THE ORGANIZATIONAL MODEL OF LIBERATED COMPANIES: WHAT THEY HAVE IN COMMON?
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Thesis presented to Escola de Administração de Empresas de São Paulo of Fundação Getulio Vargas, as a requirement to obtain the title of Master in International Management (MPGI).

Knowledge Field: INTERNACIONALIZAÇÃO DE EMPRESAS

Adviser: Prof. Dr. Isabela Curado

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ABSTRACT

This study addresses the current debate about the existence of an organizational model in liberated companies, which impacts its generalization and its transmission over time. Our purpose is to determine whether there is any consistency across the various organizational patterns in liberated companies. To reach this goal, 114 liberated organizations and twenty-five of their primary organizational patterns were identified in the literature. Then, a survey was sent to these 114 organizations to see how consistent these twenty-five patterns were across the universe. Data was collected from thirty-nine answers out of these 114 targeted companies. This data led to identifying eleven features that were present in most of the thirty-nine liberated companies who completed the questionnaire. Ten other patterns were found in the majority of the sample, while four patterns were identified as scarce. It was also determined that larger corporations operate differently. The analysis that was conducted will help leaders to understand the features of liberated companies.

Keywords: Organizational structure, Organizational change, Self-management, Decision-making.
RESUMO

Esta dissertação aborda o debate sobre a existência de um modelo organizacional em empresas inovadoras ("liberated companies"). O objetivo é determinar se há qualquer consistência entre os vários padrões organizacionais de empresas inovadoras. Para responder essa questão, primeiro foi identificado na literatura 114 empresas inovadoras (liberated companies) e listado vinte e cinco características organizacionais presentes nessas empresas. Foi enviada uma pesquisa para as 114 empresas identificadas, para verificar a consistência (ou não) dos vinte e cinco características organizacionais. Foram coletados dados de 39 das 114 empresas. A análise dos resultados indicou que onze características estavam presentes na maioria das 39 empresas que completaram o questionário. Dez outros padrões foram encontrados na maioria da amostra, enquanto quatro padrões foram identificados como raros. Também foi identificado uma maneira diferente de funcionamento para empresas maiores. A análise realizada será útil para empresários que queiram compreender melhor quais são as características organizacionais presentes nas "liberated company."

PALAVRAS CHAVE: Estrutura Organizacional, Mudança organizacional; Tomada de decisão, auto-gestão.
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Introduction

Liberated companies have received an increasing amount of attention in the past decade. A liberated company is defined by Isaac Getz (2009) as “an organizational form that allows employees complete freedom and responsibility to take actions they decide are best.” The concept is far from being new: William L. McKnight, the CEO of 3M in 1924, was already claiming that “If you put fences around people, you get sheep. Give people the room they need” (GETZ, 2009, p. 6). Likewise, in the 1950s’ the American company WL Gore was already organized according to the principles of a liberated company. In France in the last ten years, the concept has been growing exponentially. This topic was made the subject of multiple conferences, press articles, a televised documentary and even a comic book published in 2016. I. Getz said in a conversation with Ricardo Semler, leader of the Brazilian liberated company Semco, that “right now, in France and French-speaking countries, I personally know probably about 250 companies that we would call “liberated corporations”” (SEMLER, 2017, podcast). On what basis has this movement developed itself?

This movement can be rather surprising since Geert Hofstede’s research on cross-cultural management attributed to France a score on power distance of sixty-eight, which is higher than the world’s average of fifty-seven. People in societies with a large degree of power distance are indeed supposed to “accept a hierarchical order in which everybody has a place and which needs no further justification” (HOFSTEDE, 1984). Isaac Getz (2016) explains the spread of the liberated companies’ movement by the existence of an ecosystem supporting the development of liberated organizations in France and the willingness to overcome hierarchy precisely because it is strong.

Jean-François Zobrist, who “liberated” Favi in the 1980s’, explains that the liberated companies model also provides “what the youth is looking for: knowing why, and be free about the how”. Frédéric Laloux, the author of the book Reinventing Organizations, also believes that this organizational form fits the Millennials, the generation that “has grown up in the disruptive world of the Internet, where people’s influence is based on contribution and reputation, not position” (LALOUX, 2014, p. 139).
Gary Hamel adds that “managers today face a new set of problems, products of a volatile and unforgiving environment” (HAMEL, 2009, online), which is often designed by the acronym VUCA (Volatility, Uncertainty, Complexity, and Ambiguity). This vastly more complex environment calls for a new governance in organizations that would be more “adaptive, flexible, self-renewing, resilient, learning, and intelligent” (WHEATLEY & KELLNER-ROGERS, 1996, p. 1).

These three elements seem to explain the recent exponential development of liberated organizations. In the opinion of I. Getz (2017), this movement will eventually spread to other companies, since “every couple of days” he hears “about a new company that’s become liberated”. In his opinion, based on research on social movements, if seven percent of the 2000 companies of more than 500 employees in France become liberated, that is to say about 140 companies, “the whole French economy will collapse into liberation.”

However, the question of how to reach this point is at the center of a debate in the literature. I. Getz (2009) believes that there is no model and that it all depends on how the liberating leader will articulate the liberating philosophy in the cultural context of his company. Adopting a more prescriptive point of view, other authors like Tom Peters (1992) and Frédéric Laloux (2014) conceptualized an organizational system of liberated companies stating that the companies they studied had some patterns in common. Holacracy goes even further by claiming to have found an operating model of self-management and to have started implementing it in more than 500 companies through a network of coaches.

Regrettably, every study on the subject is empirical and based on qualitative research methods, which does not help to compare companies objectively. A quantitative research would therefore allow to compare companies in an unbiased manner and on a larger scale. Moreover, as it can be seen in the table below, the literature often uses the same examples. In three books selected for the literature review on liberating companies, many examples are common. Many academic case studies also cover the same examples.
From these examples studied, the authors withdraw different theories, fueling a debate within the literature on whether there is a model of liberated companies or not. This debate will be further explained in section 1.5. *The current debate on the conceptualization of an organizational model*, and can be summed up in the chart below:
To give insights to this debate, and to widen the span of companies researched, a quantitative study was conducted to answer the following research question:

**Is there a consistency of patterns in the organizational systems of liberated companies?**

To answer this question, 114 liberated organizations were identified, listed in Appendix 1. Based on this list, twenty-five main features within these enterprises were identified. Then a survey was sent to the organizations, to discover to what extent these features were consistent across the universe. From the thirty-nine answers collected from the survey, some consistent features within these companies were found. Among these thirty-nine companies, only four have already been studied in the literature.

This study attempts to contribute to a better understanding of the growing movement of liberated companies, by displaying some regular patterns in the organizational structures implemented by the liberating leaders. Many entrepreneurs and intrapreneurs found inspiration in the well-documented testimonies of these liberating leaders, but they still believe its implementation is risky and complicated. They are therefore in need of more elements to start designing their organizations.

To articulate this understanding, this dissertation progresses as follows: first, the existing literature was explored, focusing on the actual structures that may lead to disengagement and some processes to dismantle traditional organizations. Then the consequences that different worldviews on human nature have on organizations were addressed. Finally, the current debate on the idea of a model and its stakes for long-
lasting organizations was explained. In the second chapter, the Methodology, is covered how this literature review was conducted, how the research was designed and how the results were analyzed. In the fourth chapter, the findings of our research are presented: which patterns were consistent, which patterns were less uniform and how larger companies deal differently with the liberation process. Finally, the last chapter concluded this study by expressing the main contributions, the limitations of this research and the opportunities for future work.
1. Structure and people

To answer the research question, it is necessary to begin by identifying and exploring the concepts and existing theories directly related to the topic of this study. This chapter will first review what structures disengage employees, then how some authors presented the ideas of decentralization and delayering as a solution to this lack of engagement. Then, it will address how different theories on human nature, needs, and trust transition to different organizational systems. The last part of the chapter will explain the current debate in the literature on the conceptualization of an organizational model.

1.1. Organizational models that disengage employees

Some structures like Bureaucracy, Taylorism, and Hierarchy lead to the disengagement of employees, which in turn disadvantage organizations.

1.1.1. Bureaucracy, Taylorism, and hierarchy

Most organizations today are operating on the base of top-down, hierarchical, command and control mechanisms. To better understand the origins of these mechanisms, the concepts of Bureaucracy, Taylorism, and Hierarchy were reviewed.

The Bureaucracy has been theorized by the German sociologist Max Weber as an organization based on procedures, policies, and hierarchy. The objective of bureaucracies is to show a “technical superiority” by forcing individuals into specified patterns of interaction. To achieve such a goal, organizations have to eliminate from the workplace “love, hatred, and all purely personal, irrational, and emotional elements which escape calculation.” In a word, it “develops the more perfectly the more it is dehumanized” (WEBER, 1978, p. 975). Clegg and Courpasson (2004) also demonstrated how the process of rationalization inherent in bureaucratization resulted in a diminution of freedom, by expecting employees to become obedient and by withdrawing any of their initiatives. Consequently, they assert that bureaucracy was unable to handle contemporary markets’ demand for constant innovation.

Taylorism is another form of command and control organization that appeared during the industrial revolution. Its objective was to facilitate a shift from a crafting
system where artisans used to have control over the entire production process to a mass production model where employee perform scientifically segmented tasks, thus being more productive. This organization strongly limited the initiatives of employees, substituting it by the expertise of the design department and the white collars. In his book “The Principles of Scientific Management,” Frederick Winslow Taylor claims indeed that “in our scheme, we do not ask for the initiative of our men. All we want them is to obey orders we give them, do what we say, and do it quickly” (TAYLOR, 1911, p. 11). Every manufacturing process is fragmented into simple elements, measured, standardized, and the management should seek to limit an individual job to a single task as far as possible, without any false movement. The part of the worker's activity which consists of preparing and organizing the work in his own way is also suppressed (LITTLER, 1978). I. Getz (2009, p. 143) described well the relation worker-managers that resulted: “in this arrangement, the need for a “relationship” between company and employee is limited: Workers are given orders and told what to do and how to do it. They are measured—and controlled—according to whether they follow them.” Therefore, Taylor contributed significantly to the spread of mass production that Ford already started with its moving assembly line.

More recently, Ronay, Greenaway, Anicich, & Galinsky (2012) wrote an article named "The path to glory is paved with hierarchy." They start their article by an analogy with nature: studies have found indeed that in a group of chicken, the best egg producers are also very competitive birds. Therefore, chicken fight over food, space, and territory, which in turn drive egg production down. The authors intend to prove in their study that for humans as well, having too many high-status individuals in an equal group can create status contests, people competing for greater control, which in turn would increase discord and decrease the team productivity.

To prove this hypothesis, the researchers conducted experiments with different groups of high-power, low-power, and baseline participants. The authors found that the group with a mix of the three groups, identified as hierarchically differentiated groups, were more productive than groups of all high-power individuals and groups of all low-power individuals, especially in environments characterized by high levels of procedural interdependence.
They conclude that unequal distribution of power within groups, i.e., hierarchical differentiation, facilitates the coordination of individuals’ efforts and ultimately benefits the productivity of the group. Therefore, they argue that “despite the overt appeal of egalitarian social structures, humans have an enduring implicit preference for hierarchy,” which they define as “a universal default for human social organization.”

Bureaucracy, Taylorism, and hierarchy may have led to significant increase in productivity. For example, Taylor doubled the production of the company Bethlehem Steel after introducing its methods. However, as the founder and former CEO of Visa Dee Hock puts it, “hierarchical command and control pyramids of power, whether political, social, educational or commercial were aberrations of the Industrial Age, antithetical to the human spirit, destructive of the biosphere and structurally contrary to the whole history and methods of physical and biological evolution” (HOCK, 1994, p. 5).

There is indeed a consensus to point out these methods as outdated. F. Laloux (2014) explains that humans evolve in stages, where everything changes at once, including organizational models. He describes in his book the evolution of different organizational stages: First, “amber” organizations, like the military or the church, were characterized by highly formal roles and top-down command and control. Then appeared “orange” organizations: they managed through objectives, valorized innovation, accountability, and meritocracy. Later on, “green” organizations were designed, where “within the classic pyramid structure,” managers “focus on culture and empowerment to achieve extraordinary employee motivation.” The liberated companies that he calls “Teal” organizations, would be part of the next stage of evolution. However, today most organizations are still at the amber, orange or green stage, and therefore create many pathologies in the workplace.

The problem is that these drawbacks are difficult to measure. F. Laloux admits that “economies of scale” do arise when a support department take into account more responsibilities, which “can easily be estimated in hard dollar figures.” However, on the other side of the coin, he asserts that “it is virtually impossible to peg a number to the diseconomies of motivation” (LALOUX, 2014, p. 73). I. Getz (2009, p. 36) is referring to these diseconomies as “the costs that your accountant is not telling you
about.” G. Hamel, a professor at the London Business School, claims as well that the “cost of tyranny” is very costly when the management narrows an individual’s scope of authority. However, he also describes these costs in vague and unmeasurable terms: “you shrink the incentive to dream, imagine, and contribute” (2011, p. 1). Nonetheless, these descriptions are all pointing out the lack of engagement of employees, which could be the major consequences of these organizational models.

1.1.2. Lack of engagement around the globe

Schaufeli et al. (2002, p. 74) defined the engagement of employees as a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication, and absorption. Vigor is characterized by “high levels of energy and mental resilience while working” and “persistence even in the presence of difficulties.” Dedication refers to experiencing “a sense of significance, enthusiasm, inspiration, pride, and challenge.” Finally, absorption is characterized by “being fully concentrated and engrossed in one’s work, whereby time passes quickly, and one has difficulties with detaching oneself from work.” In this section, we will analyze the proven lack of engagement of employees and how it affects their productivity.

Two books quoted in this study are both referring to what the scholar Gary Hamel calls ‘the shame of management”: the proven lack of engagement among employees, in every part of the world. The first book, written in 2009 by the French professor Isaac Getz and the Wall Street Journal journalist Brian Carney, Freedom Inc., quotes a study from Gallup called “Gallup Study: Feeling Good Matters in the Workplace” (GALLUP, 2006). This study is regularly conducted in 142 countries and surveys 230,000 full-time and part-time employees. In an updated version of 2013, it reveals that worldwide, only thirteen percent working for an organization are engaged in their work and “work with passion and feel a profound connection to their company.” Among the remaining eighty-seven percent, sixty-three percent are not engaged, which means they “put time –but not energy or passion- into their work.” and twenty-four percent are actively disengaged. These twenty-four percent are particularly preoccupying since they are not just unhappy at work: they “try to undo” “whatever the engaged do” (GALLUP, 2013, p. 17).
In 2006, the results appeared to be better, since twenty-seven percent of employees were engaged, fifty-nine percent were not engaged, and fourteen percent were actively disengaged (GALLUP, 2006, apud GETZ, 2009, p. 33).

The second book, Reinventing Organization, was written in 2014 by a former Belgian consultant, Frédéric Laloux. He quotes a survey conducted by Tower Watson in 2012, questioning 32,000 workers in 29 countries. The updated version of this survey from 2014 is more optimistic than Gallup results, finding that four employees out of ten are “highly engaged”. The other sixty percent are either “detached” (seventeen percent), “unsupported” (nineteen percent), or as Gallup found out, “disengaged” (twenty-four percent) (WATSON, 2014).

Unlike the Gallup Survey, the results became slightly better over time: In 2012, thirty-five percent of employees were engaged, forty-three percent were detached or disengaged, and twenty-two percent were feeling unsupported (WATSON, 2012, apud LALOUX, 2014, p. 62).

Another interesting insight of this book is to explain that such lack of engagement does not concern only employees at the bottom of the pyramid. Indeed, based on his work as a consultant and coach, the author asserts that “life at the top of the pyramids isn’t much more fulfilling” since top managers also suffer from “the power games, the politics, and the infighting” (LALOUX, 2014, p. 4).

1.1.3. The negative consequences of lacking engagement

Whether it reaches sixty or eighty-three percent, lack of engagement is proven to be high in the workplace and is also proven to have substantial negative consequences on various dimensions. The Gallup studies from 2013 shows that the “median differences between top-quartile and bottom quartile units” in terms of engagement is “twenty-five percent in turnover (high-turnover organizations), sixty-five percent in turnover (low-turnover organizations), forty-eight percent in safety incidents, eighty-eight percent in shrinkage, thirty-seven percent in absenteeism, forty-one percent in patient safety incidents, and forty-one percent in quality (defects)”.

Turnover, absenteeism, safety, quality, all these dimensions eventually impact the productivity. And this link between the productivity and the engagement of the workforce has also been directly studied. At the scale of a company, G. H. Seijts and
D. Crim (2006) studied the example of the “New Century Financial Corporation”, a US company that found that “account executives in the wholesale division who were actively disengaged produced twenty-eight percent less revenue than their colleagues who were engaged”. On a larger scale, a study conducted by Towers Perrin-ISR (2007) using data from over 360,000 employees from forty-one companies in the world’s ten largest economies, found that over three years, companies with highly engaged employees increased their operating margin by 3.74 percent and net profit by 2.06 percent on average. On the other side, low engagement companies decreased their operating margin by 2 percent and their net profit by 1.38 percent.

Once one acknowledges that a large part of organizations is comprised of unengaged employees and that they underperform compared to engaged employees, managers try to re-engage these employees. For example, the CEO of the liberated Indian company HCL, Vineet Nayar, implemented the program “Employees First”. He explained in an article in the journal Forbes in 2010: “What we want at HCL is passion. We want people to be burning up with a desire to pursue their interests. Fascinated by their assignments. Jumping out of their skins with excitement about what’s next. Eagerly pursuing better solutions and new initiatives.” Nevertheless, the question remains on how to achieve the goal of re-engaging employees.

1.2. Deconstructing these outdated organizational models

One way managers have found to achieve this target is to deconstruct the existing organizational structures like “standardization, specialization, hierarchy, and so on” that are “inadequate for the challenges that lie ahead” (Barsh, 2008, p. 9). This deconstruction has been done through processes called decentralization or delayering (also known as flattening).

1.2.1. Decentralizing the hierarchy

Peter Drucker published in 1954 his book “The Practice of Management,” in which he explains that “so much of what we call management consists in making it difficult for people to work.” In this book, he presents an alternative, based on the consulting project he implemented with Alfred P. Sloan at General Motors in 1943. In this project, they decentralized the hierarchy, by letting the Direction Committee define the general strategy and giving each Business Unit substantial operational autonomy.
From this experience, he conceptualized a theory of management by objectives. In this theory, objectives are derived from the goal of the company. Then, the objectives for the managers are defined by “the contributions he has to make to the success of the larger unit of which he is part.” At the level of his unit, each manager set the objectives for its unit himself. However, these objectives can be approved or not by higher managers. The “greatest advantage” of such a management by objectives is “that it makes it possible for a manager to control his own performance” (DRUCKER, 1974, p. 439). Indeed, once managers know their goals, they are able to measure themselves their results toward these goals. Such a process allows therefore to “substitute management by self-control for management by domination.” (DRUCKER, 1954, p. 113).

Such a management by self-control implies that measurements, i.e., “reports and procedures”, are not seen as “an instrument of control from above” and are considered instead as “the tools of the man that fills them out” (DRUCKER, 1954, p. 117). Thus, superiors should not have access to the information collected. Peter Drucker gives the example of General Electrics, where auditors study every business unit at least once a year, but where the reports go only to the managers of the unit and not to their boss.

These principles, claims Peter Drucker, lead “to a stronger motivation,” a “desire to do the best, and better performance,” along with “tremendous advance in effectiveness and performance of management” (DRUCKER, 1954, p. 113). The author Mc Gregor also praised in 1960 the virtuous circle of a decentralization process. He stated that “a decentralized organization provides an environment in which the individual, through taking greater responsibility for his own behavior, obtains intrinsic rewards in the form of ego and self-actualization satisfactions, which in turn encourage him to take still more responsibility and thus to grow” (Mc GREGOR, 1960, p. 194).

In 1970, Robert Townsend published “Up the organization”, a book that has been for fifty years in the first position of the must-read book list at Wharton business school. In this book, the former CEO of Avis argues that “most people in big companies today are administered, not led”, and have been “slaves to the rules of private and public hierarchies” (TOWNSEND, 1970, p. 27). He came to a conclusion similar to Peter Drucker’s management by objectives, arguing that people “don't have to be forced or threatened. If they commit themselves to mutual objectives, they'll drive themselves
more effectively than you can drive them” (TOWNSEND, 1970, p. 93). In his view a real leader “delegates as many important matters as he can,” because “that creates a climate in which people grow” (TOWNSEND, 1970, p. 23).

1.2.2. Delayering the hierarchy

In this view, managers still have an active role to play in the organization. Tom Peters (1992) writes in his book Liberation Management: “it’s not enough to decentralize and create business units on paper.” The management guru argues instead that “the middle management layers and functional staffs must be virtually destroyed if autonomy is to get much beyond lip service.” The literature presented in this section suggest therefore to remove layers of hierarchy between the highest and lowest levels of organizations, a process known as delayering or flattening.

R. Townsend (1970) already advised firing the Personnel Department, a department he saw as an abdication of responsibility. Rosabeth Moss Kanter, a Harvard professor that developed the concept of empowerment, was also in favor of some delayering. Tom Peters, recalls in his book a conversation he had with her in 1989, when “she flatly declared that tomorrow’s winning firms will have almost no middle managers” (PETERS, 1992, p. 145). Gary Hamel published in 2011 an article evocatively named “First, Let’s Fire All Managers.” He explains in this paper that as they grow, companies need “managers to manage the managers” and therefore multiply the layers of management. The author asserts that having more layers means slower responses and “increase the risk of large, calamitous decisions” (HAMEL, 2009, p. 11). As an answer to these hierarchical levels multiplications, he advocates to “limit the fallout from top-down authority structures” (HAMEL, 2009, online) and claims that “increasingly, the work of management won’t be done by managers. It will be pushed out to the periphery. It will be embedded in systems” (BARSH, 2008, p. 3).

1.2.3. The persistence of a controlling hierarchy

Decentralizing and delayering appear therefore as two effective solutions to deconstruct the structures that demotivate employees. However, a recent paper from Julie Wulf (2012) is withdrawing mitigated conclusions on these two movements, arguing that delayering does not necessarily mean decentralization and delegation of authority and that it can have the opposite effect from their intention.
First, the author shows that companies delayered over the period 1986 to 1998. This delayering concern mostly the middle management, through the suppression of “key senior management positions that served as intermediaries” (WULF, 2012, p. 8). For example, the Chief Operating Officer (COO) has become increasingly rare: companies with a COO decreased by twenty percent during this period of 1986-1998. More generally, the number of positions between division heads and CEOs declined by about twenty-five percent from 1986 to 1999. The number of positions reporting directly to the CEO increased from 4.5 in 1986 to almost 7 in 1999.

One could think that such reduction of the middle management would have led to subordinates having more autonomy since the CEO is time constrained and therefore has less time to allocate to each subordinate. If CEOs pushed less their decisions down, this would be a form of decentralization. However, Wulf inferred from this delayering that CEOs had consequently a greater span of control. Delayering could also mean that CEOs have more direct connections deeper in the organization, and are thus more involved in the decision-making. In that scenario, a “hands-on CEO” would “exercises more control and pushes decisions up” (WULF, 2012, p. 11), which would be a form of centralization.

To prove her point, the author examined the salaries of functional managers. It appeared that as they move to the top, they get paid more. Suggesting that a higher paid is correlated with more decision rights, Wulf concludes that “functional managers made more decisions as they moved closer to the CEO, while division managers made less”. This means that functional managers make decisions previously taken by the division managers.

To gain even more insight on this idea of centralizing or decentralizing, Julie Wulf went to interview seven CEOs of large U.S. Fortune 500 firms. She found out that “flattening is not about delegation of decision-making to subordinates and a hands-off role for the CEO. In fact, the most consistent message from the CEOs was that they had changed the structure of their executive team and broadened their span of control to get closer to the businesses.”

Therefore, this article showed that flattening actually transferred some decision rights from lower-level division managers to functional managers at the top. With CEOs
and functional managers becoming more involved in internal operations and subordinate activities, companies actually became more centralized, with corporate-wide decisions and control being made at the top. So if delayering is not enough, more exploration is needed to examine how to re-engage employees in the decision process.

1.3. The need for values to re-engage employees

In addition to deconstructing existing structures, which does not suppress centralization as Wulf (2012) demonstrated, McGregor (1960, p. 18) claims that the “real need is for a new theory, change assumptions, more understanding of the nature of human behavior.” Indeed, the beliefs of managers regarding human nature strongly influence the way they involve employees in the decision-making process, give them autonomy and liberty.

1.3.1. The importance of the managers’ worldview

Douglas McGregor was the first to link the vision managers have of their employees and the organizational structure of a company. He developed these ideas first in his article “The Human Side of Enterprise” (McGregor, 1957) and then in his book with the same title (McGregor, 1960). According to this MIT professor, the question is not how to motivate people, but rather how to build an environment where people self-motivate themselves. And the way managers make such environment, such leadership style, and such organizational model, is based on assumptions, generalizations, and hypotheses about human nature and human behavior, that is to say, on a theory. McGregor distinguishes two main theories that he called theory X and theory Y.

On the one hand, theory X assumes that employees work as little as possible, have no ambition and are indifferent to organization needs. Therefore, they need to be managed with “carrots” that is to say incentives like pay and bonuses and with “sticks”, which are controls, threats, and discipline. This view assumes that employees prefer to be led so that they can avoid responsibility. Frederick Winslow Taylor was indeed asserting that “the natural instinct and tendency of men is to take it easy” (TAYLOR, 1911, p. 19).

On the other hand, theory Y assumes that people find work enjoyable, and want to achieve higher-order needs through meaningful work. Having a meaningful work
involves taking decisions, providing inputs, making significant intellectual contributions, having responsibilities. Employees’ potentialities as human beings are therefore partially utilized, and manager should further tape in their capacities of imagination and creativity. Then, explains McGregor, every employee “will exercise self-direction and self-control in the service of objectives to which he is committed” (Mc GREGOR, 1960, p. 227) and “the individual will grow into what he is capable of becoming” (Mc GREGOR, 1960, p. 197).

These two very different worldviews can explain the conclusion of Wulf (2012) that controlling hierarchies persists. Mc Gregor (1960) states indeed that “the needed changes simply cannot occur as long as the underlying assumptions are those of Theory X”. Therefore, “even fruitful concepts like those of delegation and decentralization are warped completely out of shape when they are applied within this theoretical framework” of theory X (Mc GREGOR, 1960, p. 156).

1.3.2. From the managers’ worldview to employees’ needs and decision-making

On the other hand, how are operating the managers that have a Theory Y in mind? For Mc Gregor, such managers focus less on “manufacturing techniques” and more on “controlling the climate and the fertility of the soil, and on methods of cultivation” (Mc GREGOR, 1960, p. 192). Robert Townsend (1970, p. 96) has a similar metaphorical recommendation: “Provide the climate and proper nourishment and let the people grow themselves. They’ll amaze you.” The reasoning of an employee is that “unless I perceive that you can somehow affect my ability to satisfy my needs, you cannot influence my behavior” (Mc GREGOR, 1960, p. 20). The remaining question is how is the soil going to be fertile, what is a proper nourishment, what are the needs of employees?

According to Maslow (1943), the Hierarchy of Needs suggests that people are motivated by physiological (food and water), safety (physical and economic), belongingness (friendship, love, social interaction), esteem (achievement and recognition), and self-actualization (realizing your full potential) needs. However, explains I. Getz (2009), this view sees the human being as motivated to eliminate the tension of unsatisfied psychological needs.
I. Getz (2009) explains that Deci & Ryan had a different view: they pictured people as programmed for mastery and happiness. They developed a theory called the self-determination theory, which focuses on the needs of employees. It states that employees have three intrinsic needs: competence (“succeeding at optimally challenging tasks and being able to attain desired outcomes”), autonomy (“experiencing choice and feeling like the initiator of one’s own actions”) and relatedness on the job (which concerns “establishing a sense of mutual respect and reliance with others”) (BAARD, DECI, RYAN, 2004, p. 2). Therefore, in addition to the organizational structures, a way to get employees engaged and “self-motivated” is to give them these three “nutriments.”

Baard, Deci & Ryan (2004) found out that the satisfaction of these three intrinsic needs is also strongly related (r= 0.58) to the perception of the degree of autonomy supportiveness of the managers. Therefore, the best way to give employees these three needs is to involve them in the decision process.

A recent study by Travis L. Russ (2011) demonstrated that one of the outcomes of managers having a theory X or a theory Y view is how they involve employees in decisions typically made by managers. On a study of 144 managers, he compared the “propensity for participative decision-making scale” designed by Parnell and Bell (1994) with the “Theory X and Y inventory” designed by Sager (2008). The results revealed that “theory Y managers perceive a positive consequence of soliciting employee participation on their supervisory power and organizational effectiveness”. On the other hand, theory X managers consider that involving others in making organizational decisions “negatively impacts their power” (RUSS, 2011, p. 1).

1.3.3. The ideas behind empowerment, autonomy, and liberty

So, the ideas of Theory Y and decision-making are inherently interrelated. The authors who theorized the notions of empowerment, autonomy and liberated organizations indeed have in mind strong assumptions about human nature.

In the 1990s’, Rosabeth Moss Kanter constructed her theory of empowerment. Considering the need for meaningful work described by the theory Y, she explained how organizations could empower employees. Such empowerment implies a change in management, insofar as Kanter acknowledges that “giving up control is threatening.”
She proposed two solutions to face this challenge. The first is for managers to trust their employees and have less skepticism about their abilities. The second is to believe that “by empowering others, a leader does not decrease his power; instead he may increase it” (KANTER, 1979, online).

Indeed, liberated companies see employees as “reasonable people that can be trusted to do the right thing” (LALOUX, 2014, p. 97). Ricardo Semler built his company on this idea of trust. He explains that “most companies suffer from what I call boarding school syndrome. They treat their employees like children” (SEMLER, 1999, p. 7), whereas in their private lives, “at the bank, at their children’s schools, with family and among friends”, people are considered as adults (SEMLER, 2004, p. 9). So, at Semco, they hire and treat people as trustworthy and responsible adults (SEMLER, 1989). G. Hamel (2011) deplores as well how people as consumers have the freedom to pay $20,000 or more on a new car but have to ask many permissions to spend amounts like a $500 office chair as employees.

As for the second idea of Kanter that empowering the bottom increases the power of the top managers, it is also a point view broadly shared. F. Laloux thus invites managers to “acknowledge that we are all interconnected,” which will lead to empowering employees since “the more powerful you are, the more powerful I can become” (LALOUX, 2014, p. 135). The founder of Holacracy, Brian Robertson, also expresses this idea clearly: “Now I get to be a hero just like I did before, but now everybody else gets to be a hero too” (LALOUX, 2014, p. 245). This notion of empowerment was also well expressed by David Marquet, the Captain of a US nuclear submarine he liberated: “I don’t care how smart you are, on my submarine, I’ve got 135 thinking, active, passionate, creative, proactive, taking initiative people. It’s a tidal wave!” (Inno-Versity, 2013, video).

In addition to sharing this idea of trust and believing that empowering others will increase managers’ power, liberated companies go further by giving liberty to their employees. Indeed, I. Getz asserts that giving only a bit of autonomy is a form of limited trust (BYS, 2016). Likewise, Frédéric Laloux quotes Albert Einstein who said that “everything that is really great and inspiring is created by the individual who can labor in freedom” (LALOUX, 2014, p. 86).
The leaders of liberated companies also stress this idea of freedom in their enterprises. Chris Rufer, the founder of Morning Star, states that “if people are free, they will be drawn to what they really like as opposed to being pushed toward what they have been told to like” (HAMEL, 2011, p. 4). Freedom is also one of the four values of WL Gore. The company highlights that they allow to employees “the freedom to grow beyond” what they are doing, expecting employees to actually use this freedom (HARDER, TOWNSEND, 2017, p. 6). Ricardo Semler, the leader of Semco, also said about his employees that “they can do whatever the hell they want. It's up to them to see the connection between productivity and profit and to act on it” (SEMLER, 1989, p. 9).

1.4. The new organizational structures emerging from these values

Once traditional hierarchies are dismantled, and managers have a strong trust in employees’ capacities (having the theory Y in mind), they create an adequate organizational structure. First, we will see that different type of hierarchies naturally emerge, and then we will analyze how companies built structures around these natural hierarchies. We will explore the case studies of organizations like WL Gore, Semco, Sun Hydraulics or Morning Star, before analyzing how authors like Tom Peters, Isaac Getz, and Frederic Laloux conceptualized such organizational structures.

1.4.1. The emergence of natural hierarchies

Decentralizing, delayering, empowering, giving employees autonomy or even liberty, all these ideas do not mean the end of any hierarchy. Therefore, they are not necessarily against the view of the article previously analyzed from Ronay, Greenaway, Anicich, & Galinsky (2012) which claims that “the path to glory is paved with hierarchy.”

In liberated companies, having no hierarchy of bosses over subordinate leave space for “other natural and spontaneous hierarchies to spring up” (LALOUX, 2014, p. 68). The case study about WL Gore explains how such a process happen: “If an associate could convince co-workers a project was worth pursuing and gain individual commitments, the associates formed a team, began experimenting and created new products for the company” (HARDER, TOWNSEND, 2017, p. 5/6). Ricardo Semler
also believed that if one “put ten people together” and “don’t appoint a leader,” “you can be sure that one will emerge” (SEMLER, 1989, online), based on competencies and natural leadership.

Fréderic Laloux describes such processes as “fluid” and “actualization” hierarchies where what matters is recognition, influence, and skills. However, even if such natural hierarchies emerge, some other structures are still needed in liberated organizations.

1.4.2. The structure of pioneers’ organizations

The story of Semco, a Brazilian success story, has been depicted in many papers and case studies, often by its former CEO himself, Ricardo Semler (1989, 1994, and 1999). When Semco reached 3000 employees, it had deconstructed the traditional hierarchical structure as described in section 1.2: They had no organization charts, no five-year plans, no dress code, no fixed workplace, no human resources department and only three levels of management (one corporate level and two operating levels at the manufacturing units). It also organized itself according to three main principles: democracy, profit sharing, and information sharing.

At WL Gore, an American company of 8600 associates, the structure is called the lattice. The Cambridge dictionary defines a lattice as “a structure made from strips of wood or other material that cross over each other.” Harder and Townsend described in a case study from 2017 how the company also deconstructed the traditional rigid hierarchy, by having no fixed or assigned authority, no organizational structure, no job titles, and by having sponsors instead of bosses. The way they organize themselves is therefore through natural leadership, person-to-person communication and by having tasks and functions organized through commitments.

Sun Hydraulics Corporation implemented a liberated structure under the management of Bob Koski (KAFTAN, BARNES, 1991). In one of his first meeting at Sun Hydraulics, he told the employees: “I do not know what to do, but I sure know what not to do” (GETZ, 2009, p. 67). Therefore, Sun Hydraulics does not have a proper hierarchy, no titles, no formal job descriptions, no special benefits, no reporting relationships, no close supervision, and no "intimidation functions" like purchasing agent or quality inspectors. Instead, they implemented open communications, what they
called group self-management and the idea of having joint decision-making including the person(s) most affected by the decision. They also have a written explicit philosophy and open offices, even for the CEO.

Gary Hamel describes the organization implemented by Morning Star as “the opposite of anarchy” (HAMEL, 2011, p. 4). This American company was able to construct an efficient organization through various principles. The first one is to go further the management by objective designed by Peter Drucker. Instead of having a unit manager defining his goals, every employee is setting his own goals, by “drawing up a personal mission statement that outlines how he or she will contribute to the company’s goal of “producing tomato products and services which consistently achieve the quality and service expectations of our customers”.” (HAMEL, 2011, p. 3). With such a personal mission statement, named the CLOU, Colleague Letter of Understanding, every employee has “an operating plan for fulfilling one’s mission” (HAMEL, 2011, p. 4). Morning Star also operates with transparent data across the company, the consultation of colleagues for decisions, a conflict resolution processes, peer review, and elected compensation committee to ensure that pay aligns with value added.

1.4.3. The academic conceptualization of these new structures

I. Getz describes liberated organizations as being “highly disciplined—actually, self-disciplined” (GETZ, 2009, p. 53). These are some of the features he encountered within the organizations he studied:

- No organizational charts
- No reserved parking or corner offices for executives
- No assigned executive offices
- No fixed seating arrangement
- No managers
- No time clocks
- No titles or ranks
- No Human Resources department
- No budgets
- No Finance department
- No long-term planning processes.
- Allow employees to pick their leaders
- Allow employees to choose their own job descriptions
• Allow employees to set their own work times
• Allow employees to set their own salaries

Tom Peters also analyzed the work of employees in companies without pyramidal hierarchies. He compares the job of a “corner grocer”, who is a “businessperson”, with the job of a “line worker”, who is “fill[ing] a job slot”. According to the author, “emerging organizational forms will permit – and the market will demand- that each employee be […] turned into a business person” (PETERS, 1992, p. 227). He also uses examples to describe these emerging organizational forms: In the company Titeflex, a global leader in fluid management products, teams are comprised of six to ten persons, with “most all the company’s old staff functions in its midst”, like accounting and quality control. Each team is a “genuine profit and loss center” and “goes out to visit customers and vendors on its own initiative”, handling “orders from start to finish.” “That’s liberation” concludes T. Peters. He also takes the example of Johnsonville Sausage, where workgroups are comprised of about a dozen people, and they “recruit, hire, evaluate and fire on their own,” “regularly acquire new skills as they see fit,” “formulate, then track and amend, their own budget”, “handle quality control”, “make capital investment proposals as needed,” and “take on the task of constantly improving every process and product”. Also, “performance evaluations are done by the employees,” then discussed with their “coach” to eventually help calculating profit sharing (PETERS, 1992, p. 238).

He then extracts from these examples a target organization and describes some features that lead to what he calls “Businessing”:

• Extensive cross-training
• Budget responsibility
• Ownership of assets
• Substantial spending authority
• “The power to act on your own initiative and involve other functions without prior approval or second-guessing” (PETERS, 1992, p. 235)
• “Responsibility for performing 80 or 90 percent of tasks that used to require numerous steps, numerous department, and authority from several levels of management” (PETERS, 1992, p. 235)
• Access to all financial information, access to extensive nonfinancial info
• Access to expert systems, membership in a knowledge management structure
• Global university (access to electronic bulletin boards, external databases)
Frédéric Laloux also draws from examples studied an organizational model. He presents in his book what he calls “Teal Organizations”, organizations based on three principles: self-management (a “system based on peer relationships, without the need for either hierarchy or consensus”), wholeness (“practices that invite us to reclaim our inner wholeness and bring all of who we are to work”, instead of a narrow “professional” self”), and evolutionary purpose (“instead of trying to predict and control the future, members of the organization are invited to listen in and understand what the organization wants to become, what purpose it wants to serve.”) (LALOUX, 2014, p. 56). Within this model, he explains that “self-organization is the life force of the world, thriving on the edge of chaos with just enough order to funnel its energy, but not so much as to slow down adaptation and learning” (LALOUX, 2014, p. 134). The self-management depicted organizes itself through the following features:

- Self-organizing teams
- Coaches w/o P&L responsibility when needed
- Almost no staff functions
- Coordination and meetings ad hoc when needs arise
- Radically simplified project management, minimum plans & budgets
- Fluid and granular roles
- Decision-making fully decentralized (advice process)
- Transparent real-time information sharing including financials
- Anybody can spend any amount of money provided advice process is respected
- Formal multi-step conflict resolution process
- Focus on Team performance, peer-based process for individual appraisals
- Self-set salaries with peer calibration, no bonus, profit sharing

Holacracy is another model of self-management. It is the most operating one, ready to be adopted and fully documented. The concept was developed by Brian Robertson at Ternary Software in the 1990s’, and is now spread through certified coaches, the “network of Holacracy Providers.” They claim that now 500+ organizations are using this model. Holacracy is based on a minimum set of practices, described in a constitution. F. Laloux describes in his book this model based on roles, circles, and a specific governance:

- People do not have a job, but fill a number of granular roles
• On the company’s intranet is a file where colleagues can “rate” every role they currently fill
• Each individual’s commitments are visible to everybody at the company
• Governance meetings are specific meetings where only questions related to roles and collaboration are to be discussed
• A group of roles constitutes a “circle”.
• “Circles” are fully autonomous to discuss and decide on how roles will be allocated within the team, what commitment team members make to each other, and so on.
• Circle and sub-circle are bound together by a double link, not by a boss-subordinate relationship.

1.5. The current debate on the conceptualization of an organizational model

As we have just seen, scholars conceptualized a typical organizational structure from examples of liberated companies. However, they withdraw very different conclusions on how prescriptive this model should be. We will see in this section why such conceptualizations raise concerns regarding generalization and perpetuation of the concept of liberated companies.

1.5.1. A conceptualized model contributes to the transmission of leadership over time

At the end of his book, I. Getz (2009) asks a question without actually answering it: "If it takes a leader with extraordinary qualities to build a free company, is it possible for that environment to outlive its creator?” The same question appears at the end of the Harvard Business School case study about the liberated company Sun Hydraulics Corporation (1991): the authors of the case wonder whether “Sun's organizational practices” are an “exportable method of management” or “simply a reflection of one person's […] management style?”

It appeared that at least six companies that once were liberated companies went back to stronger hierarchy after a change of ownership or the departure of the CEO. Two of the companies studied in the book of F. Laloux, “AES” and “BSO-Origin” both “achieved spectacular results during the two decades when they operated with a number of Teal practices and structures; however, under new leadership, they have reverted to more conventional management approaches” (LALOUX, 2014, p. 59). F. Laloux tells
the story of the buy-out of BSO/Origin by Phillips, which resulted according to its former CEO Eckart Wintzen in the collision of two world, “one of strict financial procedures combined with “check, check, double check” with one of “have trust, have trust”” (LALOUX, 2014, p. 252).

Likewise, in his book I. Getz studies GSI, a liberated French company at the time. However, in 1995 ADP bought the company which then became part of a group of 56 000 employees. They replied in our survey that they do not consider themselves as fitting the definition of a “liberated company” anymore. Bob Davids, the former CEO of the 8 000 employees liberated company Radica Games, also recalls that this liberated culture was “killed […] within six months” after his departure. At another studied company, USAA, “things had changed for the worse since Robert McDermott retired in the early 1990s” confessed an employee to I. Getz. (GETZ, 2009, p. 196).

The Dutch author Ben Kuiken, author of the book “The last manager” also visited in 2010 the famous Brazilian liberated company Semco, which reached 3 000 employees under the management of Ricardo Semler. From this visit, he writes that “Semler himself hardly interferes with the business” and that “basically we are talking about a real-Semco company with eighty people and that's pretty much it” (KUIKEN, 2016, online).

1.5.2. A conceptualized model is a prescriptive model

In I. Getz vision, the “liberated” organization is more seen as a philosophy and therefore depends more on the impulsion of a liberating leader and its values than on the organizational model and what practices are implemented. Indeed, as he explains, “as researchers, we began by seeking an organizational model of the liberated company. Yet, we haven’t found any” (GETZ, 2017, online). The definition of a liberated company is merely based “on its function, giving liberty and responsibility to employees, rather than by a set of structural features” (GETZ, 2009, p. 35). It is the role of the leader to articulate this idea of liberty within the cultural context of his company and co-construct it with its employees. Moreover, “unless one understands what triggered people to engage in their lengthy efforts […], reading about what they accomplished will be of little help for anyone wishing to replicate the feat” (GETZ, 2009, p. 61).
In an interview for the French magazine “Usine Nouvelle” given in 2016, he even expressed concerns about some misunderstanding about the concept of liberated companies: “Today, a lot of people are saying that they started to liberate their companies”, “I receive a lot of emails from CEO asking for methods, recipes, solutions”; “I almost find it worrisome. They stay in a simple organizational conception: reducing layers of hierarchy, suppressing some functional departments, the timer. They didn’t see what is from my point of view essential: the role of the liberating leader, who has to co-construct a unique organizational structure” (BYS, 2016, online).

He also expressed similar concerns about Holacracy in an interview to the Dutch website neworganising.eu, where he said that this model has two problems: “First, that it’s a model. As I explained you: there isn’t a model. You have to find your own approach. But second, and even worse: I don’t believe it will work. Some consultants take the concept of holacracy, approach business leaders and promise them: four months, then it will be finished. Which is nonsense. […] It depends on the people. Let them lead the change. Because that’s the whole idea of the liberated company: that they are free, and can decide for themselves how they want to work together.” (KUIKEN, 2016, online)

Finally, he also expressed in an article in the newspaper “Le Monde” in 2016 his regrets that Tom Peters focused fifty percent of his book on organizational structures, without mentioning the word “liberty” other than in the title and the conclusion.

Two liberating leaders share a similar opinion. Alexandre Gerard, a French leader who liberated the group Inov’On, wrote on his blog a similar concern, starting his article by saying “I am very worried”. His concerns are also about entrepreneurs who tell him “I will do this, then that…” In his opinion, the question is not about “what will I do” but about “what will I let other people do?” Jean-François Zobrist, the former CEO of FAVI, also wrote a similar point of view: “I strongly believe that there are no universal models […] What can be done is to listen to testimonies and get inspiration from them.” (ZOBRISET, 2006, p. 4)

The authors of the paper “Self-organization: The irresistible future of organizing” also believe that “the path of self-organization can never be known ahead of time” and that “there are no prescribed stages or models.” To implement self-organization, leaders
must begin “with a strong intention, not a set of action plans” and have “confidence in the organization's intelligence” (WHEATLEY, KELLNER-ROGERS, 1996, p. 8).

F. Laloux has a slightly different point of view. He wonders whether “pioneers [can] provide not just inspiration, but a template for those aspiring to create more soulful types of organizations?” He agrees that liberating leaders play a very crucial role to initiate the liberation process, which is a consensus within the existing literature. This idea was clearly expressed by Ralph Stayer, former CEO of Johnsonville Sausage: “No one had asked for more responsibility; I forced it down their throats” (STAYER, 1990, p. 4). However, in F. Laloux’s opinion, this condition is necessary but not sufficient, since “enlightened leaders don’t automatically make for enlightened organizations unless they also embrace structures, practices, and culture”. He also argues that such structures, practices, and cultures are “consciously or unconsciously” put in place by the leader, in coherence with their beliefs (LALOUX, 2014). The liberating leader R. Stayer corroborate this idea: “I had come to realize […] that as a manager I didn’t really manage people. They managed themselves. But I did manage the context. I provided and allocated the resources. I designed and implemented the systems. I drew up and executed the organizational structure” (STAYER, 1990, p. 6).

A dialogue that F. Laloux had in 2017 with R. Semler helps understanding how he analyzed such organizational structures. He considers that “any framework can be very helpful because it gives us the language to see patterns that we didn’t see before” (Laloux, 2017, podcast). However, even if he goes one step further than I. Getz by describing a framework, he still believes that his concept of Teal Organization “isn’t meant to be read in a prescriptive way, as a list of structures and practices that must be rigidly implemented” (LALOUX, 2014, p. 304). Therefore, Laloux’s framework is “not a list of fifteen things that will make your organization better” (SEMLER, 2017, podcast).

Holacracy, with its network of coaches trained to implement a minimum set of practices, seems to be the most prescriptive model. However, even such practices are seen as a minimal “operating system”, and different “apps” can be added according to the various needs of each organization.
2. Methodology

This chapter explains the methodology for this research: how the literature review was conducted, how the research was designed and how the data was collected and then analyzed.

The following chart from Kothari (2004) gives an excellent summary of the methodological steps followed to conduct the research:

*Figure 2: Research process in flow chart*

2.1. Literature review

To better understand the liberated companies and its characteristics, a literature review was conducted. Kothari defines two types of literature, “the conceptual literature concerning the concepts and theories, and the empirical literature consisting of studies made earlier” (KOTHARI, 2005, p. 12). In the literature review conducted, both conceptual and empirical kind of literature were accessed.

We presented conceptual research to explain the concepts of Bureaucracy, Taylorism, hierarchy, decentralization, delayering, and to express the ideas behind
liberated companies. We analyzed surveys conducted by consulting companies to present the subject of engagement.

In the following section, 1.4. The new organizational structures emerging from these values, the research papers, books and case studies used to present the existing knowledge on organizational design of liberated companies were mainly empirical and qualitative. Indeed, I. Getz, F. Laloux, and T. Peters all observed and described about ten companies each, helped by the interviews they conducted with the management. The existing case studies on Semco (Semler, 1984, 1990, 1994, 1999), Johnsonville Sausages (STAYER, 1990), WL Gore (Harder and Townsend, 2017), Sun Hydraulics Corporation (Kaftan and Barnes, 1991) are also empirical qualitative studies. We haven’t found any quantitative research on the subject of liberated companies.

Finally, the deficiencies that can result from having only empirical qualitative studies and the resulting debate in the literature on the existence of an organizational model were presented.

2.2. Research Design

Once the literature review conducted, the research was designed. As Kothari explains, “defining a problem involves the task of laying down boundaries within which a researcher shall study the problem with a pre-determined objective in view” (KOTHARI, 2004, p. 40). In this thesis, we had to define a universe within which we would study our research question, define which organizational features we would test as hypotheses, and then design our survey.

2.2.1. Definition of the universe

Insofar as the movement of liberated companies is growing in France, with Getz (2017) claiming that about 250 organizations are currently liberated, this study was able to use a quantitative method to answer our research question and test if there is a consistency of patterns in the organizational systems of liberated companies. Quantitative methods, according to Sale, Lohfeld and Brazil (2002), seek to reduce phenomena into empirical indicators and variables. Creswell (2013) defines a variable as the attributes of organizations that can be measured and that varies among the organizations being studied. These variables can then be analyzed using statistical procedures.
Kothari (2004, p. 18) then sub-classify the quantitative approach into inferential, experimental and simulation approaches. Inferential studies aim at forming “a database from which to infer characteristics or relationships of a population,” which is exactly the purpose of this study.

To design the universe that would be studied, two main sources were used. First, I. Getz implemented a Google group to debate and share information about liberated organizations. In this group, companies can on a voluntary basis apply to be recognized as a “Liberated organizations.” If the community considers that they fit the criteria, they are added to a map. On the 2nd of May 2017, the community was comprised of 1407 people and the map listed sixty-one companies. Then, mostly from press articles, fifty-three more organizations were also identified as liberated organizations. It is important to note that this identification was based on the features rather than on how these companies describe themselves. Indeed, behind different names like Teal Organizations, Holacracy, Inverted Organizational Pyramid (HCL Technologies), Self-management (Morning Star), Self-directed Teams (WL Gore) or Trust-based Management (Semco) the same organizational principles were often found. A list of 114 organizations was therefore established, which can be found in appendix 1.

Out of these 114 organizations, 107 are private companies, four are public organizations, two are non-profit organizations, and one is a hospital. Eighty-seven are French (seventy-six percent), sixteen are American (fourteen percent), five are Dutch, two are Belgian, and four others are from India, Finland, Croatia and Brazil. This repartition can be seen in appendix 2 and 3.

2.2.2. Organizational features of the universe

Two different types of research approaches coexist: the inductive and the deductive approach. According to Babbie (2010), induction begins with observations and seeks to find a pattern within them. On the other hand, Wilson (2010) describes the process of a deductive approach as developing a hypothesis based on the existing theory and then designing a research strategy to test it.

This study combined these two approaches. First, we inducted from secondary data (books, case studies, papers, websites and interviews that mentioned these 114 companies of the universe) the existing organizational patterns of liberated
organizations. This process led to the identification of thirty-nine different organizational features.

Then, if five or more out of these 114 organizations were identified as sharing one feature, such feature was considered significantly spread and therefore kept as a hypothesis to be tested. This process led to the selection of twenty-one different features out of the thirty-nine initial ones. Moreover, four other features that were shared by only three or four companies but were emphasized in I. Getz and F. Laloux’s books were considered significant enough in the literature to be kept as hypotheses. Fourteen features were dismissed. After this process the final number of features to be tested added up to twenty-five.

In the survey, seven other questions were added: two questions had the objective of identifying the model that best fitted the organization surveyed (Liberated organization, Teal organization, Holacracy or “other”). Lastly, five questions were asked to clarify some of the twenty-five features. The survey had thirty-two questions in total. The detail of this selection process can be seen in the table below:
We used a deductive approach by testing the hypothesis that at least some of these twenty-five features were consistent in liberated organizations.
2.2.3. Survey design

To test this hypothesis, a survey was sent to the 114 companies identified in the universe, by the internet, through the website SurveyMonkey. One version was made in English, another one in French.

This website allowed to track the emails sent, send a reminder to the organizations and quickly export the responses, thus being time and cost-effective.

For each of the twenty-five patterns, the respondents had to state if these practices exist or not in their organizations.

2.3. Data process and analysis

The data was processed using Excel. Out the 114 organizations who received the questionnaire, forty-three responded (thirty-eight percent). Four company that provided incomplete answers were taken out of the sample. The final sample resulted in 39 companies to be analyzed, i.e., one-third of the universe (thirty-four percent). The answers in French were translated into English.

The respondents were classified according to their attributes (by type of organization: NGO, public organization or company, and by countries of origin) and by class intervals (the number of employees).

Based on the literature review was then constructed a “percentage of liberalization.” We assigned to each of the twenty-five features an answer that a company described as liberated in the literature would have given. If a company that we studied was matching the answer assigned, a score of 1 was given, and if not, a score of 0 was given. This resulted in a score on 25, which was then translated into a score on 10 for clarity reasons. The following table displays the answers assigned in the beginning.
Figure 4: Calculation of the liberalization score through assigned answers

<table>
<thead>
<tr>
<th>Question</th>
<th>A liberated organization would answer</th>
<th>A non-liberated organization would answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you have any organization chart?</td>
<td>No = 1</td>
<td>Yes = 0</td>
</tr>
<tr>
<td>Do you have job descriptions?</td>
<td>No = 1</td>
<td>Yes = 0</td>
</tr>
<tr>
<td>Did you change the names of titles (ex: managers to leaders, employees to colleagues)</td>
<td>Yes = 1</td>
<td>No = 0</td>
</tr>
<tr>
<td>Did you change the spatial configuration of the working place?</td>
<td>Yes = 1</td>
<td>No = 0</td>
</tr>
<tr>
<td>Do you have parking spots reserved for the senior management?</td>
<td>No = 1</td>
<td>Yes = 0</td>
</tr>
<tr>
<td>Do you let your employees set their own work schedule?</td>
<td>Yes = 1</td>
<td>No = 0</td>
</tr>
<tr>
<td>Do you allow employees to work remotely?</td>
<td>Yes = 1</td>
<td>No = 0</td>
</tr>
<tr>
<td>Can employees set their own salaries?</td>
<td>Yes = 1</td>
<td>No = 0</td>
</tr>
<tr>
<td>Is the CEO away from the office more than 2 days per week?</td>
<td>Yes = 1</td>
<td>No = 0</td>
</tr>
<tr>
<td>Do you have written shared values?</td>
<td>Yes = 1</td>
<td>No = 0</td>
</tr>
<tr>
<td>Does your company have self-organizing teams?</td>
<td>Yes = 1</td>
<td>No = 0</td>
</tr>
<tr>
<td>Does your onboarding training integrate self-management?</td>
<td>Yes = 1</td>
<td>No = 0</td>
</tr>
<tr>
<td>Does your company have a Human Resources department?</td>
<td>No = 1</td>
<td>Yes = 0</td>
</tr>
<tr>
<td>Does your company have a control department?</td>
<td>No = 1</td>
<td>Yes = 0</td>
</tr>
<tr>
<td>Does your company have a budget?</td>
<td>No = 1</td>
<td>Yes = 0</td>
</tr>
<tr>
<td>Can the management modify the budget?</td>
<td>No = 1</td>
<td>Yes = 0</td>
</tr>
<tr>
<td>Are the managers evaluated by their teams?</td>
<td>Yes = 1</td>
<td>No = 0</td>
</tr>
<tr>
<td>Are the managers co-opted by their teams?</td>
<td>Yes = 1</td>
<td>No = 0</td>
</tr>
<tr>
<td>Is hiring dependent on the future team acceptance?</td>
<td>Yes = 1</td>
<td>No = 0</td>
</tr>
<tr>
<td>Do employees have access to all information, including financial one?</td>
<td>Yes = 1</td>
<td>No = 0</td>
</tr>
<tr>
<td>Do employees have an obligation to consult people affected by their decision before taking it?</td>
<td>Yes = 1</td>
<td>No = 0</td>
</tr>
<tr>
<td>Do you use digital tools for sharing information or consult colleagues?</td>
<td>Yes = 1</td>
<td>No = 0</td>
</tr>
<tr>
<td>Is there an explicit conflict resolution process?</td>
<td>Yes = 1</td>
<td>No = 0</td>
</tr>
<tr>
<td>Is there an explicit meeting process?</td>
<td>Yes = 1</td>
<td>No = 0</td>
</tr>
<tr>
<td>Is profit shared with the employees?</td>
<td>Yes = 1</td>
<td>No = 0</td>
</tr>
<tr>
<td><strong>Score</strong></td>
<td>25</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total variables answered</strong></td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td><strong>Liberalization score ((score/25)x10)</strong></td>
<td>10</td>
<td>0</td>
</tr>
</tbody>
</table>
Once these elements were collected, statistic methods were used to analyze the sample. We analyzed the repartition of the sample in terms of liberalization score. We ran a correlation analysis to see the influence of the size of the company on the liberalization score. The subsample attribute “country of origin” and “type of organization” were too small to run a correlation analysis with the liberalization score. Average, maximum and minimum functions were used to study the distribution of each twenty-five pattern.

The results indicate that some features are common to the liberated organizations; as it can be seen in the table below.

*Figure 5 Percentage of companies implementing each identified patterns*

<table>
<thead>
<tr>
<th>Feature</th>
<th>Yes</th>
<th>No</th>
<th>A liberated organization would answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you have parking spot reserved for the senior management?</td>
<td>0%</td>
<td>100%</td>
<td>No</td>
</tr>
<tr>
<td>Do you have written shared values?</td>
<td>95%</td>
<td>5%</td>
<td>Yes</td>
</tr>
<tr>
<td>Does your company have self-organizing teams?</td>
<td>92%</td>
<td>8%</td>
<td>Yes</td>
</tr>
<tr>
<td>Do you let your employees set their own work schedule?</td>
<td>90%</td>
<td>10%</td>
<td>Yes</td>
</tr>
<tr>
<td>Does your company have a control department?</td>
<td>11%</td>
<td>89%</td>
<td>No</td>
</tr>
<tr>
<td>Do you allow employees to work remotely?</td>
<td>87%</td>
<td>13%</td>
<td>Yes</td>
</tr>
<tr>
<td>Do employees have access to all information, including financial one?</td>
<td>87%</td>
<td>13%</td>
<td>Yes</td>
</tr>
<tr>
<td>Do you use digital tools for sharing information or consult colleagues?</td>
<td>87%</td>
<td>13%</td>
<td>Yes</td>
</tr>
<tr>
<td>Do employees have an obligation to consult people affected by their decision before taking it?</td>
<td>76%</td>
<td>24%</td>
<td>Yes</td>
</tr>
<tr>
<td>Is the CEO away from the office more than 2 days per week?</td>
<td>74%</td>
<td>26%</td>
<td>Yes</td>
</tr>
<tr>
<td>Is profit shared with the employees?</td>
<td>74%</td>
<td>26%</td>
<td>Yes</td>
</tr>
<tr>
<td>Do you have any organization chart?</td>
<td>31%</td>
<td>69%</td>
<td>No</td>
</tr>
<tr>
<td>Did you change the names of titles (ex: managers to leaders, employees to colleagues)</td>
<td>68%</td>
<td>32%</td>
<td>Yes</td>
</tr>
<tr>
<td>Did you change the spatial configuration of the working place?</td>
<td>67%</td>
<td>33%</td>
<td>Yes</td>
</tr>
<tr>
<td>Is hiring dependent on the future team acceptance?</td>
<td>66%</td>
<td>34%</td>
<td>Yes</td>
</tr>
<tr>
<td>Does your company have a Human Resources department?</td>
<td>43%</td>
<td>57%</td>
<td>No</td>
</tr>
<tr>
<td>Do you have job descriptions?</td>
<td>44%</td>
<td>56%</td>
<td>No</td>
</tr>
<tr>
<td>Does your onboarding training integrate self-management?</td>
<td>54%</td>
<td>46%</td>
<td>Yes</td>
</tr>
<tr>
<td>Question</td>
<td>Yes (%)</td>
<td>No (%)</td>
<td>Answer</td>
</tr>
<tr>
<td>----------------------------------------------------</td>
<td>---------</td>
<td>--------</td>
<td>--------</td>
</tr>
<tr>
<td>Is there an explicit conflict resolution process?</td>
<td>47%</td>
<td>53%</td>
<td>Yes</td>
</tr>
<tr>
<td>Are the managers co-opted by their teams?</td>
<td>44%</td>
<td>56%</td>
<td>Yes</td>
</tr>
<tr>
<td>Is there an explicit meeting process?</td>
<td>42%</td>
<td>58%</td>
<td>Yes</td>
</tr>
<tr>
<td>Are the managers evaluated by their teams?</td>
<td>32%</td>
<td>68%</td>
<td>Yes</td>
</tr>
<tr>
<td>Can employees set their own salaries?</td>
<td>28%</td>
<td>72%</td>
<td>Yes</td>
</tr>
<tr>
<td>Does your company have a budget?</td>
<td>91%</td>
<td>9%</td>
<td>No</td>
</tr>
<tr>
<td>Can the management modify the budget?</td>
<td>75%</td>
<td>25%</td>
<td>No</td>
</tr>
</tbody>
</table>

The result interpretation will be presented in the next chapter.

Last but not least, three big companies (Airbus, Michelin and Decathlon) reached out to us after the survey was sent, to clarify that their response only concerned a few experimentations and not the entire group. Therefore, a more qualitative method was conducted on the side to understand the articulation of these pilots with the headquarters better. Interviews were conducted: for Airbus, a Skype interview of two hours was carried out with a researcher in charge of assessing the empowerment within the company, and for Decathlon and Michelin, emails were exchanged with a manager of the enterprise.
3. Findings

In this chapter, we will present the results of the study. First, we will explain through the literature the patterns consistent among liberated companies. Then, we will analyze the patterns that are non-consistent. Finally, we are going to explain to what extent models are spread differently in larger corporations.

3.1. The consistency of pattern among liberated companies

The main finding of our study is that even if it is the role of the leader to articulate the idea of liberty within the cultural context of his company, as expressed by I. Getz, these leaders end up putting in place some organizational structures and practices that are consistent among liberated organizations.

3.1.1. A liberalization score fairly high among the sample

The thirty-nine organizations studied had a high liberalization score on average, especially the thirty-two that defined themselves as liberated companies.

3.1.1.1. Most organizations have at least half of the patterns previously identified

As explained in the methodology part, we assigned to each feature a score of one or zero, and therefore each company ended up with a liberalization score from zero to twenty-five, which was translated into a score from zero to ten. In general, the scores were quite high, with an average of 6.7, meaning that on average two thirds of the patterns identified in the universe of 114 liberated organizations studied were also found across the thirty-nine organizations which took part in the survey. This finding gives some credits to our hypothesis that there is a consistency of patterns in the organizational systems of liberated companies.

Indeed, eighty-seven percent of the thirty-nine companies of the universe had a liberalization score of five or more, meaning that most organizations had at least half of the twenty-five patterns identified in other liberated companies. Eighty-two percent of the universe had a liberalization score of six or above. The company with the higher score reached a score of 9.6, and the lowest score was 1.7.
3.1.1.2. Correlation with the type of organization

Among the thirty-nine companies that completed our questionnaire, thirty-two labeled themselves as liberated companies, when seven others had other ways to describe their organization. Among these seven others, two companies considered themselves as Teal Organizations, two considered themselves as Holacracy, one as an “inverted pyramid”, and two others didn’t write down a proper definition.

Companies which labeled themselves as “liberated organizations” had on average a liberalization score of seven, whereas those who did label themselves in another way had on average a liberalization score of 5.3.

This finding gives even more credit to our hypothesis of having consistent pattern among liberated companies.

3.1.2. Very consistent patterns linked to the culture

Through the liberalization score, we found that eighty-seven percent of the companies in the sample implemented at least half of the features tested, giving some credits to our hypothesis. In this section, we are going to break down this liberalization score which aggregates twenty-five features, to find the most consistent features, and elaborate on them. Three features related to the culture of the company were present in seventy-four to one hundred percent of the sample, giving credits to the thesis of I. Getz that liberated organizations are above all a matter of philosophy. These three features

<table>
<thead>
<tr>
<th>Liberalization score of</th>
<th>Number of companies</th>
<th>Percentage of the sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 4</td>
<td>2</td>
<td>5%</td>
</tr>
<tr>
<td>4 – 4.99</td>
<td>3</td>
<td>8%</td>
</tr>
<tr>
<td>5 – 5.99</td>
<td>2</td>
<td>5%</td>
</tr>
<tr>
<td>6 – 6.99</td>
<td>15</td>
<td>38%</td>
</tr>
<tr>
<td>7 – 7.99</td>
<td>7</td>
<td>18%</td>
</tr>
<tr>
<td>8 – 8.99</td>
<td>9</td>
<td>23%</td>
</tr>
<tr>
<td>9 – 9.99</td>
<td>1</td>
<td>3%</td>
</tr>
<tr>
<td></td>
<td>39</td>
<td>100%</td>
</tr>
</tbody>
</table>
imply the suppression of signs of privileges, the importance of values and a different role for the CEOs.

3.1.2.1. Supressing signs of privileges

Out of the thirty-nine companies surveyed, twenty-seven had a parking lot. Out of these twenty-seven, one hundred percent did not have parking spots reserved for the senior management. In organizations where the pyramidal hierarchy is suppressed, every symbol must show employees that they are treated as equals.

This example is recurrent in the literature studied. Tom Peters (1992) illustrates in his book “Liberation Management” the importance of getting rid of symbols of hierarchy through the story of Renn Zaphiropoulos. In 1984, this manager from Xerox came to a more senior position. Consequently, he went to buy “two one-gallon cans of black paint and a paintbrush” and “began to paint out the labels on the executive parking spots”. Robert Townsend also advised managers to show through non-symbolic manners that they deserve their leadership positions: “If you’re so bloody important you better be the first one in the office. Besides, you’ll meet a nice class of people in the employee’s parking lot” (TOWNSEND, 1970, p. 83).

More generally, I. Getz mentions the importance of suppressing “all the symbols and practices that prevent your people from feeling intrinsically equal” (GETZ, 2009, p. 8). These symbols include “mahogany executive floors and big corner offices with expensive furniture, company limousines” or as mentioned, “personalized reserved parking spaces” (GETZ, 2009, p. 75). Stayer, the CEO of Johnsonville Sausage understood as well the power of symbols, advising other top managers to “start by changing the most visible system you directly control.” In his case, this symbolic decision was to give his employees the control over the quality control and the tasting of sausages. This “highly visible action” lead every employee to believe that he was actually “serious about spreading responsibility” (STAYER, 1990, p. 8).

3.1.2.2. The importance of values

Ninety-five percent of the companies surveyed have written shared values. However, the literature makes it somehow unclear what to infer from this second most recurrent feature.
On the one hand, liberated companies claim that written shared values help them evaluating the work of their employees, the values serving as a metric for guiding the employees conduct in the absence of hierarchical orders. For example, Tony Hsieh, leader of Zappos, the largest Holocracy company, estimated in an interview with R. Semler that “as long as it’s in line with our core values, then we want our employees to go for it” (SEMLER, 2017, podcast).

Having written shared values also help to conduct interviews, onboarding new employees and passing the culture along. For example, each new employee at FAVI is given on his first day the written shared values towards other employees (Good Faith, Common Sense, Good Will, Cheerfulness), and below these values is written: “I will be judged on those values” (ZOBRIST, 2006).

Nonetheless, others have considered that having its values written is either useless or not satisfactory enough. Ricardo Semler, for example, has reportedly asked some CEOs to write their values down on a piece of paper, before shuffling them and redistributing them, to show how these values are often “identical” (FISHER, 2005). I. Getz and F. Laloux also both believe that having written shared values is not enough to create an efficient liberated organization. For the former, “liberating leaders must live the values they want to instill in their businesses” (GETZ, 2009, p. 60) when for the latter, it also “takes more than a document to bring values to life” (LALOUX, 2014, p. 153). Thus, companies need to translate the values into “explicit ground rules” and have ongoing value discussions through for example values days, values meeting, and annual surveys.

If we can consider this feature as consistent, further research is needed to demonstrate how the use of these values helps the liberalization of organizations.

3.1.2.3. The role of the CEO

We found in our study that in seventy-four percent of the companies studied, the CEO was away from the office more than two days per week.

According to a survey conducted in France, executives spend on average five weeks per year on meetings (WISEMBLY/IFOP, 2016). Once self-management is implemented, then the CEO does not need to go to all these meetings to “do the hard work of integrating conflicting perspectives into a decision” (LALOUX, 2014, p. 102).
“Much of what gobbles up the agenda of company founders or CEOs falls away in Teal Organizations. There are no more executive meetings, no steering committees … there are hardly any fixed meetings at all” (LALOUX, 2014, p. 248). F. Laloux proves his point with the example of the CEO of Sun Hydraulics, a publicly listed company, which only had four meetings the week he met him, and two of these meetings were with the author himself. Ralph Stayer, the former CEO of Johnsonville Sausage also explains how he began scheduling himself “out of many meetings, forcing others to make their decisions without [him]” (STAYER, 1990, p. 9).

There are many other examples of CEOs of liberated companies showing how much time they have for themselves. Ralph Stayer, the former CEO of Johnsonville Sausage, explains that “for the last five years, [his] ambition has been to eliminate [his] job”, by having other people owning his problems (STAYER, 1990, p. 11). Jean-François Zobrist, the former CEO of FAVI, also explains that as a CEO, his goal was “to do as little as possible” (GETZ, 2009, p. 25). Having more time allows these leaders to pursue other projects. Bob Davids, the former CEO of Sea Smoke Cellars, once said to his employees: “I’m gone for eight months”, and told them that if they had any problem, they should just solve it and send him an email with the solution (GETZ, 2009, p. 51). Alexandre Gerard, the CEO of Inov’On, also undertook a round-the-world tour of seven months after having liberated his company.

The roles that undertake the CEO once his command and control mission no longer prevail can be diverse: He can become the “culture keeper” (GETZ, 2009, p. 8), “hold the space for Teal structures and practices” (LALOUX, 2014, p. 240) or role modeling “virtues such as humility, trust, courage, candor, vulnerability, and authenticity” (LALOUX, 2014, p. 246).

3.1.3. Very consistent patterns linked to the organizational structure

In addition to these three patterns that we linked to the culture of the companies, eight other patterns widely spread are related to the organizational structures, giving credit to Laloux’s theory. These eight patterns are present in from seventy-four to ninety-two percent of the companies in the sample. They relate to self-organizing teams, the end of control, information and profit sharing.
3.1.3.1. Self-organizing teams

Ninety-two percent of companies in the sample, i.e., thirty-six companies, have self-organizing teams. Parker, Holesgrove & Pathak defined of a self-organized team as a “self-regulated, semi-autonomous small group of employees whose members determine, plan and manage their day-to-day activities and duties under reduced or no supervision” (PARKER, HOLESGROVE & PATHAK, 2015, p. 3).

I. Getz studied the “ecosystem of ideas and models that influenced the construction of liberated companies” (GETZ, 2012, p. 9). According to his research, it first started in the 1940s’ with the Task Force implemented at Dupont. Bill Gore, the founder of WL Gore, worked at Dupont and would say later that “the task force was exciting, challenging and loads of fun. […] I began to wonder why entire companies couldn’t be run the same way” (HARDER, TOWNSEND, 2017, p. 2).

Zobrist from Favi explains well how such self-organizing teams have been implemented. They “broke up the plant into some twenty self-directed, single-product, client-focused “miniplants,” each of which was responsible for every aspect of its own business, from hiring and training to purchasing, budgeting, and, of course, production” (GETZ, 2009, p. 91). At Johnsonville as well, “line workers assumed most of the traditional personnel functions” (STAYER, 1990, p6).

However, as Tom Peters (1992) puts it, “the expert work must be done”. “The issue is how – and where – to do it.” Indeed, at Favi “most of the support functions had been pared back or integrated into the miniplants themselves” (GETZ, 2009, p. 91). But how is this “most” defined?

According to the Teal model by F. Laloux, when a problem or an opportunity arises that requires some expertise, an ad hoc meeting is convened across teams. And “when a more permanent form of coordination is needed, a staff function might emerge from the teams in a process of reverse delegation” (LALOUX, 2014, p. 79). In a word, the model of liberated companies is that the frontline teams do everything, except for the things they choose to push upward.

3.1.3.2. Ending control to implement trust

Rules and policies are only giving managers a “sense of control” which make them safe, while it is, in fact, just an illusion of control which can in reality harm the
organization (LALOUX, 2014). I. Getz (2009), quoting the former CEO of Chaparral Steel, explains how top executives usually implement control for the three percent of employees who specifically outwit controls. He gives the example of a secretary who was stealing office supplies; as a response, the top manager forbade the ordering of office supplies during the summer, which certainly contributed to the disengagement of the ninety-seven other percent of employees who did not steal. Ricardo Semler from Semco had a similar philosophy: “I would rather have a few thefts once in a while than condemn everyone to a system based on mistrust.” (SEMLER, 1993).

The damages of control can also be explained through the literature on self-fulfilling prophecies. Rosenthal and Jacobsen (1968) demonstrated indeed how teacher expectations influence student performance: having negative expectations influence performance negatively. Thus, expecting employees to behave against the organization could actually lead to such outcomes. Reversely, Rosenthal and Jacobsen have also proven that a positive expectation influence performance positively.

Last but not least, controlling employees can also have the effect of taking responsibility away from them. As the CEO of Johnsonville Sausages explains: “one day it struck me that by checking the product, top management had assumed responsibility for its quality. We were not encouraging people to be responsible for their own performance” (STAYER, 1990, p. 6). As a result, they asked the top management to stop tasting sausage, and the people who made sausage started assuming the quality control. As a result, rejects fell from five percent to less than 0.5 percent.

These ideas of ending control are very consistent with the ideas expressed in section 1.3.3. The ideas behind empowerment, autonomy, and liberty. In our study we found therefore that ninety percent of the companies surveyed let their employees set their own work schedule, eighty-nine percent do not have a control department, and eighty-seven percent allow their employees to work remotely.

### 3.1.3.3. The importance of sharing information

F. Laloux outlines three main reasons for liberated companies to share information, including financial information. First, it allows the self-managed teams to “make the best decisions” (LALOUX, 2014, p. 113). Ricardo Semler (1989) understood well that information would help workers figure out what is working and what is not. For this
purpose, each month employees received a balance sheet, an income statement and a cash flow statement. Moreover, they also received training to read and understand these documents. Thus, employees knew “how much bronze is costing us, how much overtime we paid, all of it” (SEMLER, 1989, online). Later on, the company went even further by letting everybody know how much everyone was making and by leaving any meeting open to anyone. Wheatley and Kellner-Rogers also adds the idea that “there is a need for many more eyes and ears”, because “when information is available everywhere, different people see different things”, for example, “those with a more strategic focus will see opportunities that others can't discern” (WHEATLEY AND KELLNER-ROGERS, 1996, p. 6). This explains partly why Semco entered businesses that were not in its core business after some employees expressed an opportunity in it, such as managing cooling-tower maintenance (SEMLER, 1999).

The second reason given by F. Laloux is that “any information that isn’t public will cause suspicion, […] and suspicion is toxic for organizational trust” (LALOUX, 2014, p. 113). Stan Richard, the leader of the liberated company the Richards Group, believed in the same principle: “The only way to defeat paranoia is by not keeping secrets, and so everyone is allowed to know everything” (GETZ, 2009, p. 157).

Finally, F. Laloux’s third argument is that “informal hierarchies reemerge when some people are in the know while others are not” (LALOUX, 2014, p. 113). Stan Richard also understood this concept, revealing that in his company “there are no unimportant people here and therefore, information should go to everyone at exactly the same moment” (GETZ, 2009, p. 157).

These three arguments explain well one main result of our study: eighty-seven percent of the companies studied are giving their employees access to all information, including financial one.

F. Laloux emphasizes as well how “information technology tools such as internal social networks and knowledge repositories can play a critical role in steering clear of unnecessary structures” (LALOUX, 2014, p. 79). We indeed found that eighty-seven percent of the liberated companies studied use digital tools for sharing information or consult colleagues. This very last principle of consulting colleagues is also quite specific in liberated companies, as we are going to see now.
3.1.3.4. The consultation process

In the absence of hierarchy, our literature review displayed a unique process of decision-making. Indeed, having employees deciding for themselves does not mean that they decide by themselves. F. Laloux depicts this process as follows: “any person can make any decision but must seek advice from affected parties and people with expertise” (LALOUX, 2014, p. 100). This process relates to the decision-making process “CI” expressed by Vroom and Yetton (1973) in their Normative Decision Theory, where “the leader shares the problem and gets ideas and suggestions from relevant employees on an individual basis. Then the leader makes the decision, which may or may not reflects their input” (WILLIAMS, 2017, p. 302). However, in the case of liberated companies, every employee gets to be a leader.

I. Getz encountered similar decision processes, existing under different names in the companies he studied. For example at GSI, such practice was called the “duty to consult”, and at IDEO exists the “principle of consulting on decisions that may affect others” (GETZ, 2009, p. 176). At Gore also, people were expected to “consult with other associates before undertaking actions that could impact the reputation and profitability of the company” (HARDER AND TOWNSEND, 2017, p. 6).

Thus, we found in our study that seventy-six percent of the thirty-nine companies studied implemented a rule where employees must consult people affected by their decision before taking it.

3.1.3.5. Profit sharing

In the literature studied, profit sharing is not mentioned very often as a characteristic of a liberated company, besides by Ricardo Semler and Frédéric Laloux. The former, who introduced a distribution of twenty-three percent of the after-tax profit, explains that profit sharing gives the employees a reason to do their job better. The latter also briefly mention “equal profit sharing” as a practice of Teal Organizations (LALOUX, 2014, p. 328) without giving further examples.

From our study, it seems however that this is quite a common practice among liberated companies, with seventy-four percent of companies surveyed sharing their profits with their employees (twenty-eight of the thirty-eight companies that answered this question).
As explained in the Methodology chapter, we included in our survey questions to clarify the answers of the respondents. In the case of profit sharing, we asked companies to detail how they were sharing these profits (what percentage was shared, and following what scheme). Among the twenty-eight companies that share profits, twenty-four accepted to display their sharing pattern. And it appears that thirteen of them (fifty-four percent) share more than twenty percent of their profits with their employees. As it can be seen in the chart below, surveyed companies usually extensively share their profits.

*Figure 7: Percentage of profit that is shared with employees, among companies that share profits and communicated their sharing pattern*

It is also worth noting that out of the twenty-eight businesses that share their profits, twenty-six indicated how they share it among their employees. The majority (fifteen) are sharing it equally among employees. Four make the profit sharing depend on the salary, and make it depend on the job function. Two other companies announced that they shared it equally among employees and that it depended on the salary, and three indicated that it was shared equally and depended on the job function.

### 3.2. Inconsistent patterns

In addition to these eleven patterns we identified as widely spread, fourteen other features were considered not entirely consistent, giving credit to the theory of I. Getz that liberated companies articulate the idea of liberty within a specific context. Ten features were present in the majority of the organizations, and four were rarely spread.
3.2.1. Patterns present in the majority of organizations

This section will briefly analyze the ten patterns that were found in the majority of organizations, on a range from forty-two to sixty-nine percent of the companies. They concern either the way employees evolve in the company or some general human resources practices.

3.2.1.1. The evolution of an employee in the company

As T. Peters (1992) explained, “the ladder that managers aspired to climb is being turned to kindling in the liberated, horizontal, beyond hierarchy environment.” Likewise, Ricardo Semler stated that “the idea that I will hire you, I will train you, I will want to know where you want to be in five years, and then I will give you that better job is totally out of the question” (SEMLER, 2004, p. 2). Thus, how is the career path of an employee in a liberated company differently paved?

First, hiring is considered very important in liberated organizations. For example, at Morning Star, the majority of applicants’ interview is focused “on assessing the fit between Morning Star’s philosophy and the applicant’s expectations” (HAMEL, 2011, p. 6). Many liberated companies go further by making the hiring dependent on the future team acceptance. For example, at Semco applicants are not hired “until they've been interviewed and accepted by all their future subordinates” (SEMLER, 1989). The findings show that two-thirds (sixty-six percent) of the companies surveyed implemented this practice.

Once hired, since “the first days and weeks are critical to making someone feel that she has come into a new and different workplace” (LALOUX, 2014, p. 176), the onboarding process usually integrates some training about self-management. This is the case with fifty-four percent of the organizations surveyed.

Besides, once the employees are fully part of the organizations, to access leadership positions, in forty-four percent of the liberated companies surveyed, managers have to be co-opted by their teams, which means that each team has to appoint its leader. WL Gore went even further this idea by letting a board of pooled employees pick their next leader as a company. The board was able to name any worker and chose in 2005 Terri Kelly, an employee who worked twenty-two years at WL Gore to be the next CEO. She
reported being “as shocked as the next person” by this decision. (STERN, MARSH, 2008, p. 2).

Two other working practices are linked to explicit processes for formal interactions among employees: The first one is a process to resolve conflicts, which is viewed by Laloux as “fundamental to collaboration without hierarchy”. Indeed, in the absence of formal hierarchies, it can feel uncomfortable to step up and hold a colleague accountable for its previous commitments. In such scenarios, “a clearly outlined conflict resolution process helps people confront each other” (LALOUX, 2014, p. 112 and p. 114). At Morning Star, the resolution process works as follow when two employees cannot agree: They first pick a mediator. If this mediation fails, they convene a jury of six colleagues to settle the disagreement. If the conflict is still unresolved after that, “the company's president holds the determining gave” (LIBERMAN, 2013, p. 8). A similar specific conflict resolution process was found present in forty-seven percent of the surveyed companies. This percentage can be considered significant since F. Laloux, a former consultant, recalls in his book to had “never encountered a company with an explicit conflict resolution mechanism” before (LALOUX, 2014, p. 114).

The second process concerns meetings. As previously mentioned, executives spend five weeks per year in meetings, and thirty-five percent of them consider that half of these meetings are unproductive (WISEMBLY/IFOP, 2016). According to F. Laloux, this unproductivity happens because “more often than not, meetings in companies turn into playfields for the egos”. This is why almost all the organizations he studied “have instituted specific meeting practices to help participants keep their egos in check” (LALOUX, 2014, p. 162). They ensure “that every voice is heard, that the collective intelligence informs decision-making, and that no one person can derail the process and hold others hostage trying to impose her personal preferences” (LALOUX, 2014, p. 68). Forty-two percent of the companies which completed our survey indeed reported having an explicit meeting process.

3.2.1.2. Human resources common practices

Forty-three percent of the companies surveyed did not have a Human Resources department. However, they did implement some relevant practices in terms of human resources.
For example, sixty-nine percent of them did not have an organization chart. Robert Townsend compared these charts to pigeonholes where people are trapped. Therefore, he advised to not “print and circulate organizational charts”, because “every man-and woman-is a human being, not a rectangle” (TOWNSEND, 1970, p. 144). At Sun Hydraulics, leaders also believe that such organizational charts “force individuals into defensive, unproductive and damaging behavior patterns” (KAFTAN AND BARNES, 1991, p. 2). One of these behavior patterns expresses itself through the process of promotion. The CEO of Sun Hydraulics, Bob Koski, warns indeed against situations where “it becomes more important that a person knows how the business works internally than anything about the external activities of the company” and where “people only look at sideways to see who is above whom” (KAFTAN AND BARNES, 1991, p. 2).

Following a similar principle, sixty-eight percent of the organizations studied also decided to change the names of titles (for example: managers to leaders, employees to colleagues). This practice is also aligned with the idea of suppressing every sign of hierarchy. Bill Gore believed indeed “that the way we talk about one another and about our jobs affects the way we think and the way we act” (GETZ, 2009, p. 13). Therefore, at WL Gore, every employee has the same job title of Associate.

Likewise, fifty-six percent of the survey respondents do not have job descriptions. Many organizations view job descriptions as rigid ways to tell people how to do their work. Semler (1999) condemned this practice of hiring people for specific jobs and keeping them in one career track, without taking into account what they desire are. On the contrary, in a system like Holacracy for example, people are not considered as having a rigid job; they simply fill a number of roles that evolve with the company needs.

Lastly, another recurrent idea in the literature is the change of spatial configuration of the working place, to allow better communication between employees. For example, Tom Peters (1992) described in his book how the building of the company 3M has been designed “to foster waves, to increase the probability that a useful particle [person] will come into contact with another useful particle”. In addition to designing the workplace to increase interactions among different functions, there are various examples in the literature of equality of working conditions, with managers going from corner offices
to cubicles in the center of the open space, or even next to the factory machines. In our preliminary study to select patterns among the 114 organizations, the change of spatial configuration was the most commonly implemented feature, with nineteen occurrences in the universe of 114 organizations. Among the companies which answered our survey, two-thirds (sixty-seven percent) took this initiative of changing the configuration of the workplace.

3.2.2. Some patterns rarely spread

Then four patterns were not significantly spread, with only nine to thirty-two percent of the companies implementing them.

Even if it is quite common for liberated companies to make the hiring process dependent on the future team acceptance and allow teams to co-opt their managers, it seems however that the evaluation of the managers by their own teams is present in only about one-third of the surveyed companies (thirty-two percent). This type of assessment by a subordinate is, for example, happening at Semco twice a year.

The process of letting the employees set their own salaries is presented by F. Laloux as a common pattern of Teal Organizations. This practice was noticeably established by Semco, where the 3,000 employees could choose their salaries individually, after a benchmark with their colleagues and the industry competitors. However, only twenty-eight percent of the companies which answered the survey adopted such a practice.

Since liberated companies are trying to “sense and respond” rather than “predict and control” (LALOUX, 2014, p. 209), and since the budget embodies this idea of prediction, Laloux asserts that “many of these companies don’t create any budget at all” (LALOUX, 2014, p. 213). However, only nine percent of the businesses that answered our questionnaire did not have a budget.

F. Laloux goes further by stating that “if a budget is established, there is no tweaking from above. Whatever numbers the teams forecast become the budget” (LALOUX, 2014, p. 213). Amongst the ninety-one percent of organizations which do have a budget, only twenty-five percent do not allow the top management to modify it.

The findings on the features found in the sample are summarized in the table below:

*Figure 8 Repartition of the features across the sample*
3.3. **Spreading a model in larger corporations**

Frédéric Laloux in his book claims that “the principles and practices” of liberated companies “can be adopted by small and large organizations alike” (LALOUX, 2014, p. 238). The way these practices are implemented in major companies is peculiar and will be presented in the next section.

### 3.3.1. The degree of liberalization is correlated with the size of the companies

Since the company with the lowest liberalization score (1.7 out of 10) is the company with the most employees (56,000), and the company with the highest liberalization score (9.6) is a company with only nine employees, the comparison of the liberalization score with the size of the companies studied was undertaken. As it can be clearly seen in the table below, in the sample the more employees a company has, the less liberated the company is.

*Figure 9 Comparison of the number of employees with the percentage of liberalization*

<table>
<thead>
<tr>
<th>Number of employees</th>
<th>Average percentage of liberalization of the cluster</th>
<th>Number of companies in the cluster</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-10</td>
<td>71%</td>
<td>7</td>
</tr>
</tbody>
</table>
I. Getz (2015) in an interview considered indeed that a liberation process could take up to three years for a small and medium-sized enterprise and up to ten years for larger organizations, suggesting stronger barriers for large companies.

3.3.2. Limiting the size of teams

F. Laloux asserts in his book that “when organizations grow larger, say beyond twenty employees, running the show as a single team becomes unpractical” (LALOUX, 2014, p. 323). Therefore, to tackle this issue of the size, large corporations have divided their facilities into self-managed teams of limited numbers of employees. Such modest size units have the advantage of being “adaptable enough and responsive enough” (PETERS, 1992, p. 383), and are considered “essential for putting employees in touch with one another so they can coordinate their work” (SEMLER, 1989, p. 3). However, scholars are quite divided on the optimal size of such “modest size” units.

For the anthropologist R. Dunbar, "the figure of 150 seems to represent the maximum number of individuals with whom we can have a genuinely social relationship, the kind of relationship that goes with knowing who they are and how they relate to us” (DUNBAR, 1998, p. 77). And as Bill Gore (1985) puts it, “a precipitous drop in cooperation appears as the group size becomes large enough so that everyone no longer “knows” everyone else”. This is why in his company Gore, and also at Semco, the number of associate per team/facilities/factory could not exceed 150.

At Sun Hydraulics, the teams are even larger, kept under “200 to 250 employees in any location” (Kaftan and Barnes, 1991, p. 1).

However, T. Peters (1992) found most often teams comprised of fifty or sixty employees, with some exceptions comprised of thirty-five or 200 people. This number is more consistent with our findings. Out of the thirty-six companies studied that have self-organizing teams, twenty-eight have indicated of how many people maximum these teams were comprised. For all of them but one (twenty-seven), the teams did not
go above fifty people. The twenty-eighth company said that all of its employees (300 people) were actually a self-organizing team. Five other companies of less than fifty employees also declared that all of their employees were a self-organizing team. The average team was comprised of twenty-three people and the median team of eleven.

3.3.3. The importance of experimentation

Larger corporations are on average less liberated. Some large companies decided to split every facility into smaller groups. However, this logic applies mostly to large companies that are already liberated (Semco, WL Gore, Sun Hydraulics, Favi). For companies that are not liberated yet but want to engage on the path of liberalization (Auchan, Michelin, Decathlon, Airbus) the process often starts with experimentations.

In his book, Frédéric Laloux compares the development of Teal Organizations with the process of evolution in nature. He explains that “evolution is a formidable process that brings forth unfathomable beauty and complexity not through a grand design, but by means of relentless, small-scale, parallel experimentation” (LALOUX, 2014, p. 291).

This can indeed be seen in large French corporations that recently decided to implement some liberation principles. At Airbus, for example, the top management showed a willingness to empower its employees. The CEO of Airbus Commercial, Fabrice Brégier expressed in 2012 an eagerness to “give more empowerment and on-the-spot decision-making to our local teams to scrap bureaucracy and shorten lines of command.” Therefore, in 2015 the director of the Saint Nazaire factory, Gerald Lignon started to innovate in terms of management within his factory of 2 800 employees. When Jean Luc Morfouace, head of operations for the A380 within this plant, came to him to implement a pilot of “empowerment” on 600 employees, he responded: “if you believe in it, go for it”. In an interview in 2015, Gerald Lignon claimed to be “the pilot project for the group Airbus” on this concept of liberated companies.

As it can be seen in the table below, several large companies in France where the top management shared a similar goodwill started implementing similar experimentations on the base of volunteering.

*Figure 10 Process of experimentation in large companies*
<table>
<thead>
<tr>
<th>Name of the group</th>
<th>Number of employees in the group</th>
<th>Scale of the liberation experimentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auchan</td>
<td>337 800</td>
<td>Fifteen supermarkets that volunteered</td>
</tr>
<tr>
<td>Michelin</td>
<td>110 000</td>
<td>1 500 employees, in 6 different factories</td>
</tr>
<tr>
<td>Decathlon</td>
<td>78 000</td>
<td>Two shops involved</td>
</tr>
<tr>
<td>Airbus</td>
<td>55 000</td>
<td>A factory of 2 800 employees, and within this facility, 600 workers</td>
</tr>
</tbody>
</table>

Frédéric Laloux continues his comparison with the evolution process to express the generalization of these prototypes: “Solutions are quickly iterated; what doesn’t work is quickly discarded, and what works spreads quickly throughout the system” (LALOUX, 2014, p. 292). What is interesting for the objective of this study is how these companies then define a “model” of organization by identifying what works and what does not, before partially or totally replicating this model within the entire group.

Airbus, to answer these questions, hired a work psychologist, Alison Caille. As explained in the methodology, an interview with her was conducted, to better understand the challenges of defining a model in larger corporations. Her role is to objectively evaluate what is working and what is not, through established scientific methods. At the level of the factory of Gerald Lignon, feedback sessions on the success and drawbacks of the A380 experimentation on empowerment have already been conducted and inspired other initiatives within the factory. At the level of the group, it is still too early to say how the feedback and a potential generalization will happen.
4. Conclusion

By looking at the organizational structure of thirty-nine companies, the primary objective of this research was to find consistencies in the organizational features of these enterprises. This approach can help the liberating leaders who believe in the philosophy of the liberated companies but believe its implementation is risky and complex, and are therefore in need of more elements to start designing their organizations.

The study contributed to this objective. It has led to the conclusion that some patterns are consistent in the organizational systems of liberated companies. Thirty-four out of the thirty-nine organization surveyed have at least half of the twenty-five patterns identified, and with eleven patterns found in a range from seventy-four to one hundred percent of organizations surveyed, there is substantial evidence supporting the hypothesis.

Therefore, if these patterns are not meant to be prescriptive, as Frédéric Laloux explains, “some practices stand out as natural candidates that any founding team should at least consider” (LALOUX, 2014, p. 261). Fourteen other features were classified as inconsistent, giving credit to the theory of I. Getz that each company has to construct its own organizational structure within a cultural context.

This study is a quantitative study based on a sample of 39 answers, among which only four companies have been investigated before, when we have seen in the introduction that the case studies were often overlapping in the existing literature. This novelty allowed some findings that are quite different from the existing literature, paving the road for further research. For example, the feature of “not having a budget,” was not retained in our preliminary research as a primary characteristic of the 114 liberated companies of the universe. But since it was considered by F. Laloux as one of the features of Teal organizations, we included this characteristic in our study, as explained in the methodology section. However, this feature was rarely encountered, with only 9% of the sample mentioning it. Reversely, profit-sharing, a feature not widely commented in the literature, has been found in three-fourths of the companies of the sample.
This research has, however, some limitations. The main one is that there is no control group. For example, eighty-nine percent of the companies of the sample don’t have a control department. However, fifty-nine percent of the sample is comprised of companies with fifty or less than fifty employees. It would be interesting to see what percentage of businesses of this size have a control department to infer insightful results from our sample. Likewise, forty-seven percent of companies in the sample have an explicit conflict resolution process, and twenty-eight percent are letting their employees set their own salaries. Even if these figures are relatively small compared to other features, they might be high in comparison to a more traditional organization.

As for future research, Isaac Getz and Frederic Laloux already investigated the necessary conditions of a liberated company: The CEO must have adopted a worldview consistent with the philosophy of a liberated company, and the owners must also understand and embrace these practices. These authors have also studied the importance of having a clear and inspiring purpose.

The risk of such organization is also described in the literature, both for employees and managers. For employees, F. Laloux explains that “some people have been so scarred by years of command and control that they cannot seem to adjust to life without a boss” (LALOUX, 2014, p. 269). Bob Koski of Sun Hydraulics said that a liberated corporate culture is for “adults only”, and Liisa Joronen of the liberated company SOL agreed that it is not for everyone and very tough on some people (GETZ, 2009). G. Hamel also admits that “not everyone is suited to Morning Star’s model” and that “an individual who has spent years working in a highly stratified organization often has difficulty adjusting” (HAMEL, 2011, p. 6).

Furthermore, as Tom Peters (1992) noticed, “it is managers who are having the toughest time making the shift.” The risk is for them to perceive changes as a loss of power. In 2008 the CEO of WL Gore, Terri Kelly, expressed that “for many folks, giving up power and actually tapping into the knowledge, and not being a person that’s in control and ultimately the decision maker, is scary” (STERN, 2008, p. 2).

The research could, therefore, focus on the prevention of such risks, on the process of implementation of liberated practices (experimentation, feedback, risk-taking
environment), and on the results of such practices regarding engagement and financial performance.
5. Bibliography


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## 6. Appendices

**Appendix 1: List of the 114 organizations in the universe**

<table>
<thead>
<tr>
<th>Semco</th>
<th>Apm</th>
<th>Ami/api</th>
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<tr>
<td>Morning star</td>
<td>Winpharma</td>
<td>Mychauffage.com</td>
</tr>
<tr>
<td>Sogilis</td>
<td>Allo resto</td>
<td>LA SUITE</td>
</tr>
<tr>
<td>Bretagne atelier</td>
<td>Poterie Lorraine</td>
<td>OFRACAR</td>
</tr>
<tr>
<td>One point</td>
<td>Cpm de l'aude</td>
<td>Campus com</td>
</tr>
<tr>
<td>Aiseco</td>
<td>Clinique pasteur</td>
<td>Imfusio</td>
</tr>
<tr>
<td>Agesys</td>
<td>Decathlon</td>
<td>PERTINENCE</td>
</tr>
</tbody>
</table>
Appendix 2: Country of origin of the universe

<table>
<thead>
<tr>
<th>Country</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>87</td>
<td>76%</td>
</tr>
<tr>
<td>USA</td>
<td>16</td>
<td>14%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>5</td>
<td>4%</td>
</tr>
<tr>
<td>Belgium</td>
<td>2</td>
<td>2%</td>
</tr>
<tr>
<td>India</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Finland</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Croatia</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Brazil</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>114</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Appendix 3: Type of organization of the universe

<table>
<thead>
<tr>
<th>Type of Organization</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company</td>
<td>107</td>
</tr>
<tr>
<td>Public organization</td>
<td>4</td>
</tr>
<tr>
<td>Non profit</td>
<td>2</td>
</tr>
<tr>
<td>Hospital</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>114</strong></td>
</tr>
</tbody>
</table>