture demands a high level of perceptiveness. According to its HR director, they first did it the other way around, which made it difficult *not* to hire someone with great skills but who did not match their core values. Now that they do the cultural interview first, "this little change really helped strengthen us" [3].

# The Achilles heel of new ways of working is sustainability

## Transforming the organisation is one thing

It has been shown time and again that it is possible to establish non-traditional ways of working which make better use of available expertise by minimising decision making. Such cultures can be created from scratch, or through a transformation.

The starting point for new companies is often inspirational, based on existing organisational examples, management philosophies such as Holacracy, or simply the observation that traditional ways of working are inefficient (e.g., Buurtzorg, Hollands Kroon).

Organisations which have made a transition often do so out of necessity. They were on the brink of bankruptcy before a visionary leader took over and began the transformation (e.g., Haier, Koldo Saratxaga, Ministry of Social Security).

In both cases there was a lot of experimentation involved, and a lot of lessons learned along the way, resulting in a particular successful way of working.

But such a work culture is constantly under threat. Often it is simply organisational growth which results in a regression to hierarchal ways of working. A culture may also hinge on the presence of a single visionary leader (e.g., the founder). Lessons learned may get lost over time as new employees — usually used to a traditional way of working — come on board, and the "why" of how things are organised may become blurry (and feel like another rule).

As in many organisations the new ways of working have been established relatively recently, they are often run by the same people who instigated the changes. But even in the case of a highly successful organisation such as Buurtzorg, created from scratch using the same principles, and operational for more than fifteen years, its CEO recognises that the culture remains under threat to fall back to traditional ways.

## The threats to organisations with a new way of working

Work cultures set up to optimally utilise expertise all face several threats which need to be dealt with (numbers refer to Figure 7):

1. The organisation's culture (in support of an environment of no-decision-making) interacts with the outside world where other organisations and customers typically operate in traditional ways (rules, protocols, contracts) and rely on requirements and relationships. Also new employees tend to have experience with especially traditional ways of working.
2. If the established way of working is based on "experimentation" anything that is out of the ordinary may trigger a "traditional" organisational response. Also, when the collective memory of the "lessons learned" which resulted in a new way of working fades — e.g., because the organisation growths — it may get questioned and old mechanisms may gradually return.
3. The culture that allowed and sustains the new way of working needs to be protected against the previously mentioned threats. In many instances the new of working was built on the vision of a few or even only one individual. Through their efforts, and the continuous

communication of their vision, they build and guard the organisation's culture. They are the organisation's "Decision Free Leaders". But one day they will leave the organisation...

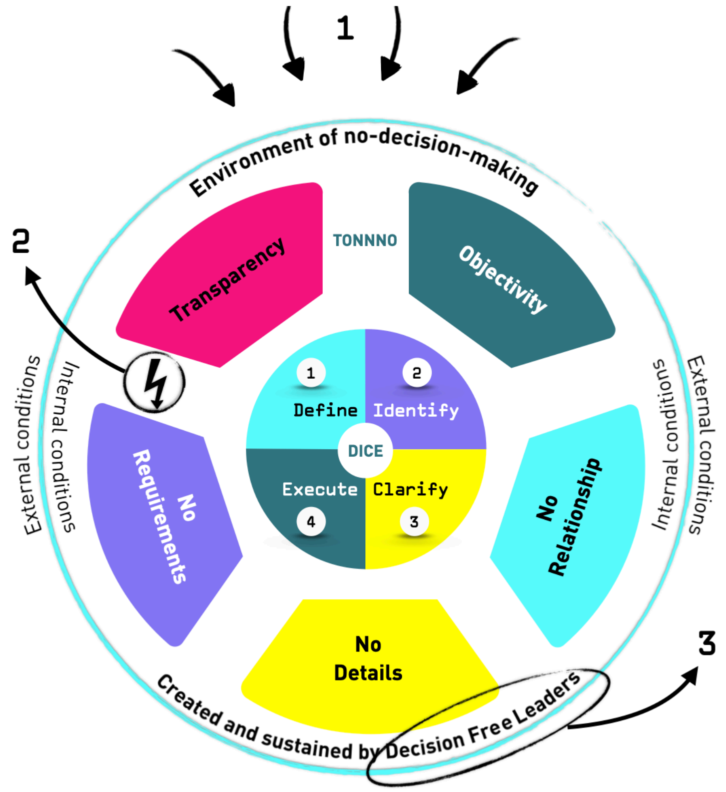



*Figure 7 . Overview of threats to a culture set up to optimally use expertise.*

## How to sustain a new way of working?

DFS proposes three ways to make a new way of working more sustainable:

- Establish that it is the responsibility of everyone taking on a leadership-role throughout the organisation — from the CEO to a meeting's facilitator — to communicate and sustain the conditions to optimally utilise expertise. Buurtzorg's CEO may have no active role in daily operations, but he still sustains the culture through the communication of his vision in sometimes subtle but still noticeable ways. He does so e.g. through the absence of any executive privileges, through the posts he shares and comments upon on social media, and through interviews and publications.
- Identify those with a high level of perceptiveness to take on leadership-roles throughout the organisation as they are best able to deal with change. This can be done through the observation of behavioural characteristics or through colleagues assessing one another and their manager.
- Encourage everyone to identify both decision making itself, as well as the circumstances that are likely to result in decision making. A shared awareness of the underlying mechanisms which hamper the utilisation of everyone's expertise empowers all employees to help sustaining the culture in support of a new way of working.

# A salary structure in absence of traditional hierarchy

## The final step in a company's transformation

Once an organisation sets out to optimally utilise everyone's expertise and steps away from a strictly adhered to hierarchy, hierarchical decision making, and narrowly defined functions, the traditional salary structure needs to be replaced. A new compensation scheme is required which is no longer primarily based on hierarchical position, education and experience.

Someone's salary is an expression of someone's value to the organisation. Changing the salary structure — especially *replacing* a salary structure — is often the last step taken in a transformation. And for good reason. It is merely logical for an organisation to first establish the conditions for everyone to bring in their skills and talents *before* addressing the dichotomy between collective performance and individual rewards.

Many companies have tried a range of approaches. Often these approaches needed adjusting and, in turn, invited new rules and procedures. Here two approaches are shared — avoiding decision making to a lesser and greater degree — followed by a generic approach that follows from applying the DFS guidelines to this topic.

## Setting your own salary — Smarkets

Smarkets offers a platform to simplify peer-to-peer trading on sporting and political events. When it comes to determining one's salary, Smarkets offers the following approach (from [3]):

- Everyone can put in a *business case* for a salary increase. The data include 1) a benchmark against performance, 2) market rates, 3) peer response.
- A salary committee of peers views and provides feedback on the business case (but the committee doesn't decide anything)
- The person asking for a salary increase determines his/her own salary.
- This new salary is published.
- If anyone has an issue with this suggested salary he/she can give feedback.
- If differences can't be resolved, they take up conflict resolution (which typically involves mediators).

Arguing for one's own salary increase sounds attractive. According to the chief communication officer at Smarkets outlandish requests for more salary don't happen in practice, because of 1) trust, 2) a salary commission which gives advice and which can apply pressure, 3) peer pressure following publication of the salary [3].

This procedure relies heavily on substantiation (making a business case), but the control mechanisms in place are an indication that decision making still plays a considerable role. Not everyone good at his/her job may be able to create a business case, or his/her contribution may not translate into measurable (individual) performance (e.g., contribution to culture).

## The radical simplification of salary scales — Freitag

Following an organisational transformation the Swiss company Freitag (making bags and accessories from truck tarpaulins, approx. 250 employees) adopted a new salary model in 2019. The existing system had many levels, where everyone negotiated for themselves, without clear principles, and where decisions were also dependent on someone's particular boss. About the new system the following was shared in [7]:

- Freitag went from 17 salary levels to 4. The levels are based on the roles that someone fulfils.
- Each "team leader," with the support of a HR sparring partner, assigns roles to a salary level.
- Other factors impacting salary are:
  - Experience
  - Social behaviour
- To this end a catalogue of competencies has been defined which are evaluated by role. Annual feedback from team members provides the team leader with a basis for evaluating how well someone fits his/her role.
- If the company is profitable over and beyond a certain level, 20% of it is distributed to everyone. Of this sum 20% is the same for everyone, 70% depends on the basic salary, and 10% is reserved for a use/donation that is determined collectively.
- There is no bonus for individuals.
- The highest salary is about four times the lowest.
- The salary levels and the process itself are transparent (allowing for the *approximate* determination of someone's salary)
- The compensation system has been independently verified to pay equal salaries for work of equal value.

At Freitag salaries are *not* public and employees do *not* set their own salary. The salary system is simple and transparent. It hinges on someone assigning a salary to a certain role, but because there are only four salary levels to choose between it becomes easier to substantiate why a certain role belongs to a certain category. At Freitag someone's contribution to the culture ("social behaviour") is scored by one's colleagues. This way someone's level of perceptiveness is, at least somewhat, taken into account in the salary. In recognition of the collective performance individual bonuses are avoided, and profit sharing is in place.

## Creating a compensation scheme based on first principles

In this section is it explained how the DFS guidelines can help to set up a compensation scheme in an organisation which optimally utilises expertise. The aim of such a compensation scheme is the following:

1. It takes the overall organisational performance into account,
2. It provides "equal compensation for equal value,"
3. It is both transparent and objective,
4. It has the ability to resolve any issue which may arise based on guiding principles.

DFS states that all choices made must be substantiated. To minimise decision making it offers the principles of TONNNO: Transparency, Objectivity, No details, No requirements, No relationships. Applied to setting up a compensation scheme it suggests the following:

- **Transparency** means that it must be clear to the individual employee how the compensation system results in his/her salary. If it uses scales, it must be transparent what distinguishes these scales. If the system uses input/feedback from others, it must be both objective and transparent. If "market circumstances" play a role, it shall be transparent how this is taken into account. If someone has a "final say," then this say must be substantiated. Ultimately, there must be a way to resolve any lingering issues.

- **Objectivity** implies that a compensation system, for as much as possible, is based on metrics. Colleagues providing feedback on how well a task is performed? Do it on a scale. Appraising someone's contribution to the culture? Score it. "Experience with the culture" deemed to be of value? Incorporate it.
- **No details** means that ambiguity should be avoided. Simplicity is key. If you use salary scales, use only a few. If you score, score e.g. 1, 5 or 10 and not on a scale from 1 to 10.
- **No requirements** is another way of saying that any "rule" put in place, e.g. a minimum or maximum salary, or a maximum ratio between both extremes, or the maximum possible increase/decrease in salary, must be explained. Explanations allow for challenges and also exceptions.
- **No relationships** means that no part of someone's salary is purely based on a relationship *without appraisal*. No part of the salary is to be related merely to the title of a role, the number of years someone is employed, or somebody's age.

From the above follows that:

- The feedback of colleagues/team members plays an important role, as they are best positioned to determine someone's contribution to both tasks and culture.
- That this feedback need to be, at least in part, be based on something that can be objectively scored, evaluated, and published.
- That, for scoring to take place, it should be transparent for all employees what is expected of them in terms of desired outcomes, both on a personal- and on a team-level.
- That the organisation's overall performance is transparent.
- That careful thought is given as to how to deal with outliers, unexpected and or special circumstances. The proposed guiding principle is: what does it mean for the organisation's *ability* to achieve the desired outcome (both in terms of performance and of culture).

## Procuring expertise instead of products or services

### The everyday challenge organisations face in procurement

Almost all organisations have a department of procurement to procure products and solutions. In many cases buying organisations have a good idea of what they need. But when the buyer lacks the expertise to confidently define requirements, or when organisational success hinges on the successful *delivery* of the vendor's solution, traditional procurement strategies — based on defining requirements, exchanging detailed information, contracts and control — are unable to identify the *expertise* they are in need of.

The everyday challenges organisations face when it comes to the procurement of products and services they are not the expert in, are the following:

- In absence of the required expertise the definition of (minimal) requirements becomes somewhat arbitrary (while still requiring a lot of resources). Based on such a list it becomes impossible to identify the expert vendor.
- The definition of "minimal requirements" benefits the vendors with minimal performance, allowing them to set their "maximum quality" and try to compete on price. The playing field is levelled to also allow the low-quality vendor to take part.
- Minimal requirements and bulky legal contracts *don't* guarantee performance. At best they help to obtain compensation in the case of a vendor's non-performance. However, this doesn't help the organisation in achieving its goals.
- Elaborate "competitive dialogues" with several vendors is very resource-intensive for all parties involved. Vendors tend to share a lot of information and explain the technical/functional advantages of their products/services in comparison to that of other vendors. But the buying organisation tends to lack the expertise to interpret and translate this information to their particular situation. There is also the risk that the offerings of the various vendors become more similar over time. This as a consequence of the buying organisation "sharing" ideas it likes between vendors.

### The insights and shortcomings of the "Best Value Approach" in procurement

In the late 80's, Dean Kashiwagi recognised that selecting vendors based on requirements, and the buyer's application of management, directing and control in the delivery of the vendor's solutions, was both wasteful and resulted in poor outcomes. He introduced a performance based procurement system in 1991, which, after frequent iterations, became the Best Value Approach as it is known today [8,9].

The Best Value Approach (BVA) is based on several models introduced by Dean Kashiwagi, two of which are central to DFS as well (including the concept of linking behavioural characteristics to perceptiveness). The Best Value Approach is predominantly applied in procurement.

BVA introduced the idea that the buying organisation should no try to define a list of requirements, but instead define and share its desired outcome (what it hopes to achieve). Consequently, instead of selecting a vendor based on "scoring" its solution, it is to select a vendor based on its expertise in achieving the desired outcome.

Several of BVA's concepts and ideas were picked up by the procurement community in several countries, especially in the construction industry. But the Best Value Approach itself has not been widely adopted.

One of the reasons for this is that, traditionally, procurement departments are only responsible for *selecting* a vendor, and *not* for the *delivery* of the procured solution. The delivery of the solution was often still done in the traditional way: based on management, direction and control. Which caused a lot of confusion and frustration on, especially, the vendor's side.

But even in organisations where BVA was applied successfully, it was not sustainable. In absence of guidance by its founders every client reverted to management, direction and control.

The approach itself has several shortcomings. These shortcomings have been instructive in the early phase of development of DFS itself.

These are some of the challenges users of BVA faced in practice:

- BVA, recognising that most organisations were unable to adopt the approach without guidance, offers a structured step-by-step "template" as to how to run a tender. As each tender is unique, however, organisations came up with their own particular "hybrid" models.
- In absence of clear principles and guidelines, many of these "hybrid" solutions reintroduced elements of management, direction and control.
- Because of these hybrid solutions, vendors were never sure what to expect from a particular BVA-tender.
- BVA makes several assumptions which rarely hold up in practice:
  - The *buying* organisation has *no relevant expertise* to contribute to achieve the desired outcome.
  - There is a vendor out there who has *all of the expertise* required to achieve the buying organisation's desired outcome — and this vendor is also identified.
  - The buying organisation is not in need of any guidance to define a desired outcome, as the expert-vendor will *always correctly interpret* it (there is no "Definition" phase in BVA).
- BVA fails to clarify crucial terminology, resulting in jargon (making the communication between are and are not familiar with BVA near-impossible).
- It makes use of a license- and certification-system which has attracted consultants to provide BVA training programs. It has resulted in numerous "certified" practitioners running BVA-tenders who apply the BVA-template, but without understanding what BVA sets out to achieve.
- BVA, in any case, is unclear about what it wants to achieve. Even within the BVA-community there is no consensus about it.

## Decision Free Procurement

DFS has been implemented in the field of procurement, resulting in the method of "Decision Free Procurement" (or DF Procurement or DFP). Here "procurement" refers to *both* the identification of a vendor *and* the delivery of the vendor's solution.

DFP is a method to procure and utilise the best available expertise to achieve the desired outcome at minimal risk. It is an example of how the DFS guidelines can be used to improve an existing method (BVA), and be introduced “locally” (the procurement department) without affecting the rest of the organisation.

The method of DFP has been published in a full report [10]. These are some of its unique characteristics:

- In recognition that i) the buying organisation has expertise, ii) that the buying organisation’s desired outcome must be both defined the context of the organisation’s environment, and iii) that this desired outcome is to be fully transparent, DFP introduces a “Market Exchange” (instead of a Market Consultation).
- The buying organisation is allowed to define requirements, but only as these can be fully substantiated (in other words, these requirements are reflections of the expertise of the buying organisation).
- Based on all interactions between the vendors and the buyer an assessment of the vendors’ “level of perceptiveness” is made. This information is used to assess how much guidance (and perhaps even control) is required in the delivery process.
- It clearly defines what is procured: the vendor’s clarified planned outcome with which the buying organisation’s desired outcome will be realised. Changes to the planned outcome are permitted as long as the vendor is able to clarify the desired outcome will still be achieved.
- From the very beginning the buying organisation’s team consists out of procurement professionals and the ultimate users of the identified vendor’s solutions. There is no (formal or otherwise) “hand over” from one department to the next.
- After the vendor is identified, during the clarification phase, both the vendor and the buying organisation identify those areas where their respective expertise overlap or interface with one another. These are the areas of *collaboration*. Everything else becomes an area of *communication*.
- The contract is a tool for quality assurance, not quality control. It foremost describes the procedures in place in case of unexpected events.

# Why so few women have the birthing experience they hope for

## Expecting Grace

In 2016 approximately 130 million women gave birth. Each expectant woman had her own personal birthing aim, and my wife was one of them. She, like almost all expectant women, was in need of help to make sure she would indeed have the birthing experience she wanted for herself.

Having a very important and personal desired outcome, and most certainly in need of caregiving expertise: I decided to apply the steps and principles of DFS to the "process of birthing". It seemed like a fun thing to do. It could end up demonstrating how *generic* the approach of DFS is, and I might learn a thing or two along the way. What I learned shocked me, and urged me on to continue developing the approach.

Birthing is an entirely physiological process which — *provided a stress-free environment* — requires no interventions in 95% of all births. There are, sadly, several examples of comatose mothers giving unassisted birth to a healthy baby.

Be that as it may, and despite the intimacy, the "magic" and the life-altering importance of extending a family, there is no other life-event so marred by decision making as delivering a baby. The *unavoidable outcome* of the collective of the often stress-inducing decisions expectant women are confronted with *is their disempowerment* — preventing them from having the birthing experience they want for themselves.

What was most appalling, is that the healthcare system is *not interested* in the mother's personal birthing aim. Individual caregivers often are, but the system is interested only in what is good for the system.

But even *if* the personal birthing aim would be of interest, the number of decisions made *for* the mother is so high that it is *virtually impossible* for the mother to achieve her personal aim within the healthcare system.

Tragically, the *stress* which results from a system not interested in her personal aim while making plenty of decisions for her — especially in the run up to and during giving birth itself — rapidly becomes *a trigger* for medical interventions.

In short, the way the healthcare system operates establishes a vicious circle — of a disregard for the mother's personal birthing aim, an abundance of decision making and the inevitable build-up of stress which can easily result in a shutdown of the birthing process and become a trigger for medical interventions — which makes it virtually impossible for expectant women to achieve their personal birthing aim.

Applying the approach of DFS to the "process of birthing" — with which is meant the time form the first pregnancy-related interaction with the healthcare system till the moment after birth when the healthcare system has completed its assistance — results in a method called "Decision Free Birthing" (DF Birthing).

## What Decision Free Birthing IS and IS NOT about

*DF Birthing is about <u>avoiding unsubstantiated choices</u>. DF Birthing is **NOT** about avoiding all interventions. It is about <u>empowering</u> women to have it <u>their way</u>, be it with or without interventions.*

*DF Birthing is **NOT** against medical interventions. It is against <u>unsubstantiated</u> medical interventions which <u>disempower</u> women. Interventions which are either necessary for medical reasons, or which have been explained to be needed to achieve the woman's personal aim, are <u>empowering</u> women.*

*DF Birthing is **NOT** against providing information to expectant women. It is against <u>merely</u> providing information, and then ask soon-to-be-parents to make "<u>informed choices</u>". Informed choices must not be confused with substantiated choices.*

*DF Birthing is about "unlocking" the expertise of all caregivers (especially midwifes). DF Birthing emphasises the importance of the role of the 'birthing partner' in reducing stress, and helping the expectant woman to achieve her aim.*

The method of DF birthing is introduced in [12]. In the next section DFS' graphical summary is used to demonstrate how the disempowered pregnant women are in modern healthcare systems. The emphasis is on "systems," as the individual caregivers working within them give nothing but care.

## How modern healthcare systems blatantly fail pregnant women

### Defining the desired outcome, the role of nature, and the healthcare system

This section refers to number 1 in Figure 8: "Define".

An expert is someone who makes contributions towards achieving the desired outcome at minimal risk. In modern healthcare systems there is no lack of highly trained and motivated caregivers. To label them "experts" from the point of view of the expectant woman requires that they know what her desired outcome is.

Giving birth is an entirely physiological process. No person gives the starting signal, no one but the woman giving birth is needed to give birth. Giving birth *<u>does not require any intervention</u>* if:

- Both mother and baby are healthy (as is determined by prenatal care)
- The baby lies in a favourable position (idem)
- The mother experiences relatively little stress.

This first two conditions are met in approximately 95% of all pregnancies, the latter conditions tends to be the real challenge.

Logically, the starting point for a woman to determine the personal birthing experience she wants for herself is what nature's physiological process accomplishes in absence of stress. Which is:

- A safe and non-traumatic birthing experience,
- Maximally contributing to the well-being of the baby and the mother,
- In both short and long term.

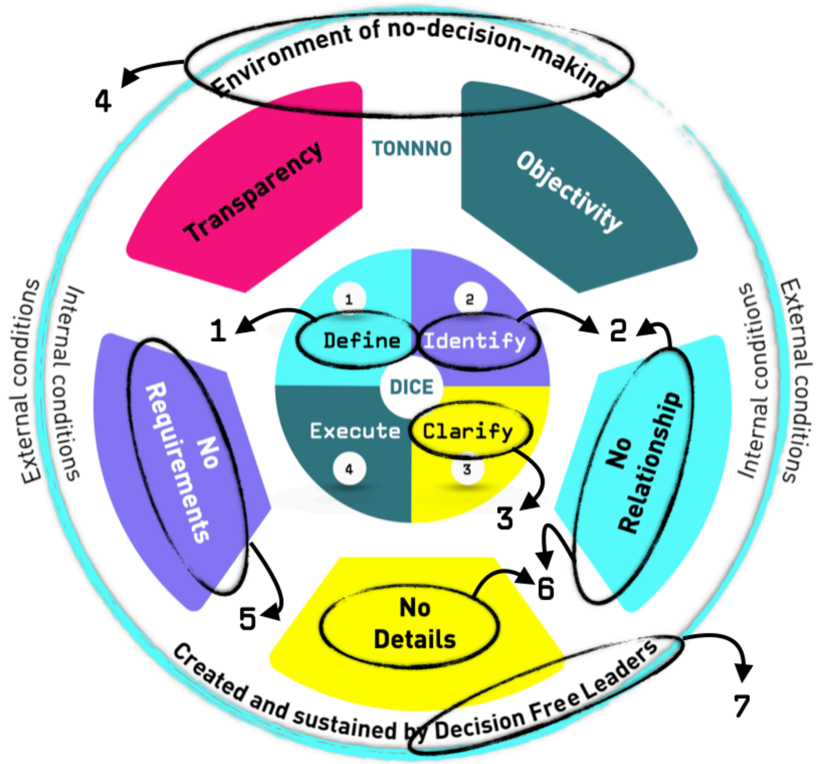



*Figure 8. The many ways modern healthcare systems disempower expectant women.*

Giving birth is not a flawed and broken process that needs to be repaired. Prenatal care and a healthcare system are duly needed because not all women and babies are healthy, and not all babies lie in a favourable position. The healthcare system is needed as it saves lives. The healthcare system is **not** needed for women to give birth.

For an expectant woman to be able to determine her personal desired outcome, the starting point is the physiological process. Because every intervention in this process will have consequences, small or big, now or in the future.

Modern healthcare systems are perfectly able to inform expectant women what happens during delivery. They tend to emphasise the HOW of delivery. But in order for the expectant woman to "own" her personal birthing aim, to understand the consequences of the choices she wants to make for herself, the WHY of the physiological process needs to be made clear to her. To empower expectant women, it should be fully transparent to them what the consequences may be of the interventions they want for themselves. Consequences they can consider, reject, try to mitigate, accept and fully own.

As the farther of three children, born in two different modern healthcare systems, I have been inundated with information. But no one, at any moment, was tasked to assist the expectant woman in helping her determine, and make transparent, the choices and their possible consequences, in arriving at a personal birthing aim she could confidently embrace.

That the healthcare system doesn't provide this service is alarming, but perhaps not surprising. As very soon, in the majority of cases, rules, procedures and protocols take over. None of which are interested in a woman's personal birthing aim.

One of the frequently occurring consequences of this, is a high level of stress. Much higher than needed. And the consequence of stress hormones during delivery is a physiological shutdown of delivery, resulting in the need for medical intervention. And, all too frequently, also trauma [11].

### Identifying the expert caregiver is made practically impossible

Assuming a "desired outcome of sorts" has been defined, the next step would be to identify the caregiver best able to achieve it at minimal risk (number 2 in Figure 8). This person would be someone who is intimately familiar with the woman's personal birthing aim, and who has demonstrable experience in helping others with similar aims achieving it. Importantly, this person would also be able to make the expectant woman feel confident and at ease, keeping most of the stress at bay.

In modern healthcare systems this is made impossible, because of the principle of "No relationship" (also number 2). It is impossible to choose a caregiver which accompanies the expectant woman during pregnancy until delivery. Caregivers are "allocated" to the expectant woman, they are "rotated," they have "schedules". All of which are examples of "relationships" (with the institute, department or hospital they work for) determining who will assist when.

As an example, my wife was hoping for a particular midwife to assist during a home delivery. But she had no say. The schedule determined who would be on call. When we had to go to the hospital, the midwife assisting the birth initially joined her, but then protocol took over and she had to transfer care to a hospital nurse we had never seen before.

### Making the "birth plan"

Imaging you want to completely renovate your bathroom. An experienced building constructor comes to your house and explains the importance of electrical insulation, of how the floor can be made waterproof, how to make straight grout lines, and how important the angles of the pipes for sewage and draining the bath are (and how these angles are determined by the travelling distance to the main pipes they are to connect to).

None of this information helps you to make substantiated choices in how the new bathroom is to be organised. You know you want a sink, a bath, a shower and a toilet, that it should be practical for children and adults, easy to clean, look bright, and have room for toiletries. But your building constructor doesn't ask for any of this. Instead of giving advice the building instructor asks you make a plan, telling him what to do, so that he can get started.

You make a plan, as best as you can. You may forget something important, but there is no real way of telling, making you a little nervous. You may like the building constructor, but that doesn't matter all that much. Every so many days another building constructor will come to your house. Interestingly, they immediately start working on the bathroom, but they never ask you for your plan.

That modern healthcare systems ask expectant women to make their own birth plan, without first assisting them in defining a transparent outcome, without offering them the guidance from beginning to end of a caregiver with the right expertise to achieve this desired outcome, without substantiating the possible consequences of the choices made in relations to the personal birthing aim, is beyond absurd.

### The many ways women are barred from achieving their personal birthing aim

In modern healthcare systems the expectant woman has to interact with many caregivers working for various different organisations. The general practitioner, educators, midwives, nurses, gynaecologists. Healthcare insurers, consulting agencies, birthing centers, hospitals.

Even if a personal birthing aim would have been defined, an expert caregiver identified, and, with the help of the expert caregiver, a birth plan defined, the amount of decision making involved especially in the run up to and during delivery, is mind boggling. There is almost the opposite of an "environment of no-decision-making" (number 4 in Figure 8).

These decisions are choices made in absence of a transparent desired outcome, but more often still decisions made by rules, procedures and protocols. These rules, procedures and protocols often contain "requirements" which, when fulfilled — irrespective of someone's situation or desired outcome — result in a chain of actions (DFS principle of "No requirements," number 5 in Figure 6).

Just a few examples (for many more examples see [12]):

- An insurance policy determining the location of giving birth, or which caregivers can be consulted with
- Organisations using schedules to determine which caregiver will interact with the expectant woman ("No relationships," number 6 in Figure 8).
- A rule which determines, purely based on age and regardless of health, whether someone falls in a risk category (which triggers new protocols)
- A rule which determines, purely based on the official duration of the pregnancy and regardless of health, whether someone is actually *allowed* to give birth at home
- Hospital organisations which, for legal and or organisational reasons, do not allow midwives from another organisation to (continue to) assist during delivery ("No relationships").
- A new shift of nurses taking over care during a prolonged delivery ("No relationships").
- The senseless obligation to read aloud all possible side effects of a much needed pain medication to an exhausted woman twelve hours into labour ("No details," number 6 in Figure 8).

### The crucial role of the birthing partner in today's system

In DFS the "Decision Free Leader" — number 7 in Figure 8 — is someone who takes on the responsibility (the role) of ensuring that expertise can be utilised and that decisions are identified, avoided whenever possible, and the associated risk of the remaining decisions minimised. This role is to create, sustain and communicate an *environment of no-decision-making* (number 4).

In modern healthcare systems no one takes on this role. The person best positioned to take on this role would be the midwife who helped the expectant woman to define her personal birthing aim and her birthing plan. In other words, the person who has intimate knowledge of what the expectant woman wants to have achieved for herself and her baby.

In practice there is no midwife who has this knowledge, and there is no single person who accompanies the expectant woman during the many interactions with the system and during delivery.

Except for the birthing partner.

In today's healthcare system, the role of the birthing partner become pivotal in helping the expectant woman to achieve her personal birthing aim. This requires a very different and much more proactive role. Especially during the delivery itself. The birthing partner must have an intimate knowledge of the desired personal birthing aim, verify caregivers know what is in the birthing plan, and ensure that the expectant woman experiences as little stress as possible. An example of what this role may look like in practice is provided in [13].

## How DF Birthing sets out to empower expectant women

It is an impossibility to drastically reorganise the healthcare system. It is not needed, either. As long as some important changes *within* the existing system can be made.

Applying the approach of DFS to the entire "birthing process" a method has been developed to empower expectant women in achieving their personal birthing aim.

The method of DF Birthing aids soon-to-be mothers in doing so:

- By helping the expectant woman to define her personal birthing aim.
- By helping the expectant woman to identify caregivers whose expertise can help her achieve her personal birthing aim.
- By instructing caregivers how to optimally utilise their expertise in support of the expectant woman.
- By helping the expectant woman to understand how she can actively contribute to achieving her personal birthing aim.
- By helping the expectant woman and the birthing partner to prepare for a delivery where communication is no longer possible and expectations must be clear in order for them to be met
- By helping the birthing partner understand how to actively support the expectant woman.
- By directing new policies and protocols towards achieving the aim of the expectant woman.
- By providing a rationale to counter the further medicalisation of the birthing process for as far as it is not in line with the expectant woman's personal birthing aim.

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MAKING EXPERTISE MATTER.

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# 7 MISCONCEPTIONS ABOUT "THE NEW WAY OF WORKING"

## – Which Are Hampering A Wider Adoption Of Its Potential Benefits By Existing Organisations


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# 7 Misconceptions About "The New Way of Working"

*— Which are hampering a wider adoption of its potential benefits by existing organisations*

## Summary

The "new way of working" encompasses new ways of organising, performing, and leading. These are set to overcome the downsides of the "traditional" way organisations operate (e.g., strict hierarchy, control, no freedom, no creativity, slow to adapt), which are all the more glaring in dynamic environments. The new way of working, instead, combines improved organisational performance with the resolution of a range of employee frustrations.

What this new way of working looks like is demonstrated by a range of "pioneering organisations" (e.g. , Buurtzorg, Patagonia, Haier, Spotify). These and other organisations tend to have a range of organisational features in common, which — in absence of underlying principles explaining these features — have become "characteristics" of this new way of working which need to be embraced.

In this article it is put forward that the essence of the new way of working is about creating the conditions to optimally utilise the expertise available to the organisation. This involves defining non-ambiguous aims, identifying expertise, and overcoming the challenges 1) posed by various types of decision making, and 2) of establishing clear communication between experts and non-experts.

This article argues that the typical "characteristics" of the new way of working are, in fact, on the extreme end of a spectrum of organisational solutions, and that by focusing on these extremes the wider adoption of the new way of working is hampered.

Following the underlying principles of the new way of working — based on logic and as laid out by the approach of Decision Free Solutions — the following misconceptions about the new way of working are addressed:

1. Change must be radical
2. Hierarchy must be flattened
3. It is all about trust
4. Experimentation must be embraced
5. Self-management is key
6. Control is part of the problem
7. It is all about people

## Content

## What is “the new way of working”?

“The new way of working” isn’t a well-defined concept. It encompasses new ways of organising, performing, and leading which overcome the downsides of the “traditional” way organisations operate. This traditional way tends to be characterised by strictly hierarchical structures where leadership and managers tell employees what to do and how to do it, pursuing narrowly defined (financial) targets, with plenty of control going around.

In these “traditional” ways of working most employees have little freedom and autonomy, and end up feeling frustrated and demotivated. The traditional way of working also is characterised by slow decision making, and an inability to adapt to a dynamic world with open boundaries and limitless data and rapidly changing values.

*Freedom, responsibility and trust are core values, and the organisational structure associated with it tends to be flat*

The new way of working, typically, has organisations pursue a broader (more meaningful) purpose, with the ability to quickly adapt and change if required, seeing and treating its employees as a key asset in achieving its purpose.

This new way of working has different concepts and ways of measuring performance, and different approaches to recruitment and employee engagement. Freedom, responsibility and trust are core values, and the organisational structure associated with it tends to be flat. Management terms frequently used in this context are teal, sociocracy, holacracy and humanocracy, and the companies often used as examples include Semco, Zappos, Haier, Spotify, Netflix, Buurtzorg and Patagonia.

## What are the characteristics of the new way of working?

The new way of working, because of the many potential benefits, has generated a lot of excitement. It has resulted in multiple platforms sharing tips and experiences, in academia studying organisational structures, in a brand new branch of the consultancy industry, and in plenty of publications either focusing on a particular organisation or trying to capture the essence by looking at trends and shared features between successful “pioneering organisations”.

Unsurprisingly, as each organisation tends to be both unique and complex, there isn’t a well-established set of structural or organisational characteristics which can explain the success of those pioneering organisations.

*An organisation is much more than its values and its structure, and patterns offer no explanation*

Organisations pursue goals which may or may not be well defined, in environments which may or may not be complex, changing and competitive, employing people with varying and often unknown skills, talents and motivations, who work in a culture which often has been shaped over many years and is in constant flux. And yes, organisations also have a structure.

To make sense of this complexity, it is only human to focus on common features and trends in how pioneering organisations operate, what values they emphasise, and how they are structured. Seeing patterns is something we, as humans, excel at. But an organisation is much more than its values and its structure, and patterns offer no explanation.

*Pioneering organisations are characterised by embracing purpose, shedding hierarchy, empowering their employees, organisational experimentation and transparency*

In 2015 A. Sachs and A. Kundu wrote a blogpost ([1]) about organisational transformation, with the aim to allow the organisation to "inspect and adapt". They proposed that organisations are to "find the balance between the following opposites (see figure below) enabling it to respond with urgency".

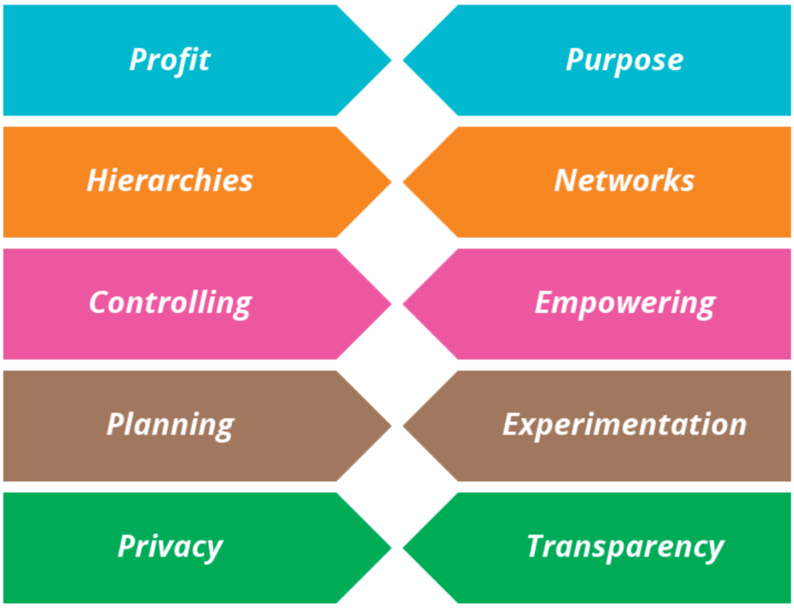


*Figure 1. Opposites an organisation is to find a balance between.*

Where Sachs and Kunda write about finding a *balance* between opposites, many advocates of the new way of working identify a *trend* away from the left column and towards purpose, networks, empowerment, experimentation and transparency.

Pioneering organisations — sometimes confusingly called "progressive"organisations — tend to be those organisations which are on the extreme end of this spectrum, and who have both an engaged workforce and good to great performance. They are thus characterised by embracing purpose, shedding hierarchy, empowering their employees, organisational experimentation and transparency.

As exciting these pioneering organisations are, and how appealing these extreme characteristics seem, neither the (structures of the) pioneering organisations nor these extreme characteristics define the new way of working.

There is a broad spectrum of organisational solutions which able to overcome the most important disadvantages of the traditional way of working. To do so it is not always necessary to embrace purpose, to experiment, let alone to get rid of hierarchy.

## What is preventing existing organisations from embracing the new way?

The benefits associated of the new way of working are manifold, and there are thousands of organisations which have embraced several or all of its aspects. Many of these organisations started from scratch, or were forced to make a transformation because they were on the brink of failure, and had either “visionary” leaders at the helm, or were helped by experienced and no less visionary consultants.

Yet, there are millions of organisations which haven’t adopted the new way of working. Organisations which are not run by visionary leaders, which can’t build a new culture from scratch, are not pushed to change by impending failure, and don’t have the resources to “experiment” and drastically restructure. Organisations which usually can’t tell whether the new way of working is for them, and if so, where to start. A transformation, after all, carries immense risk and tends to be very costly.

*In absence of underlying principles, focusing on pioneering organisations has a downside*

So how should existing organisations approach the new way of working? Seeing trends and identifying common features between pioneering organisations is of interest, but it doesn’t explain anything in itself. It doesn’t help the countless organisations who might benefit.

Haier operates in an extremely dynamic environment and has a flexible organisational structure consisting out of thousands of networked micro-enterprises which come and go. Buurtzorg teams work in parallel to each other, and each team serves a single unchanging neighbourhood while part of an organisational structure which is extremely stable.

Both organisations don’t have a layer of middle management, both work with autonomous teams. But to claim that getting rid of middle management and working in autonomous teams *thus* needs to be embraced forgoes any attempt at an explanation.

Today’s publications and platforms tend to focus on a relatively small group of pioneering organisations. They share exciting ideas and provide valuable support for a much larger group of interested organisations. But, in absence of underlying principles, their focus on, especially, the structural characteristics of these more “extreme” examples has a downside, also.

As has been shown time and again, the new way of working has many potential benefits. It can improve both organisational performance and resolve workplace frustrations, and may even reduce the grievances of racism and discrimination [2]. If organisations would adopt "the new way of working" *en masse,* everyone would benefit. But as it is, they don't.

*The majority of organisations don't want radical change, and shouldn't attempt it*

One simple reason is that, to begin with, "traditional organisations" neither have a big appetite nor great potential for change. Which is only compounded by the fact that many proponents of the new way or working argue that the change required must be "radical". In their view organisations need completely different models to get rid of their formal structures. They should just begin, experiment and persevere, and give their employees freedom, autonomy and trust.

By far the majority of organisations not only don't want radical change, they should not even attempt it. It will only usurp resources and end in chaos. Traditional organisations are better served by *gradual* change, at a pace the organisation can manage. But this is not what advocates of the new way of working have to offer.

*"Freedom" and "trust" aren't organising principles*

The real reason preventing a wider and faster proliferation of the new way of working, is precisely the absence of underlying principles. Only with underlying principles in hand would it become possible for change to become both gradual and substantiated.

Buurtzorg and Haier operate in very different environments, and have very different organisational dynamics. Both lack middle management and employ self-managing teams. But that doesn't make "self-management" or "absence of middle management" essential to a new way of working.

Employees in pioneering organisations tend to have more freedom, and generally feel that the company has trust in their performance. But "freedom" and "trust" aren't organising principles.

There are several common misconceptions about what is needed and what must be done to arrive at a new way of working. To explain this it is pivotal to first attempt to define what the underlying principles of the new way of working actually are.

## The underlying principles of the new way of working

It has been convincingly shown that, given the right circumstances, also very traditional and hierarchical organisations can adopt a new way of working and be successful (and without getting rid of hierarchy) [3]. But even then there are still two challenges remaining: replication and sustainability.

*The new way of working is unlikely to be widely adopted, replicated or sustained*

Buurtzorg's approach and success in providing neighbourhood care hasn't achieved the same traction in other countries. Haier's RenDanHeYi-model is widely studied, but hasn't been successfully copied. As it is, both companies still have their visionary leaders at the helm. What happens when they leave? What happened to Semco? What role does leadership actually play in the context of autonomous networked teams?

As long as there is no fundamental understanding of the principles underlying certain trends and features — principles which also take the (complexity of the) environment in which an organisation is to achieve its purpose into account — the "new way of working" is unlikely to be widely adopted, replicated, or sustained.

The starting point for arriving at the underlying principles of a new way of working has to be logical:

- Successful organisations are organisations which achieve their organisational goals with minimal use of resources, and hence by minimising risk.
- To do so they have to make optimal use of the expertise available to them.

*To optimally make use of expertise two challenges have to be overcome*

To make optimal use of available expertise *throughout* the organisation, first the goals to be achieved (as an organisation, within a team or project) have to be both transparent (understood the same by all involved) and objective (it should be clear when it is achieved). The best available expertise to achieve these goals has to be identified, and then the conditions have to be created to optimally make use of this expertise.

To optimally make use of expertise — of the skills and talents employees take to their job — two challenges have to be overcome:

1. All types of decision making have to be minimised (hierarchical decision making and as frequently found in rules, procedures, protocols, best practices, checklists and contracts)
2. Clear communication between experts and non-experts has to be established.

<u>Ad 1</u>: Whenever choices are made which are *not fully* substantiated to contribute to achieving a goal, the risk this goal will *not* be achieved *increases*. This is what is so often problematic about hierarchical decision making, and rules and protocols. These often are, or contain, choices which can't be fully substantiated, and which in turn hamper or prevent the utilisation of available skills and talents. These different types of decision making *both* cause frustration *and* negatively affect organisational performance.

*In many organisations control is like a teacher on a playground telling kids not to climb the climbing frame*

Ad 2: Organisations which heavily control their employees don't do so out of sadism, or tradition. They do so because they find the organisation's course and performance to be unpredictable. Unable to tell whether things go right, control is a reflex: a "risk mitigation tool" to limit unknown damage from occurring when things go wrong. Organisations which rely on control tend to have unclear goals, little idea about the skills and talents their employees bring to the table, and no way of telling whether their employees are achieving these unclear goals. In many organisations control is like a teacher on a playground telling kids not to climb the climbing frame. Not because it is beyond them, but because there are simply too many other kids running around he needs to pay attention to, also.

To do things right, most importantly, goals need to be non-ambiguous. Then, in order to prevent the organisational reflex of control kicking in, the communication between experts (i.e., employees with the right skills for the task at hand) and non-experts (e.g., managers or leadership responsible for the outcome) needs to be transparent. A prerequisite for this is the measurement of relevant outcomes. In absence of transparency control will always kick in.

*It is the responsibility of leadership-roles throughout the organisation to create the conditions to utilise expertise*

The required conditions to optimally utilise expertise include a clear purpose (goals), an environment of no-decision-making, and transparency with respect to communication and outcomes.

Furthermore, the organisational culture must be safe for everyone to contribute their ideas, and all relevant information needed to substantiate the choices which have to be made has readily accessible. It is the responsibility of all leadership-roles throughout the organisation to create these conditions.

Organisations wanting to embrace the new way of working have to create the right *internal conditions.* But the "balance" they have to find, and the particular solutions and structure that work best for them, are also dependent on *external conditions*: the type of environment the organisation operates in.

The more dynamic the environment, the greater the importance of the swift utilisation of expertise to minimise risk becomes. In dynamic environments "expertise" relies less on *experience* and, especially, a *high level of perceptiveness.* Someone's level of perceptiveness — someone's awareness and understanding of change — is a trait. Which means that not all people are equally suited to work in any environment (let alone be suited to take on leadership-roles in these environments [4]).

In summary:

- High performing organisations are organisations which manage to achieve their goals through the optimal utilisation of the expertise available to them.
- This requires that these goals are non-ambiguous, and that the right conditions to utilise expertise are in place.
- The two central challenges are the avoidance, for as much as possible, of all types of decision making, and establishing clear communication between experts and non-experts.

- It is the responsibility of the various leadership-roles throughout the organisation to create, sustain and communicate these conditions.
- What works best for a particular organisation depends also on the environment in which it operates.

Based on this logic the following misconceptions about the new way of working can be identified and explained.

## Misconception #1: Change must be radical!

If organisations are to transform themselves into today's "pioneering organisations," this would indeed be a radical transformation for almost all of them. Radical change is also proposed because traditional top-down change initiatives tend to be gradual, modest, watered down, and ultimately unsuccessful. Traditional "gradual change" typically doesn't amount to much.

But with the underlying principles of the new way of working in hand, change can be gradual. It starts with the realisation that, in order to optimally utilise expertise, all types of decision making — where decisions are choices which are not fully substantiated — is to be minimised.

*Decisions always increase risk*

In organisations, when talking about decisions, the common adjectives used are: small, big, complex, important, bad, easy, smart, poor, wrong, right, hard and still many other adjectives too. The term "decision" as used in organisations today has no distinct meaning, it is always in need of context. But there is another, clearer, and much more powerful way to classify and distinguish between decisions: decisions which *increase risk*, and decisions which *don't*.

When decisions don't increase risk — because the situation is fully transparent — then there is actually no need to make a choice. It is obvious what needs to be done. Decisions in this context are usually someone "approving" or "giving the go-ahead" for a logical course of action. So what it comes down to, is that whenever a decision has to be made, it is because there is no full transparency. Consequently, decisions *always* increase risk [5].

<u>That decisions always increase risk is, in fact, the underlying paradigm shift of the new way of working</u>. And a paradigm shift is required because the existing dominant paradigm — decision making is a strength, a token of power, an earned right, an indication of boldness and incisiveness, a skill, an organisational necessity, "the way of running things" — is *failing* organisations and the people operating within them. It is failing, because it stands in the way of utilising our skills, talents and motivation. All of which needs to be utilised to create as much transparency as possible, and to achieve optimal organisational performance.

This is not a paradigm shift merely reserved for higher management. It can be made by everyone within the organisation. It is neither top down nor bottom up. Identifying decisions (hierarchical, and as found in rules, protocols, procedures etc.) can be done everywhere throughout the organisation.

Avoiding decisions, and minimising and managing the risk associated with the decisions which can't be avoided, can be done throughout the organisation.

Creating the conditions to replace decisions with the utilisation of expertise doesn't have to be radical. It can be done gradually, locally, even reversibly. How to do so, following steps and adhering to principles, is explained by the approach of Decision Free Solutions [6] (see Figure 1 at the end of this article).

## Misconception #2: Get rid of hierarchy!

There is no inherent problem with hierarchy. Hierarchy can be practical, provide clarity, be efficient even. The problem is not hierarchy, but the anachronism of *hierarchical decision making*.

Hierarchical decision making is, at first sight, a simple and also practical way of organising work. It may be slow at times, but at least everyone knows how it works. What makes it so harmful, however, is that the "power of hierarchy" makes these decisions *incontestable*. In today's organisations, decisions tend to be God-given. And all of these incontestable decisions increase organisational risk by failing to tap into available expertise, and by failing to reduce, manage and mitigate the risks they are associated with.

*Hierarchal decision making is the problem, not hierarchy itself*

For many, hierarchical decision making also creates an unsafe environment. They acutely sense the biases at play. They are the ones who suffer the greatest frustrations caused by decision making. Decisions affecting recruitment, invitations to meetings, speaking time, opportunities to represent the company, and, of course, promotions.

That hierarchal decision making is the problem, and not hierarchy itself, is also beautifully and dramatically shown by Marquet's interesting story as the captain of a submarine [7]. Also Buurtzorg can be said to have three hierarchical layers: teams, coaches, and leadership. It is just that this hierarchy is not a power-structure, and that neither coaches nor leadership make decisions for the teams.

## Misconception #3: It is all about trust!

Trust is not an organisational principle. Simply "trusting employees" does not result in performance. What improves performance are clear and objective goals, the availability of the right skills and talents, and the measurement of relevant outcomes. If those are in place, control and decision making have to be avoided in order to let people use their expertise.

*"Trust" in absence of clear goals and the measurement of relevant outcomes is going to end in disaster*

Avoiding control and decision making can be labelled as “trust”. But “trust” in absence of clear goals, relevant expertise and the measurement of relevant outcomes is bound to end in disaster.

There is an important distinction to be made between the “trust” that is asking to have faith in someone or some organisation, and the trust that is an extrapolation of past performances. You may trust a builder to renovate your bathroom because he did he great job on the kitchen. But you still need to make sure the builder understands what you expect from your new bathroom, and how “success” is going to be determined. If that is in place, let the builder get on with it and trust ahead.

In the case of Buurtzorg the organisational purpose is clear, the employees are qualified nurses, and relevant outcomes are measured and accessible to all within the organisation. It doesn’t make sense to tell nurses how to best do their job. But it doesn’t make sense either to assume they do their work well merely because somebody “trusts” them to.

Having said all this, there is still an important role for “trust”. Trustworthiness, to think the best of people (in absence of reasons not to), is an import behavioural characteristic to have in a leadership-role. Especially so in leadership-roles which impact the organisation’s culture.

The CEO of Buurtzorg makes it frequently and abundantly clear that he fully trusts his employees. This contributes to creating a culture where people feel safe and confident, which are important prerequisites to speak out and share your expertise. But, again, in absence of clear goals, alignment of expertise, and measuring important outcomes, “trust” alone isn’t going to automatically and magically produce good results.

## Misconception #4: Embrace experimentation!

Experimenting with or within an organisation is something you do when you have no choice, in absence of any principles which can guide you. You want to embrace experimentation as much as you want to embrace ignorance.

When a change is needed — and it never takes long before there is — instead of “experimenting” with an idea and just see what happens, one can also first define what needs to be achieved, and second use guidelines (the understanding of underlying principles) and whatever information is available to devise the change. This way the risk associated with change is reduced, and from whatever doesn’t work as expected something useful will be learned.

*You want to embrace experimentation as much as you want to embrace ignorance*

Organisations which step away from hierarchical decision making (or even from hierarchy itself), and which no longer have prescribed job descriptions, will still need to identify the right people to take on “leadership-roles”. They still need to come up with a compensation scheme for their workers. But they don’t have to “experiment” with this. There are simple guidelines to follow. An example of this — creating a salary structure in absence of traditional hierarchy — can be found in [8].

The approach of Decision Free Solutions defines four steps and five principles to adhere to when introducing organisational change [6]. These guidelines allow for making substantiated proposals instead of mere experimentation.

## Misconception #5: Self-management is key!

A self-managing team (SMT) has been defined as "a group of individuals with diverse skills and knowledge with the collective autonomy and responsibility to plan, manage and execute tasks interdependently to attain a common goal". About twenty years ago SMTs were recognised as a leading innovation in work structures, and even as a management paradigm shift.

In 2018 N. Smith and P. Pazos published an article which looked at the various factors affecting the effectiveness of SMTs. The picture is decidedly mixed, with some implementations resulting in adverse outcomes such as conflict escalation and reduced awareness of changes outside the team [9].

*Self-managing teams may be near-essential in dynamic situations, and optional or even ill-advised in others*

Self-management is not a prerequisite to realise the potential of the new way of working (much like the absence of hierarchy isn't either). But self-managing teams with a high level of autonomy can be ideally suited to quickly respond to e.g. changes in customer demands.

Self-managing teams may be near-essential in dynamic situations, and optional or even ill-advised in others. For self-management to be successful a clear purpose and sufficient autonomy to utilise the team's expertise are essential. Self-management also requires a group dynamic which tries to prevent the establishment of hierarchy and especially (hierarchical) decision making ("shared leadership" correlates positively with performance [9]). This in turn hinges on sufficient team members bringing the right mind- and skill-set to the team.

At Buurtzorg self-managing teams are the best solution to establish relationships with patients to quickly assess and provide the care they need. Great care is taken to prevent anyone from taking decisions affecting others, and, if need be, coaches can be asked to assist the team in solving any issues they may have. Also at Buurtzorg self-management is helped by having a clear purpose, understood the same by all involved (all are nurses), and the measurement of all relevant outcomes to assess the team's performance.

But it should be clear that self-management is not a *generic* solution. It is a powerful solution in *certain* environments when *certain* boundary conditions are fulfilled.

## Misconception #6: Do away with control!

As mentioned before, organisations tend to control their employees — by telling them what to do and how to do it, through frequent "progress" meetings, rules, the need for reports, regulations, hierarchy making incontestable decisions, etc. — not because they are intent on wasting resources, but because of widespread ambiguity. Ambiguity with respect to the goals, the talents and skills of the people who are to achieve them, and the “progress” made.

*Giving up control is what happens when the right conditions are in place*

If goals aren't transparent, when there is no way of telling whether the skills and talents available are properly aligned with the tasks at hand, and relevant outcomes aren't measured let alone monitored, then “giving up control” isn't going to result in performance.

Giving up control is what happens when the right conditions are in place. Even then, one can argue, there is some level of control through the measurement of relevant outcomes.

At Buurtzorg the teams are extremely autonomous and there is no hierarchy telling the teams how to do their job. But for all of the teams relevant outcomes are measured, and these performances are transparent and accessible for all teams across the organisation. If a team under- or overperforms, the entire organisation knows about it. Even in this example of extreme autonomy, there is still “control” of some sort. The key difference here is that this type of control does not interfere with the utilisation of available expertise.

## Misconception #7: It is all about people!

It *is*, of course, all about people. But more importantly, it is all about *the skills and talents* of people. And still more importantly, it about the *alignment* of the right skills and talents to take on a particular task. This matters in teams and projects, and it most certainly matters in leadership-roles where the right skills and talents (a high level of perceptiveness!) are required to take on this role successfully [4].

*Not all people are created equal*

Identifying the right people to take on a task depends also on the environment in which they have to operate. The more dynamic the environment (e.g, when working in self-managing teams) the greater the importance of perceptiveness. This is what is behind Spotify's “hire for culture, train for skills” — where Spotifiy's self-managing culture requires a high level of perceptiveness which expresses itself in certain behavioural characteristics [8].

The new way of working is about getting the best out of people, utilising their skills and talents and motivation. But not all people are created equal. Some become experts in a stable environment, others bring the skills to become experts in dynamic environments. To create the conditions for everyone's skills and talents to be optimally used is not easy, but it can be done.

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