MO-07 Self-managing firms: Buurtzorg, Gore, Haier and the limits of no-boss

1. Theoretical Architecture: The Coasean Firm and the Bossless Ideal

The debate over self-managing organizations (SMOs) centers on a foundational puzzle in organizational economics: if hierarchical managerial command is inherently coercive, demotivating, and overhead-intensive, why has it served as the dominant governance architecture of industrial civilization?

The baseline explanation was formulated by Ronald H. Coase in his foundational treatise (*The Nature of the Firm*, 1937). Coase demonstrated that market exchange is not frictionless; operating through open price mechanisms incurs severe transaction costs, including the discovery of relevant prices, the negotiation and drafting of separate bilateral contracts for every exchange, and the monitoring and enforcement of contractual terms. A firm emerges and expands because allocating resources through managerial direction circumvents these distributed transaction costs.

Oliver E. Williamson (*Markets and Hierarchies*, 1975; *The Economic Institutions of Capitalism*, 1985) expanded the Coasean framework by identifying the behavioral and transactional conditions that make hierarchy indispensable: bounded rationality, opportunism, and asset specificity. When transacting parties make specialized, non-redeployable investments under deep uncertainty, complete long-term contracts cannot be written. In the absence of an overarching hierarchy, contractual renegotiations degenerate into opportunistic rent-seeking and hold-up problems. Managerial hierarchy supplants lateral contracting by establishing an internal dispute-settlement mechanism: authoritative fiat. Rather than engaging in protracted, litigious bilateral bargaining, an executive arbiter breaks deadlocks and directs operational coordination.

Advocates of self-management reject this classical Williamsonian conclusion. Popularized by Frederic Laloux (*Reinventing Organizations*, 2014), the "Teal" organizational paradigm asserts that human enterprise is undergoing an evolutionary shift beyond the hierarchical command structures of the industrial era[1]. Synthesizing the developmental philosophy of Ken Wilber (*A Theory of Everything*, 2000), Laloux posits an evolutionary sequence of organizational paradigms:

- *Red* impulsive organizations based on raw opportunistic power
- *Amber* conformist bureaucracies characterized by rigid functional tiers
- *Orange* achievement architectures driven by meritocracy and engineered efficiency
- *Green* pluralistic systems emphasizing consensus, worker empowerment, and stakeholder harmony
- *Teal* evolutionary organizations functioning as self-organizing living systems[2]

In Laloux's formulation, Teal enterprises transcend managerial hierarchy through three organizational pillars: *self-management* (eliminating vertical supervisory command in favor of autonomous peer-coordination networks), *wholeness* (inviting participants to shed defensive

professional personas and express their full emotional and personal identities at work), and *evolutionary purpose* (treating the organization as an autonomous organism with its own emergent calling, rather than an engineered instrument optimized for shareholder value extraction)[2].



Critical management theorists, institutional economists, and political sociologists challenge this evolutionary thesis. The classical political refutation traces to Jo Freeman's critique (*The Tyranny of Structurelessness*, 1970). Freeman demonstrated within early feminist political collectives that an uncodified, "structureless" human collective is an impossibility[5]. The formal abolition of explicit administrative hierarchy does not eliminate power; it merely obscures it[5]. When formal titles, defined offices, and explicit lines of delegated authority are dismantled, governance defaults to an unacknowledged, unaccountable shadow hierarchy rooted in charisma, historical longevity, and insular friendship networks[6]. Because this informal power dynamic is denied structural existence, the collective cannot legally audit, balance, or impeach it, creating a closed environment vulnerable to factional predation[5].

Sociologist James R. Barker (*Administrative Science Quarterly*, 1993, 38[3], 408–437) provided longitudinal empirical evidence of this dynamic through his ethnography of self-managing manufacturing teams. Barker revealed that the removal of conventional line supervisors does not liberate the frontline worker; rather, it tightens the Weberian "iron cage" into what he termed *concertive control*[10].

In a conventional bureaucracy, worker obligations are clearly bounded: obedience is owed to an external supervisor, governed by explicit, written work rules during designated hours. In contrast, self-managing peer teams manufacture their own normative value systems. Because

workers must constantly negotiate rules and monitor peers to safeguard group performance, peer surveillance becomes omnidirectional, morally charged, and inescapable. The team polices not merely physical output, but interpersonal enthusiasm, moral alignment, and personal identity. Concertive control creates a pervasive psychological burden that is more rigid and coercive than the bureaucratic authority it displaced.

Nicolai J. Foss and Peter G. Klein (*Why Managers Matter: The Perils of the Bossless Company*, 2022) synthesize the economic counter-critique[11]. Foss and Klein emphasize the vital analytical distinction between the *delegation of routine operational tasks* and the *allocation of ultimate decision rights over capital assets*. While autonomous frontline teams frequently demonstrate superior responsiveness and technical problem-solving under conditions of localized operational volatility, complete peer self-management causes an exponential explosion in internal transaction costs as group size expands. In any peer network of size N, the potential bilateral interaction channels scale quadratically:

$$\frac{N(N-1)}{2}$$

Without formal authority to truncate endless lateral bargaining, allocate residual capital across competing units, and resolve complex dispute deadlocks, fully decentralized enterprises face internal coordination failure, paralysis, and factional collapse[1].

2. Deep Empirical Case Analyses

The following sections assess seven canonical self-managing organizations. Each case is examined through its structural mechanics, quantitative operational data, a tripartite separation of institutional claims, its operational capacity across the eight rungs of the Scale Ledger, and an assessment of its systemic vulnerabilities via the Capture Test.

Case 1: Buurtzorg Nederland (Almelo, Netherlands)

Founded in 2006 by community nurse Jos de Blok alongside Gonnie Kronenberg and Ard Leferink, Buurtzorg emerged as an institutional reaction against the corporatized, hyper-rationalized Dutch home-care system[12]. Under the regulated market reforms instituted in the Netherlands during the 1990s, home care had been broken down into standardized, discrete billable tasks (such as 10 minutes for administering eye drops or 15 minutes for wound dressing), monitored through barcode scanning, and distributed across tiered, low-wage nursing assistants[13].





Structural Mechanics & Operational Data

Buurtzorg restructured delivery around autonomous, localized neighborhood teams strictly capped at 10 to 12 nurses[13]. By 2016, the organization had grown to over 10,000 nurses; by 2022, it encompassed approximately 14,000 professional nurses distributed across roughly 950 localized operational cells[13].

The enterprise operates with a lean central administrative structure: an administrative team of 45 to 50 back-office personnel located in Almelo manages all statutory compliance, billing, and national payroll, coordinated via an internal digital communication and ledger platform known as *BuurtzorgWeb*[12].

Field operations are supported by a cadre of 18 to 22 regional coaches[12]. These coaches hold zero line-management authority: they possess no power to hire, fire, allocate clinical workloads, or impose performance quotas[12]. They intervene solely upon the explicit invitation of a team to facilitate consensus-based decision-making and resolve internal interpersonal impasses[12].

Administrative overhead costs remain at approximately 8% of revenue, compared to the Dutch home-care industry average of 25%[13]. Operational expansion is governed by an architectural cell-division rule: when a local neighborhood team's client caseload forces expansion beyond 12 nurses, the team bifurcates into two distinct, autonomous cells of six[13].

Tripartite Separation

- **What the Arrangement's People Said It Did:** Jos de Blok maintained that dismantling supervisory management restored professional nursing vocation, elevated quality of life for homebound patients, and saved the broader healthcare system billions of euros by focusing on preventative independence rather than billable procedural hours[13]. Advocates asserted that the model produced a universal 30% to 40% reduction in aggregate care costs across the Dutch health economy[16].
- **What the Empirical Record Shows It Did:** The empirical reality is structurally split between direct micro-efficiency and systemic macro-costs. An early consulting assessment conducted by Ernst & Young (2009/2010) projected €2 billion in annual societal savings if adopted nationally, calculating that Buurtzorg nurses required only 108 hours of care per patient per year compared to 168 hours for conventional providers[13]. Sickness absenteeism sat at roughly half the industry benchmark (5% versus 10.4%), and voluntary staff turnover was 10% compared to 15% nationally[13].
  However, in response to allegations from institutional competitors that Buurtzorg was "cream-skimming" lower-acuity, more profitable patients, the Dutch Ministry of Health, Welfare and Sport commissioned KPMG to execute an audit of 2013 national health insurance data[15]. The KPMG study, fully adjusted for patient case-mix, confirmed that direct home-care costs per client were significantly lower than the market benchmark (placing Buurtzorg at the 38th cost percentile) due to 33% fewer billed care hours[15].
  Yet, KPMG discovered that Buurtzorg patients generated hospital admissions, emergency interventions, and medical specialist consultations at the 91st percentile of all Dutch home-care providers[15]. Consequently, when total health system expenditures (incorporating general practitioner visits, specialist consultations, and acute hospitalization) were summed, Buurtzorg's total cost per client was €15,357 annually versus an industry average of €15,856—a modest, statistically slim saving of 3.1% (placing Buurtzorg at the 49th percentile overall, effectively the national average)[15].
  Furthermore, across more than 25 documented international attempts to export the Buurtzorg model (such as pilots within the UK National Health Service, Sweden, and the United States), transferability consistently stalled[15]. The model ran into statutory billing systems that penalized providers for reducing billable hours, rigid labor regulations that legally mandated supervisory tiers for clinical liability, and the absence of high-trust cultural norms[15].
- **What Modern Scholarship Infers:** Independent organizational analysts (e.g., Tatiana Sandino, Joost Minnaar, Ethan Bernstein, 2022[12]) conclude that Buurtzorg's success is a function of *extreme task modularity*. Home nursing is characterized by virtually zero workflow interdependence between separate teams: a nursing cell in Almelo has no

operational workflows connected to a cell in Rotterdam.
The system works not because bossless organizing scales indefinitely, but because the work decomposes into isolated, independent neighborhood units. The elevated hospital costs identified by KPMG suggest that Buurtzorg's bachelor-degree nurses, who operate without managerial gatekeepers, have a lower threshold for hospital referral, escalating acute medical costs while suppressing direct home nursing hours[12].



Scale Ledger

- **Household (4 to 10 People):** Fully functional. The core operating cell (10–12 nurses) mirrors this scale, running on direct visual communication, mutual peer monitoring, and informal schedule coordination[13].
- **Hamlet or Band (30 to 50 People):** Fully functional. Achieved by clustering 3 to 4 localized neighborhood cells who meet quarterly for clinical peer review and regional knowledge sharing.
- **Village (150 to 500 People):** Functional via modular federation. Buurtzorg operates effectively at this scale only by maintaining total operational separation between autonomous 12-person teams; units do not share workflows, only regional coaching infrastructure[12].
- **Parish or District (1,500 to 5,000 People):** Fully functional. Scales as an uncoordinated constellation of independent cells supported by the centralized Almelo IT ledger and automated billing back office[13].

- **Town or Watershed (15,000 to 50,000 People):** Fully functional. The national aggregate scale of Buurtzorg in the Netherlands (~14,000 nurses), sustained entirely by high modularity and automated software[13].
- **Region or Bioregion (0.5 to 5 Million People):** Untested and structural failure. The model cannot coordinate cross-functional clinical pipelines across multi-jurisdictional health economies without installing specialized administrative management layers.
- **Nation or Continent (50 to 500 Million People):** Structural failure. International replication programs collapsed against centralized state reimbursement models and rigid legal accountability frameworks[15].
- **Planet (8 Billion People):** Never tried. Entirely unviable; global medical coordination requires unified macro-regulatory, legal, and educational institutions that cannot be maintained via informal peer norms.

Capture Test

- **Mechanism of Hostile Takeover:** A Machiavellian actor captures a 12-person Buurtzorg cell by dominating client intake, assigning difficult weekend shifts to vulnerable peers, and cultivating an exclusive informal channel with the regional coach[12]. At the macro level, because the enterprise relies heavily on the charismatic public authority of founder Jos de Blok, an external bureaucratic coalition or private equity entity capturing the centralized Almelo IT ledger and payroll clearinghouse could unilaterally dictate operational directives, converting coaches into hierarchical inspectors via programmatic policy shifts[12].
- **Historical Precedent:** Macro capture has been held at bay by the unbroken tenure and founder status of Jos de Blok[16]. However, when Buurtzorg acquired insolvent traditional home-care providers (e.g., absorbing over 2,000 workers from the bankrupt firm TSN/Familiehulp in 2015), the newly integrated, unionized workers actively resisted self-management, demanding traditional supervisors and fixed job descriptions, which forced de Blok to intervene through centralized executive mandates[12].
- **Defensive and Countervailing Features:** The hard 12-person cell cap prevents toxic cliques from building large sub-factions[13]. If interpersonal bullying emerges, the cell can execute an administrative split or request neutral mediation from an uninvested regional coach[12]. Radical transparency on BuurtzorgWeb displays real-time team caseloads, productivity figures, and patient satisfaction scores across the national network, making informal output suppression immediately visible to peer units[13].

Case 2: W. L. Gore & Associates (Newark, Delaware, USA)

Founded in 1958 by former DuPont chemical engineer Wilbert L. (Bill) Gore and Genevieve Gore, W. L. Gore & Associates was established to avoid the bureaucratic calcification, departmental silos, and managerial suppression of innovation Bill Gore observed inside corporate DuPont[21].



Structural Mechanics & Operational Data

Gore pioneered the "lattice organization," a design explicitly devoid of formal organizational charts, fixed chains of command, or executive management titles[21]. Growing to encompass over 10,000 "associates" across dozens of facilities globally, the enterprise generates billions in revenue from advanced fluoropolymer applications, including Gore-Tex waterproof membranes, industrial filtration systems, and medical implants[21].

The primary structural mechanism of the Gore lattice is an architectural ceiling: manufacturing plants are physically designed to house no more than 150 to 200 associates[24]. Whenever a facility expands to roughly 150 people, Gore constructs an entirely separate manufacturing facility—often in an adjacent field—rather than enlarging the existing plant. This operational rule anticipated Robin Dunbar's anthropological research (*Journal of Human Evolution*, 1992, 22[6], 469–493) by decades: 150 marks the approximate cognitive ceiling where direct, face-to-face interpersonal familiarity can maintain social order without formal bureaucratic monitoring[11].

Internal operations are governed by four structural mechanisms:

1. *The Sponsor System:* New hires do not have supervisors; they select an accredited peer sponsor who advocates for their professional development, integrates them into the social network, and assists in project placement[21].

2. *Followership:* Leadership cannot be assigned by administrative fiat. An associate proposing an initiative must actively recruit volunteers; if nobody chooses to follow, the project is abandoned[22].
3. *Peer-Ranked Compensation:* Annually, associates within a plant rank their immediate peers across a comparative matrix based on contribution to enterprise performance. A localized compensation committee reviews these distributed peer rankings to calculate compensation bands, eliminating single-manager patronage[21].
4. *The Waterline Principle:* Associates possess unilateral autonomy to take risks, launch experiments, and enter supply contracts provided the action is "above the waterline." If an action risks blowing a hole "below the waterline"—risking catastrophic legal liability, existential financial exposure, patent invalidation, or plant safety breaches—the associate is structurally forbidden from acting without formal, widespread consultation across the network[21].

Tripartite Separation

- **What the Arrangement's People Said It Did:** Corporate communications and internal training manuals claimed the lattice was a system of authentic industrial democracy where formal titles were eliminated, natural leaders emerged organically, and every associate exercised total professional sovereignty in a culture of mutual trust[21].
- **What the Empirical Record Shows It Did:** Gore achieved multi-decade commercial profitability and product innovation across diverse technical fields, maintaining global employee turnover rates historically below 5%, far outperforming industrial chemical manufacturing baselines[21].
  However, empirical field research reveals significant hidden operational costs. Onboarding requires 18 to 24 months of social acculturation; recruits from conventional corporate environments routinely experience paralysis in navigating the unwritten social landscape[21]. Furthermore, coordination is slow: because authoritative fiat cannot be deployed, building internal political consensus for cross-plant capital allocations requires exhaustive, continuous lateral lobbying and informal roadshows.
- **What Modern Scholarship Infers:** Sociologists and organization theorists observe that Gore did not eliminate hierarchy, but replaced formal administrative hierarchy with a *shadow hierarchy of tenure and social capital*. Senior associates who have built extensive internal sponsorship networks exercise informal veto power over project funding and peer compensation. The 150-person plant cap functions as an architectural enforcement mechanism: by keeping every associate under continuous, unmediated peer surveillance, the plant relies on intense concertive control to police non-conformity[24].

Scale Ledger

- **Household (4 to 10 People):** Fully functional. The scale of specialized laboratory research benches and early prototype development groups.
- **Hamlet or Band (30 to 50 People):** Fully functional. Standard functional operational cells (e.g., specialized medical catheter fabrication lines).
- **Village (150 to 500 People):** The design threshold. The 150-person plant cap represents the boundary limit where the lattice functions through unmediated mutual social

surveillance[24].

- **Parish or District (1,500 to 5,000 People):** Functional via federated clustering. Operated by grouping multiple 150-person facilities across regional geographical hubs (such as the Newark, Delaware and Flagstaff, Arizona manufacturing clusters).
- **Town or Watershed (15,000 to 50,000 People):** Fragile. Enterprise scaling was achieved only by partitioning the business into hard divisional boundaries (Consumer, Medical, Industrial, Electronic Products) governed by executive enterprise teams[23].
- **Region or Bioregion (0.5 to 5 Million People):** Structural failure. Direct lattice contracting breaks down; peer-ranking compensation matrices cannot process tens of thousands of distributed contributors without introducing bureaucratic tiers[25].
- **Nation or Continent (50 to 500 Million People):** Never tried. Entirely unworkable under bilateral followership dynamics[22].
- **Planet (8 Billion People):** Never tried. Theoretical impossibility.

Capture Test

- **Mechanism of Hostile Takeover:** A Machiavellian operator captures a Gore plant by systematically building alliances with senior sponsors, engineering reciprocal voting pacts during the annual peer-compensation ranking process (logrolling: "I evaluate your output at the 95th percentile if you mirror the evaluation for me"), and framing rival projects as reckless "below-the-waterline" risks to cut off their resources[21].
- **Historical Precedent:** While the firm has avoided complete predatory capture, employment litigation has documented how associates who fall out of favor with the dominant social clique find their internal sponsorship quietly withdrawn, cutting off their project access and forcing resignation without formal procedural recourse[21].
- **Defensive and Countervailing Features:** The distributed 360-degree peer compensation committee insulates salary decisions from individual managerial capture[21]. The 150-person physical cap prevents an abusive sub-faction from insulating itself behind bureaucratic layers[24]. The institutional right of associates to refuse work assignments denies predatory leaders a captive labor pool[21].

Case 3: Semco S.A. (São Paulo, Brazil)

Founded in 1953 by Austrian engineer Antonio Curt Semler as an autocratic manufacturer of industrial marine pumps and centrifuge equipment, Semler & Company operated under strict top-down Taylorist engineering methods[26]. In 1980, his 21-year-old son, Ricardo Semler, took the helm[26]. Following a health collapse triggered by executive stress, Semler systematically dismantled the company's traditional command architecture[26].





Structural Mechanics & Operational Data

Between 1986 and 1994, Semler transformed Semco into an experiment in industrial democracy, chronicled in *Maverick* (1993)[26].

He collapsed 12 hierarchical management layers into three concentric circular tiers:

- *Counselors* (a rotating executive strategy circle of five to six coordinators, including Semler)
- *Partners* (business-unit leaders)
- *Associates and Coordinators* (frontline production and engineering staff)[30]

Operating protocols were overhauled:

- Time clocks, dress codes, regulatory manuals, travel expense audits, and fixed job descriptions were eliminated[30].
- Machinists on the factory floor determined their own daily production quotas, shared machine maintenance, and formed autonomous assembly cells of 6 to 10 workers[26].
- Workers voted on corporate acquisitions, and subordinates evaluated direct supervisors semi-annually via public evaluation matrices; supervisors scoring below an 80% approval threshold were removed from their roles[30].
- Semco instituted open-book accounting: complete balance sheets, cash-flow ledgers, and profit margins were posted openly, with the metallurgical labor union running courses to teach machinists how to audit corporate financial statements[30].
- In an extreme mechanism, approximately 25% of the workforce set their own salaries,

cross-referenced against transparent industry surveys and posted on public bulletin boards[30].

During Brazil's macroeconomic crisis of the late 1980s, Semco employees voted to accept a 30% baseline wage cut in exchange for expanding the company-wide profit-sharing pool from 10% to 39%, preserving liquidity and avoiding mass layoffs[26]. Revenue expanded from $4 million in 1980 to over $200 million by the early 2000s, with headcount exceeding 3,000 as the firm diversified into property management (joint ventures with Cushman & Wakefield), environmental consulting, and inventory management[26].

Tripartite Separation

- **What the Arrangement's People Said It Did:** Ricardo Semler argued that Semco proved authoritarian corporate structures were obsolete, and that trusting adult workers with democratic rights, financial transparency, and self-set working hours maximized human dignity and long-term financial performance[29].
- **What the Empirical Record Shows It Did:** Semco weathered severe Brazilian recessions and maintained employee turnover below 1% for years[31].
  However, economic and historical audits expose deep survivorship and transformation biases. The factory workers were not directing macro capital allocation; their autonomy was focused on self-organized shop-floor assembly within established engineering constraints[26].
  As Semco expanded, it shifted away from capital-intensive, high-risk industrial manufacturing and toward knowledge-intensive consulting, facility management, and real estate services (Semco Partners)[29]. Heavy manufacturing was progressively spun off, subcontracted, or converted into joint ventures where democratic workplace protections were not uniformly extended to external supply chains[27].
- **What Modern Scholarship Infers:** Management scholars (e.g., Mats Alvesson, Hugh Willmott[33]) identify the *founder paradox* embedded in the Semco model. Workplace democracy was granted by patriarchal fiat: Ricardo Semler retained majority voting equity throughout the transformation[26]. He possessed the legal authority to dissolve the circular councils and restore top-down control at any moment. The firm's culture relied on Semler's personal charismatic authority, which acted as an informal executive backstop[27]. When Semler stepped away from active operations, the company faced significant identity crises and governance ambiguity[31].

Scale Ledger

- **Household (4 to 10 People):** Fully functional. Mirrors the autonomous factory machining and assembly cells[26].
- **Hamlet or Band (30 to 50 People):** Fully functional. The scale of specific manufacturing plant business units operating with flexible schedules[30].
- **Village (150 to 500 People):** Functional with friction. The operational ceiling of the original pump and centrifuge manufacturing plants in São Paulo[30].
- **Parish or District (1,500 to 5,000 People):** Structural failure. Direct enterprise scaling failed; Semco could expand only by splintering into a federated web of distinct

joint-venture companies (Semco Partners)[29].

- **Town or Watershed (15,000 to 50,000 People):** Structural failure. Direct democracy, firm-wide strategic voting, and public salary reviews collapse under communication overhead[30].
- **Region or Bioregion (0.5 to 5 Million People):** Never tried. Unviable.
- **Nation or Continent (50 to 500 Million People):** Never tried. Unviable.
- **Planet (8 Billion People):** Never tried. Unviable.

Capture Test

- **Mechanism of Hostile Takeover:** A psychopathic actor captures a Semco unit by exploiting open-book salary self-selection: setting their salary artificially low to project civic virtue, building a factional voting bloc to secure an 80%+ supervisory approval rating, and using populist rhetoric to purge rigorous technical managers who enforce strict manufacturing tolerances[30].
- **Historical Precedent:** Semler documented the regular emergence of demagogues within factory circles who orchestrated voting campaigns to secure coordinator titles, alongside resistance from middle managers who hoarded operational data before being voted out[26].
- **Defensive and Countervailing Features:** Total open-book accounting: financial transparency denies bad actors the data asymmetries required for extortion[26]. Mandatory semi-annual subordinate evaluations establish an institutional recall mechanism, stripping tyrannical coordinators of administrative rank[30]. Active, independent labor unions provide an external monitoring body to challenge internal management manipulation[26].

Case 4: The Morning Star Company (Woodland, California, USA)

Founded in 1970 by Chris Rufer as a bulk tomato hauling operation, The Morning Star Company built its first industrial tomato processing plant in Los Banos, California, in 1990, expanding with processing facilities in Williams and Santa Nella. Today, the enterprise processes over 25% of the California processing tomato crop, producing roughly 40% of the industrial tomato paste and diced tomato products sold in the United States[34].





Structural Mechanics & Operational Data

Morning Star operates entirely without vertical management hierarchies, formal titles, or supervisory promotions[35]. The organization's governing foundation is the *Colleague Letter of Understanding* (CLOU)[35].

Each of the company's 400 to 600 permanent year-round colleagues enters into direct bilateral agreements with their immediate internal peers[35]:

- A CLOU outlines an individual's personal commercial mission, process responsibilities, key performance indicators, and specific deliverables negotiated with 10 to 30 internal colleagues[35].
- These bilateral compacts are renegotiated annually in direct peer-to-peer discussions[36].
- Any colleague has the formal authority to commit company capital to purchase industrial equipment (including high-value infrastructure like evaporators or optical sorters) without managerial authorization, provided they complete the consultation process: gathering technical feedback from affected peers, obtaining competitive bids, and publishing the business case[21].

Disputes over operational failures or CLOU breaches follow a mandatory four-step conflict-resolution protocol[37]:

1. Direct, one-on-one bilateral negotiation between the disputants[37].
2. If unresolved, the parties jointly select a neutral colleague to mediate[37].
3. If mediation fails, an elected peer panel of three to five colleagues hears testimony and issues a formal ruling[37].
4. If a party refuses the panel's resolution, the matter escalates to founder and owner Chris Rufer for binding arbitration[35].

Compensation is governed by elected Colleague Compensation Committees: peer groups audit an individual's performance against their CLOU obligations, adjusting compensation bands based on peer evaluations[35].

Tripartite Separation

- **What the Arrangement's People Said It Did:** Chris Rufer and company literature assert that Morning Star embodies human liberty, operating on the non-coercion principle: no

individual may use force or involuntary command against another[34]. They argue that voluntary bilateral peer contracts fully replace managerial oversight, delivering industry-leading operational productivity[36].

- **What the Empirical Record Shows It Did:** Morning Star is an efficient processor of industrial tomatoes, dominating the North American processing market with a core permanent workforce of only 400 to 600 employees[34].
  However, organizational research by Michael Y. Lee and Amy C. Edmondson (*Research in Organizational Behavior*, 2017, 37, 35–58) identifies a core institutional dualism: the bossless CLOU framework governs only the year-round, salaried technical core[1]. During the 100-day harvest and canning season (July to October), the company hires 2,000 to 3,000 temporary seasonal workers[36]. These seasonal workers operate sorting machinery, clean evaporation pipes, and drive logistics lines[36]. They do not participate in the autonomous CLOU negotiation framework; they are supervised through directive, top-down instruction and operational checklists enforced by permanent staff[36].
- **What Modern Scholarship Infers:** Institutional economists note that Morning Star's internal peer contract system is anchored in private property rights. Chris Rufer is the primary equity owner[35]. The ultimate enforcement mechanism of the CLOU process is not horizontal consensus, but the sovereign authority of Rufer at Step 4 of the dispute-resolution ladder[35].
  Furthermore, the firm's market power has faced external legal challenges. In 2008, Morning Star was implicated in an FBI and Department of Justice antitrust investigation into price-fixing, bid-rigging, and commercial bribery within the California tomato paste industry (focused on competitor SK Foods and CEO Scott Salyer)[34]. While Chris Rufer was not indicted, the litigation revealed that internal self-management does not insulate an enterprise from external market cartels or structural industry pressures[34].

Scale Ledger

- **Household (4 to 10 People):** Fully functional. Localized operational cells bound by mutual CLOU agreements[35].
- **Hamlet or Band (30 to 50 People):** Fully functional. Plant processing departments (such as boiler maintenance, sorting, and paste packaging)[36].
- **Village (150 to 500 People):** Peak operational efficiency. The scale of the permanent full-time technical workforce within a single manufacturing facility[37].
- **Parish or District (1,500 to 5,000 People):** Operational via dual-tier segregation. Sustained only by excluding 2,000 to 3,000 seasonal workers from the self-managing governance core[36].
- **Town or Watershed (15,000 to 50,000 People):** Structural failure. The transaction costs of negotiating thousands of bilateral CLOU contracts scale quadratically (N^2), causing contracting paralysis[35].
- **Region or Bioregion (0.5 to 5 Million People):** Never tried. Unviable.
- **Nation or Continent (50 to 500 Million People):** Never tried. Unviable.
- **Planet (8 Billion People):** Never tried. Unviable.

Capture Test

- **Mechanism of Hostile Takeover:** A Machiavellian operator captures a node within the firm by entering into CLOUs with vague, non-verifiable qualitative goals, pressuring dependent colleagues into signing off on performance, and gaming the dispute resolution system by influencing the selection of the Step 2 mediator and Step 3 panel[35].
- **Historical Precedent:** Documented disputes show that interpersonal deadlocks can freeze cross-functional projects for months when an individual refuses to approve an adjacent peer's CLOU[35]. The dispute-resolution ladder has prevented factional capture primarily because Chris Rufer sits as the sovereign arbiter at Step 4, illustrating that the system relies on an ultimate monarchical backstop[35].
- **Defensive and Countervailing Features:** Bilateral contractual specificity: every deliverable is written, dated, and tied to verifiable operational metrics, accessible across the internal network[35]. The formal dispute escalation process prevents grievances from festering into hidden passive-aggressive sabotage by requiring structured peer confrontation or formal arbitration[37].

Case 5: Valve Corporation (Bellevue, Washington, USA)

Founded in 1996 by former Microsoft software engineers Gabe Newell and Mike Harrington, Valve Corporation established itself as an innovative game developer (Half-Life, Portal) before building the dominant digital distribution platform for PC gaming: Steam[9].



[redacted]

Structural Mechanics & Operational Data

Valve popularized its non-hierarchical philosophy in its 2012 *Handbook for New Employees*[40]. The company eliminated formal titles, middle management, and traditional supervisory reporting lines for its approximately 350 to 400 employees[42].

Key organizational mechanics:

- *Desks on Wheels:* Employees physically move their workstations across the Bellevue office to join projects ("cabals") that they find compelling[39].
- *Hiring as Core Capability:* Valve declared hiring the single most critical activity across the organization; small peer hiring teams retain collective veto power over prospective candidates[8].
- *Stack Ranking and the Bonus Committee:* While daily project work appears flat, compensation is calculated through an opaque, hierarchical peer-review process[39]. Annually, employees stack-rank their teammates across four metrics: skill level, operational output, group contribution, and product leadership[39].

These peer rankings are aggregated and delivered to an opaque compensation and bonus committee composed of company founders and long-tenured veterans[39]. This committee determines discretionary bonus distributions, which often outstrip base salaries by multiples of three to ten[39].

Tripartite Separation

- **What the Arrangement's People Said It Did:** Valve's handbook and executive statements claimed the flat model enabled creative talent to operate free from corporate bureaucracy, allowing high-value initiatives to attract resources naturally while underperforming concepts were quietly dropped[38].
- **What the Empirical Record Shows It Did:** Valve generated extraordinary profitability per employee, driven almost entirely by the near-monopoly rents generated by its Steam platform, which extracts a roughly 30% fee on third-party PC gaming transactions. However, in 2013, former hardware engineer Jeri Ellsworth was abruptly dismissed along with her hardware engineering team[8]. Ellsworth subsequent public disclosures described a reality at odds with the egalitarian rhetoric[7]. She documented that Valve maintained an invisible "hidden layer of management" that operated like a "high school cafeteria"[6]. Power was concentrated among the "popular kids"—the original cadre of tenured

developers with direct personal access to Gabe Newell[8]. Ellsworth documented that crossing an entrenched veteran meant being denied staff, frozen out of peer support, and terminated without formal warnings, reviews, or appeal channels[8].

- **What Modern Scholarship Infers:** Organization theorists classify Valve as a canonical modern example of Jo Freeman's *Tyranny of Structurelessness* paired with stack-ranking pathologies[5]. The "bossless" narrative is an ideological veneer supported by a digital distribution monopoly[8].

  Stack ranking created pervasive political conformity: employees calculated that working on risky, speculative initiatives (like hardware prototyping or unproven game mechanics) made them vulnerable to low peer evaluations from dominant software factions, driving talent toward safe, visible iterations on existing revenue drivers (Counter-Strike, Dota 2)[9].

Scale Ledger

- **Household (4 to 10 People):** Fully functional. The scale of the original "cabal" design teams that built the company's early intellectual property.
- **Hamlet or Band (30 to 50 People):** Fully functional. Valve's headcount during the development and launch of *Half-Life* (1996–1998).
- **Village (150 to 500 People):** Pathological breakdown. Valve's contemporary operating size (~350–400); informal cliques, factional gatekeeping, and shadow oligarchies dominate[6].
- **Parish or District (1,500 to 5,000 People):** Never tried. Unviable under mobile-desk and unmanaged peer frameworks[39].
- **Town or Watershed (15,000 to 50,000 People):** Never tried. Total coordination failure.
- **Region or Bioregion (0.5 to 5 Million People):** Never tried. Unviable.
- **Nation or Continent (50 to 500 Million People):** Never tried. Unviable.
- **Planet (8 Billion People):** Never tried. Unviable.

Capture Test

- **Mechanism of Hostile Takeover:** A Machiavellian actor captures a Valve-style system by ingratiating themselves with the tenured cultural elite, aligning their work with that elite's priorities, and weaponizing peer review against competitors[8]. By running whisper campaigns before annual stack ranking, the predator depresses rivals' ranking scores, cutting off their project resources and prompting their termination[8].
- **Historical Precedent:** The purge of Jeri Ellsworth and the CastAR hardware development team (2013) demonstrated that when informal factions control resource access and peer evaluation pipelines, they can dissolve entire teams while preserving the myth of bossless consensus[8].
- **Defensive and Countervailing Features:** Valve maintains few structural defenses against informal capture. Its primary stabilizing force is its Steam revenue stream, which insulates the company from the financial consequences of internal dysfunction[9]. Gabe Newell's private equity control serves as the ultimate sovereign anchor, revealing that the absence of bosses is an operational discretion granted and terminated by the company's owner[9].

Case 6: Haier Group (*Rendanheyi*) (Qingdao, China)

Founded in 1984 as the state-owned Qingdao General Refrigerator Factory, the company stood on the edge of bankruptcy when 35-year-old Zhang Ruimin was appointed general manager[47]. In 1985, after discovering defective inventory, Zhang ordered workers to smash 76 substandard refrigerators in the factory yard with sledgehammers, establishing a commitment to product quality in a reforming industrial economy[49].



Structural Mechanics & Operational Data

Between 2005 and 2012, Zhang developed the *Rendanheyi* organizational model (*Ren* =

employees, *Dan* = customer value/needs, *Heyi* = integration/unity)[47].
The structural changes were wide-ranging:

- In 2013–2014, Haier dismantled its corporate middle management, cutting approximately 12,000 administrative positions in a single restructuring phase[49].
- The 80,000-person enterprise was divided into more than 4,000 semi-autonomous *Microenterprises* (MEs), typically comprising 10 to 15 employees[47].
- Each Microenterprise functions as an independent profit-and-loss center with three primary decision rights: *strategy* (determining products and business models), *personnel* (hiring, firing, and team composition), and *compensation* (allocating bonuses and setting baseline wages based on value creation)[52].
- MEs fall into two main categories: *Transformational MEs* (frontline product and service units) and *Incubating MEs* (internal venture startups backed by platform seed funds and external co-investors)[52].
- Horizontal coordination between thousands of MEs is managed through *Ecosystem Micro-Communities* (EMCs): temporary coalitions of MEs (e.g., industrial design, component supply, marketing, logistics) linked by internal, market-priced service contracts[49].
- Platform shared services (legal, HR, IT, capital) compete against open-market alternatives: if an ME finds Haier's internal services overpriced or sluggish, it has the formal right to contract with external market providers[53].
- The model's cross-cultural viability was tested when Haier purchased GE Appliances in 2016 for $5.6 billion, introducing *Rendanheyi* across unionized manufacturing plants in Louisville, Kentucky, where cross-functional microenterprises were given direct P&L accountability[49].

Tripartite Separation

- **What the Arrangement's People Said It Did:** Zhang Ruimin and corporate communications asserted that *Rendanheyi* transitioned the firm from a closed "empire" destined for decay into a self-renewing "rainforest"[47]. The framework claimed that "everyone is a CEO," removing bureaucratic alienation by ensuring that employee compensation directly reflected the user value they generated[47].
- **What the Empirical Record Shows It Did:** Haier posted sustained revenue growth (exceeding $35–40 billion globally), shortened new product development cycles from six months to weeks, and restored market-share growth at GE Appliances[49].
  However, critical management scholarship documents an environment of institutionalized precarity. Each ME is bound to the platform by a *Value Adjustment Mechanism* (VAM) contract requiring aggressive growth targets well above market baselines[52]. If an ME misses its baseline performance metrics for two consecutive quarters, the ME leader is automatically dismissed, and the unit is liquidated or absorbed by a competing team[52]. Downside commercial risk is shifted directly onto frontline employees: base salaries are kept near subsistence baselines, with take-home pay depending heavily on quarterly platform payouts[47].

- **What Modern Scholarship Infers:** Organizational sociologists observe that Haier has not abolished hierarchy; it has *internalized the discipline of market competition inside the firm*[53]. It replaces direct managerial supervision with algorithmic, contractually driven performance pressures.
  Furthermore, overarching strategic alignment and platform capital allocation remained under the direction of Zhang Ruimin (until his retirement in November 2021) and the Haier Group Board of Directors, which is integrated into the political economy of the Chinese party-state[47]. *Rendanheyi* operates not as an unmanaged cooperative, but as an internal market supervised by an administrative core[50].

Scale Ledger

- **Household (4 to 10 People):** Fully functional. The standard Microenterprise cell (10–15 workers), operating with sovereign operational authority[49].
- **Hamlet or Band (30 to 50 People):** Fully functional. Dynamic Ecosystem Micro-Communities (EMCs) linking 3 to 5 MEs around a product delivery pipeline[49].
- **Village (150 to 500 People):** Functional via platform infrastructure. Shared-service platforms providing industrial, testing, and computational support to clusters of MEs[49].
- **Parish or District (1,500 to 5,000 People):** Fully functional. The scale of regional manufacturing hubs (e.g., Qingdao Industrial Park).
- **Town or Watershed (15,000 to 50,000 People):** Fully functional. Large operating divisions (smart refrigeration, commercial climate systems) coordinated via internal supply markets[51].
- **Region or Bioregion (0.5 to 5 Million People):** Functional via market networks. Multi-tier production and distribution networks spanning industrial manufacturing zones.
- **Nation or Continent (50 to 500 Million People):** Fragile. The operational frontier of Haier Group; relies on shared enterprise IT systems, unified digital accounting, and state contract enforcement[48].
- **Planet (8 Billion People):** Structural limit. Cross-border friction (such as US-China geopolitical and regulatory divergence) limits full ecosystem integration[49].

Capture Test

- **Mechanism of Hostile Takeover:** A Machiavellian actor captures an ME by drafting VAM contracts with inflated target assumptions, running down long-term machinery assets to meet short-term quarterly targets, extracting maximum performance bonuses, and jumping to a newly formed ME right before equipment degradation causes performance to crash[52]. In the platform layer, an aligned cabal could control capital allocations, systematically starving rival MEs of platform investments.
- **Historical Precedent:** Internal investigations at Haier documented recurring instances of internal ME cartels: platform service units colluding to artificially price-gouge frontline MEs for logistics and IT support, prompting Zhang Ruimin to issue mandates allowing MEs to bypass internal units in favor of open-market external vendors[53].
- **Defensive and Countervailing Features:** The strict liquidation rule: underperforming MEs face automatic dissolution under programmatic contract terms[52]. The open

contracting architecture prevents internal supplier capture: if an internal parts-manufacturing ME attempts to hold up production, the downstream ME can source from external market competitors[53].

Case 7: Zappos and the Holacracy Experiment (Las Vegas, Nevada, USA)

Founded in 1999 as Shoesite.com by Nick Swinmurn and developed by CEO Tony Hsieh (who sold the firm to Amazon in 2009 for $1.2 billion while retaining operational autonomy), Zappos was celebrated for its customer-service culture[54].



Structural Mechanics & Operational Data

To prevent bureaucratic slowdown as headcount passed 1,500, Hsieh launched a pilot of

Holacracy in 2013[54]. Developed by software entrepreneur Brian Robertson (author of *Holacracy: The New Management System for a Rapidly Changing World*, 2015), Holacracy is a codified operating system that replaces static job descriptions with fluid "roles" organized into nested "circles"[1].

Governance operates through strict structural protocols[1]:

- Circles conduct separate *Tactical Meetings* (addressing immediate operational tasks) and *Governance Meetings* (focused on creating, amending, or removing roles and circular policies).
- Decision-making follows *Integrative Decision-Making* (IDM): proposals are adopted unless a circle member demonstrates that the change causes operational harm ("safe enough to try, good enough for now").
- Circles are linked by two structural roles: a *Lead Link* (appointed by the super-circle to allocate resources, define operational priorities, and assign people to roles) and a *Rep Link* (elected by the sub-circle to represent its interests in the super-circle).

On March 24, 2015, dissatisfied with the pace of voluntary adoption, Tony Hsieh issued an all-hands ultimatum titled "Tear Down the Walls." He mandated that all 1,500 employees commit to Holacracy or take a buyout package of at least three months' salary.

Ultimately, roughly 260 employees—approximately 18% of the company's total workforce—chose to take the buyout and leave. Within the software engineering department, turnover exceeded 30%.

Tripartite Separation

- **What the Arrangement's People Said It Did:** Tony Hsieh claimed Holacracy would transform Zappos into a self-organizing city rather than a bureaucratic corporation[50]. Drawing on the urban scaling work of physicist Geoffrey West (*Scale*, 2017), Hsieh observed that as cities double in population, their productivity and innovation per resident climb by 15%, while corporations typically experience declining per-capita productivity as they scale. Holacracy was positioned as the social code that would enable workers to act with the autonomy of urban citizens[50].
- **What the Empirical Record Shows It Did:** Rather than eliminating bureaucracy, Holacracy created a new *procedural bureaucracy*. An in-depth field study by Ethan Bernstein, John Bunch, Niko Canner, and Michael Y. Lee (*Harvard Business Review*, 2016, 94[7], 38–49) revealed that employees spent extensive hours decoding the 30-page Holacracy Constitution, attending governance rituals, and mastering legalistic vocabulary[11].

  The formal separation between "the role and the soul" alienated employees: interpersonal friction could not be addressed in governance meetings unless translated into technical role-based tensions[1]. Technical workers and engineers grew frustrated by the administrative overhead, prompting elevated turnover.

  By 2018–2019, Zappos began quietly stepping back from pure Holacracy, transitioning toward an internal market framework termed "Market-Based Dynamics" (MBD), adapted from Haier's *Rendanheyi*[54]. Following Hsieh's death in November 2020, Amazon integrated conventional executive and financial reporting lines back into Zappos

operations[55].

- **What Modern Scholarship Infers:** Organizational sociologists identify Holacracy as a flawed attempt to cure bureaucratic pathologies through hyper-formal procedural codification. Holacracy fails because it mistakes *linguistic and procedural rigidity for operational clarity*.
  The architecture created a new technocratic elite: individuals who mastered parliamentary procedure and constitutional jargon could block proposals, engineer procedural gridlock, and outmaneuver colleagues who possessed superior technical expertise but lacked administrative debate skills. Power did not dissolve; it concentrated among those fluent in the procedural dialect[1].



Scale Ledger

- **Household (4 to 10 People):** Functional. Operates effectively within small, specialized sub-circles managing narrow tasks (e.g., product page copywriting)[1].
- **Hamlet or Band (30 to 50 People):** Friction-heavy. Middle circles encounter procedural drag, requiring extensive governance meetings to adjust role boundaries[1].
- **Village (150 to 500 People):** Severe failure. Multi-circle coordination breaks down; Lead and Rep Links become administrative bottlenecks[1].
- **Parish or District (1,500 to 5,000 People):** Structural collapse. The 1,500-employee enterprise scale overwhelmed the governance architecture, driving the 18% buyout and eventual abandonment of the system[54].
- **Town or Watershed (15,000 to 50,000 People):** Never tried. Total constitutional gridlock.

- **Region or Bioregion (0.5 to 5 Million People):** Never tried. Unviable.
- **Nation or Continent (50 to 500 Million People):** Never tried. Unviable.
- **Planet (8 Billion People):** Never tried. Unviable.

Capture Test

- **Mechanism of Hostile Takeover:** A Machiavellian operator captures a Holacratic organization by mastering constitutional rules. By raising procedural objections during Integrative Decision-Making, the bad actor can systematically block competitors' proposals while using Lead Link power to assign key resource-bearing roles to sycophantic allies, bypassing the circle's collective intent[1].
- **Historical Precedent:** At Zappos, ethnographic research revealed that politically savvy managers accumulated multiple Lead Link roles across adjacent circles, recreating the old managerial hierarchy under constitutional terminology while reducing the influence of frontline staff[1].
- **Defensive and Countervailing Features:** The formal Governance Meeting creates a transparent, written record of all role descriptions and accountabilities, preventing covert changes to authority[1]. Any role holder has the constitutional right to raise an operational tension directly, making it difficult for an abusive Lead Link to suppress dissent from the formal record[1].

3. Laloux's *Reinventing Organizations* and the Fallacy of the Self-Healing System

Frederic Laloux's *Reinventing Organizations* (2014) provided the primary ideological framework for the modern bossless enterprise movement[1]. However, its core claims have faced critique from organizational sociologists, critical management scholars, and institutional economists[11].

The Integral Fallacy and Teleological Bias

Laloux's framework relies on Ken Wilber's *Spiral Dynamics* and Integral Theory, which posits that human consciousness progresses through an evolutionary sequence of developmental stages[2]. In Laloux's framing, organizational forms mirror this trajectory, culminating in the "Teal" stage[57].

This conceptualization suffers from a teleological fallacy: it treats the historical development of administrative forms not as contingent, conflict-ridden accommodations to changing technologies and legal frameworks, but as an unfolding spiritual awakening[4]. Laloux assumes that as individuals become more "conscious," structural conflicts between capital, labor, and authority will dissolve into evolutionary harmony[4].

In doing so, the framework overlooks the material realities of political power: humans do not shed self-interest or dark-triad traits simply by adopting non-hierarchical vocabulary[57].

Survivorship and Selection Bias

The empirical methodology underlying *Reinventing Organizations* exhibits significant selection bias[57]. Laloux selected a small cohort of long-surviving organizations (including Buurtzorg, FAVI, Sun Hydraulics, Morning Star, and AES) that exhibited decentralized features, studying their practices without evaluating a control group of hierarchical peers or documenting the large

number of self-managing organizations that collapsed[1].
By analyzing only surviving outliers and relying on internal corporate narratives, the research overstated the performance and stability of bossless architectures while downplaying their structural vulnerabilities[57].



The Fragility of Celebrated Cases: FAVI and AES

The empirical instability of Laloux's primary case studies highlights these structural limits.
A primary industrial example in the text was FAVI, a French brass die-casting foundry producing gearbox forks for the automotive industry[28]. Under managing director Jean-François Zobrist (who led the company from 1983 to 2009), FAVI dismantled personnel departments, removed supervisory oversight, and organized the foundry into autonomous production mini-factories focused on specific automakers[62].
However, following Zobrist's retirement in 2009, the self-managing structure began unraveling[28]. Facing customer pricing pressures and leadership turnover, subsequent management reinstated line managers, returned to hierarchical reporting, and restored locked supply closets,

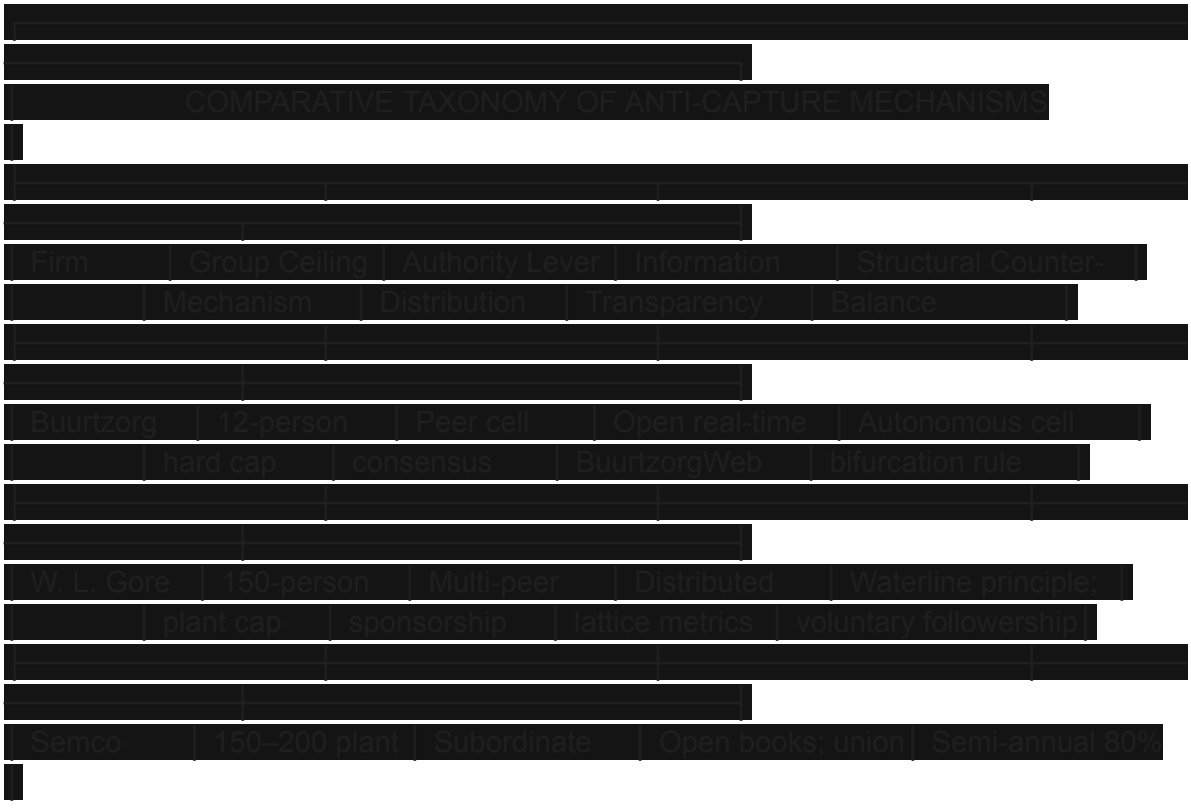
demonstrating that the self-managing model was an extension of Zobrist's personal leadership rather than an institutionalized, self-sustaining system[28].

Similarly, AES Corporation, a global power generator co-founded by Roger Sant and Dennis Bakke, was celebrated for its radical decentralization: plant workers made multi-million-dollar capital and acquisition decisions without corporate headquarters staff.

Following the 2001–2002 Enron collapse and an accompanying liquidity crisis in the power generation sector, AES's stock dropped from $70 to under $2. Pushed toward default, the AES Board of Directors intervened, forced Dennis Bakke to resign as CEO in 2002, dismantled the self-managing teams, and instituted a centralized risk-management and compliance bureaucracy to satisfy creditors and statutory regulators[28]. When severe macroeconomic stress arrived, the decentralized architecture was quickly replaced by traditional command controls[28].

4. Structural Mechanisms Against Tyranny and Capture

The empirical record shows that the complete absence of formal structure does not protect an organization from authoritarian capture; rather, it invites it[5]. The self-managing organizations that have maintained stability over multiple decades rely on explicit structural mechanisms designed to counteract dark-triad opportunism, factional dominance, and information hoarding.





Team Size Ceilings and Cellular Bifurcation

The primary structural defense against factional takeover is an architectural constraint on group scale[13]. Buurtzorg's strict cap of 12 nurses and W. L. Gore's plant limit of 150 people address distinct cognitive and social boundaries[13].

At the 12-person threshold, direct visual oversight and interpersonal familiarity make it difficult for Machiavellian actors to conceal their performance or build covert coalitions[13]. Every team member directly observes daily contributions, client care, and working hours[13]. If toxic behavior develops, the cell splits via its bifurcation rule, isolating the bad actor without fracturing the broader enterprise[13].

At the 150-person ceiling (Dunbar's number), an individual's reputational capital serves as an active enforcement currency without intermediate management[11]. A bad actor cannot hide opportunistic behavior behind bureaucratic layers, because informal social networks and lateral feedback immediately surface manipulative conduct across the entire plant community[21].

Peer Hiring, Firing, and the Multi-Sponsor Safeguard

In conventional hierarchical organizations, an opportunistic operator can build power simply by currying favor with a single direct supervisor. In contrast, Gore, Buurtzorg, and Morning Star distribute hiring, sponsoring, and firing rights across peer groups[13].

At Gore, no single leader can hire a worker; candidates must be vetted by a cross-functional

peer panel, and an existing associate must volunteer to serve as their personal sponsor[21]. If an individual exhibits abusive behavior, their sponsor steps down; an associate unable to secure a replacement sponsor cannot access projects and is ejected from the lattice[21].
At Semco, workers vote on prospective managers and evaluate their direct supervisors semi-annually through anonymous assessments; coordinators who fall below an 80% approval threshold are removed, eliminating the administrative protections often enjoyed by abusive managers[30].

Open Books, Real-Time Ledgers, and Radical Transparency

Dark-triad actors rely on information asymmetries: controlling access to operational budgets, performance data, and strategic communications. Radical operational and financial transparency removes this advantage.
At Semco, all cash flows, financial balance sheets, and salary registers are posted publicly, with the labor union teaching factory machinists how to audit executive expenses and P&L figures[30].
At Morning Star, every Colleague Letter of Understanding (CLOU) is accessible on the internal network: any colleague can inspect the commitments, metrics, and suppliers of any other employee[35].
At Buurtzorg, the *BuurtzorgWeb* portal displays the live caseload efficiency, client satisfaction ratings, and care hours of every neighborhood cell, enabling rapid detection of performance anomalies[12].

Role Unbundling, Rotation, and the Separation of Executive Powers

Traditional command hierarchies concentrate three primary powers in a single managerial desk: *task assignment*, *performance evaluation*, and *disciplinary sanction/compensation*.
Long-surviving self-managing architectures systematically break apart these three powers.
In Morning Star and Holacracy, authority is disaggregated into discrete, temporary operational roles[1]. An individual who coordinates a project does not have the authority to set peers' salaries or unilaterally remove them from the enterprise[1].
At Semco, leadership positions rotate systematically, and committee seats are held on short tenures, preventing individuals from entrenching themselves as permanent administrative gatekeepers[30].

5. The Strongest Case Against: Critical Synthesis and Failure Modes

The literature of critical management studies, institutional economics, and political sociology presents a fundamental critique of the bossless model. The case against self-management rests upon four distinct theoretical pillars.

The Tyranny of Structurelessness and Concertive Panopticism

The foundational sociological critique traces from Jo Freeman (1970) through to James R. Barker (1993) and Graham Sewell (*Administrative Science Quarterly*, 1998, 43[2], 397–428).
Freeman established that abolishing formal hierarchy does not eliminate power; it eliminates the formal accountability of power[5]. When a firm removes formal titles and procedures, power defaults to an unacknowledged shadow network of charismatic, articulate, or long-tenured

veterans[6]. Frontline workers cannot easily challenge this informal elite because there are no constitutional grievance channels: to challenge the elite is to be labeled "uncooperative," "lacking cultural fit," or "toxic" (as seen at Valve)[8].

Furthermore, as Barker proved, peer self-management can produce oppressive *concertive control*[10]. Under traditional bureaucratic management, a worker's duties are legally bounded: obedience is owed to a formal supervisor, governed by explicit, written work rules during designated working hours. When management is transferred to the peer group, the worker is subjected to continuous lateral surveillance. Peers police not just task execution, but personal values, emotional authenticity, and lifestyle choices. The psychological burden of constant self-censorship under concertive peer control frequently produces higher anxiety, guilt, and emotional exhaustion than bureaucratic supervision.

Transaction-Cost Explosion and Bilateral Contracting Paralysis

From the perspective of transaction cost economics (Coase, 1937; Williamson, 1975, 1985; Foss & Klein, 2014, 2022), managerial hierarchy is a coordination technology designed to minimize negotiation costs[11]. When an organization eliminates directive fiat, it must coordinate through lateral consensus or bilateral contracting. In an interdependent, complex enterprise, this causes internal transaction costs to scale exponentially.

At Zappos, the shift to Holacracy created a tangle of governance meetings, vocabulary debates, and procedural delays that distracted technical staff from product engineering[1]. At Morning Star, negotiating, maintaining, and reviewing hundreds of bilateral CLOUs annually consumes extensive labor hours[35]. When rapid strategic shifts are required under volatile conditions, lateral consensus can lead to gridlock. Authoritative fiat exists precisely to resolve these deadlocks.

The Founder Paradox and the Myth of Distributed Sovereignty

Every celebrated example of self-management reveals an internal contradiction: *the flat system was granted, protected, and ultimately backstopped by an absolute, benevolent autocrat*[4].

- Jos de Blok at Buurtzorg[16]
- Bill and Genevieve Gore at W. L. Gore[21]
- Ricardo Semler at Semco[27]
- Chris Rufer at Morning Star[35]
- Gabe Newell at Valve[9]
- Zhang Ruimin at Haier[47]
- Tony Hsieh at Zappos[54]

These individuals were not elected by their workforce; they were founders, majority equity owners, or powerful CEOs with ultimate legal authority under corporate law[26]. The self-managing model survived because this executive sovereign shielded the organization from external board intervention, regulatory hostility, and internal counter-revolutions[4].

When the founder steps down, retires, or passes away, the self-managing structure routinely breaks down:

- At FAVI, the retirement of Jean-François Zobrist led to the restoration of traditional supervisors and locked supply rooms[28].

- At AES Corporation, the board dismissed Dennis Bakke during the 2002 liquidity crisis, dismantling self-managing teams in favor of traditional financial controls[28].
- At Zappos, the tragic death of Tony Hsieh led to the end of its Market-Based Dynamics experiment and re-integration into Amazon's corporate hierarchy[55].



Survivorship Bias and Methodological Flaws in the "Teal" Literature

Critical scholars (e.g., Mats Alvesson, Stefan Taeufer, Jos Benders[1]) observe that the self-management canon is built on survivorship bias. Writers like Frederic Laloux selected a tiny handful of surviving non-hierarchical firms while ignoring the vast graveyard of decentralized collectives that dissolved from financial insolvency, interpersonal feuds, or structural paralysis[57]. The Teal paradigm presents an ahistorical, teleological narrative of evolving human consciousness, which blinds practitioners to the enduring realities of material scarcity, status competition, and predatory opportunism[4].

6. Summary, Open Questions, and Foundational Reading

10-Line Summary of Robust Findings

1. Self-managing organizations function reliably only under conditions of high operational

modularity and low horizontal workflow interdependence.
2. Direct peer-to-peer operational coordination functions effectively only within small cells bounded between 6 and 12 individuals.
3. Without formal hierarchy, social cohesion degrades once an operational facility exceeds the Dunbar threshold of roughly 150 individuals.
4. Total elimination of formal structure does not abolish power; it transfers authority to unaccountable, informal cliques dominated by charismatic veterans.
5. Radical internal decentralization systematically increases bilateral negotiation overhead, meeting fatigue, and coordination transaction costs.
6. Bossless systems rely paradoxically on an autocratic founder or legal property-owner who acts as an external shield and sovereign arbiter.
7. Transparent digital ledgers and open-book accounting are non-negotiable structural prerequisites to prevent local financial concealment.
8. Distributing hiring, firing, and compensation across peer committees effectively resists individual supervisory tyranny.
9. Peer-governed systems introduce concertive control, producing lateral social policing that can be more intrusive than bureaucratic management.
10. The retirement, incapacitation, or death of the benevolent founding leader routinely triggers institutional reversion to traditional hierarchical command.

Contested or Open Questions

- *The Macro Cost-Shift Enigma:* Does Buurtzorg's low direct home-care expenditure reflect a genuine societal efficiency, or does it merely shift systemic costs onto downstream acute-care hospitals via lower thresholds for medical referrals[15]?
- *The Feasibility of Post-Charismatic Succession:* Can a radical self-managing firm survive the death or departure of its charismatic founder without reverting to conventional bureaucratic hierarchy or falling prey to predatory internal factions[28]?
- *The Capital Allocation Dilemma:* How can an enterprise devoid of executive fiat efficiently reallocate scarce, firm-wide capital away from legacy cash-cow units and toward unproven, disruptive innovations against the fierce political opposition of self-managing employee peers[9]?
- *The Paradox of Universal Scalability:* Is the Haier *Rendanheyi* ecosystem model genuinely a form of workplace humanism, or is it an extreme manifestation of internal market precarity where corporate platforms offload systemic downside risk onto vulnerable frontline workers[49]?
- *The Legal Liability Barrier:* How can a non-hierarchical, bossless collective satisfy modern statutory regulatory regimes that legally mandate named, individual officers for civil and criminal liability (e.g., environmental safety, clinical malpractice, financial malfeasance)?

5 to 10 Sources to Read in Full

- **Alvesson, Mats, and Kärreman, Dan. (2000).** "Taking the Linguistic Turn in Organizational Research: Challenges, Responses, Consequences." *The Journal of Applied Behavioral Science*, 36(2), 136–158. (Examines how managerial discourse and normative cultures can conceal structural power dynamics behind emancipatory rhetoric).

- **Barker, James R. (1993).** "Tightening the Iron Cage: Concertive Control in Self-Managing Teams." *Administrative Science Quarterly*, 38(3), 408–437. (The foundational ethnographic field study showing that autonomous peer teams generate more intrusive normative control than conventional bureaucratic hierarchies).
- **Bernstein, Ethan, Bunch, John, Canner, Niko, and Lee, Michael Y. (2016).** "Beyond the Holacracy Hype: The Credentials and Challenges of Self-Managing Organizations." *Harvard Business Review*, 94(7/8), 38–49[11]. (Field analysis examining Zappos' transition, operational drag, and structural friction points).
- **Coase, Ronald H. (1937).** "The Nature of the Firm." *Economica*, 4(16), 386–405. (The classical economic text explaining why managerial hierarchy displaces open-market transactions when contracting costs are high).
- **Foss, Nicolai J., and Klein, Peter G. (2022).** *Why Managers Matter: The Perils of the Bossless Company*. PublicAffairs[11]. (An economic assessment of self-management literature, illustrating the role of executive fiat in capital allocation and coordination).
- **Freeman, Jo. (1970).** "The Tyranny of Structurelessness." *The Second Wave*, 2(1). (The classic feminist treatise proving that eliminating formal governance structures tends to empower unaccountable, informal elites).
- **KPMG International. (2015).** *Onderzoek Buurtzorg: Maatschappelijke business case en kwaliteitsanalyse*. Commissioned by the Dutch Ministry of Health, Welfare and Sport[12]. (The primary independent audit unpacking the empirical reality of Buurtzorg's direct savings versus downstream hospital costs).
- **Lee, Michael Y., and Edmondson, Amy C. (2017).** "Self-managing organizations: Exploring the limits of less-hierarchical organizing." *Research in Organizational Behavior*, 37, 35–58[1]. (A comparative theoretical framework analyzing the structural mechanisms and boundary limits of bossless firms).
- **Williamson, Oliver E. (1985).** *The Economic Institutions of Capitalism: Firms, Markets, Relational Contracting*. Free Press. (The foundational analysis of bounded rationality, asset specificity, opportunism, and the governance role of hierarchical fiat).

7. Implementability after the Fall

In a post-collapse environment marked by the loss of electrical grids, digital telecommunications, automated software systems, and state legal enforcement, modern algorithmic platforms (such as *BuurtzorgWeb*, Valve's internal Steam databases, or Haier's microenterprise trading software) are permanently unavailable[13].

Self-governance must operate within hard constraints: manual paper or slate ledgers, face-to-face vocal accountability, physical gathering spaces, and direct visual monitoring.





The Household (4 to 10 People)

- **Minimum Viable Structure:** The Household operates as an indivisible operational cell, directly analogous to the 10-to-12-person Buurtzorg nursing team[13]. Governance is bilateral and based on direct visual observation. There are no specialized management titles. Operational tasks (foraging, water purification, perimeter security, fuel collection, childcare) are assigned during a daily sunrise assembly. Every household member commits to specific physical outputs for the daylight cycle.
- **Prerequisites to Start:** A slate board and chalk (or bound paper ledger) hanging by the primary hearth; a calibrated physical scale or volumetric container for measuring rations; a common solar clock (sundial) to synchronize shifts.
- **First Failure Mode to Expect:** Intrafamilial/interpersonal resentment rooted in perceived physical contribution disparities. Without formal market wages or legal divorce courts, lazy or low-contributing members create immediate morale decay, prompting explosive physical violence or quiet desertion.

The Village (300 People)

- **Minimum Viable Structure:** The Village cannot operate as an unmanaged single assembly: at 300 individuals, it has crossed the Dunbar limit of 150[24]. If it attempts unmanaged pure democracy, it will fracture into hostile family clans or fall to charismatic demagogues (Freeman's tyranny of structurelessness)[5].
  The Village must be structured as a federation of approximately 25 to 30 modular households/work-guilds (agriculture, timber, blacksmithing, perimeter defense, leatherworking), each capped at 10 to 12 persons[13].

Governance operates through a *Colleague Letter of Understanding (CLOU)* framework adapted to physical media[35]. Every guild and household enters into explicit, written bilateral commitments carved into wooden tally boards or recorded in an open village registry book housed in the central hall.

Village coordination occurs through a weekly council composed of rotated household delegates. Following Gore's Waterline Principle, households possess total operational autonomy over their fields and crafts, but any action threatening collective survival (diverting an irrigation stream, breaking quarantine, opening the perimeter gate to strangers, clearing communal defensive forest) is classified as a "below-the-waterline decision" requiring consensus approval by the village council[21].

- **Prerequisites to Start:** Basic literacy and arithmetic among at least 10% of the adult population; a single, secure village town-hall building; a bound physical registry ledger containing boundary lines, seed reserves, and communal commitments; an agreed-upon agrarian calendar pinned to solar solstices and lunar cycles; a calibrated set of standard weights and measures (bushels, pounds, lengths of chain) to prevent trade fraud.
- **First Failure Mode to Expect:** Clan-based logrolling and cartel formation during dispute arbitrations. Kinship networks will collude during mediation panels to excuse resource theft or boundary encroachment by their relatives, delegitimizing the peer-dispute framework and provoking clan feuds.

The District (3,000 People)

- **Minimum Viable Structure:** At the scale of 3,000 people (spanning roughly 10 villages across a watershed), informal peer relations and direct visual tracking fail. The District must operate on a modified *Haier Microenterprise / Ecosystem Micro-Community* model using physical scrip and bilateral trade compacts[49].

  The 10 villages function as autonomous, self-balancing economic units. Mutual aid, militia mobilization, and watershed maintenance (canals, dikes, roads) are governed through formal, written inter-village pacts (the manual equivalent of Haier's VAM contracts)[52].

  Disputes between villages that cannot be resolved through bilateral mediation are submitted to a traveling arbitral court composed of three rotated village elders drawn from uninvolved settlements (echoing Morning Star's Step 3 peer panel)[37].

  Strategic coordination is minimal: the district does not attempt central economic planning. It maintains only a common physical market square and a shared physical defense pact.
- **Prerequisites to Start:** A cadre of literate scribes and auditors; an agreed-upon physical currency or standardized commodity unit (e.g., bushels of dry wheat, ounces of silver, salt cakes) to clear inter-village debts; a physical roadway network maintained through mandatory rotating labor quotas; a neutral, fortified meeting redoubt located at the geographic center of the watershed.
- **First Failure Mode to Expect:** Upstream predatory hoarding. The upstream villages controlling water sources, mills, or timber reserves will exploit their geographical leverage to extract monopoly rents or dictate political terms to downstream agrarian settlements, breaking inter-village contracts and causing regional warfare.

8. Principles

1. A self-managing operational unit loses internal visual accountability and starts accumulating informal political hierarchies once its active membership exceeds 12 individuals[13].
2. A human collective that surpasses 150 members without formal, written administrative offices inevitably replaces peer consensus with an unaccountable shadow oligarchy[24].
3. Lateral peer-to-peer contracting functions efficiently only when horizontal workflow interdependence between separate operating cells is near zero.
4. Total transparency of operational inputs, outputs, and internal ledgers is the foundational prerequisite for preventing Machiavellian actors from hoarding power[30].
5. Unilateral managerial authority to determine compensation, hiring, and firing can be eliminated only if those powers are explicitly disaggregated and distributed across independent peer evaluation committees[21].
6. In any bossless architecture, informal interpersonal authority will concentrate among individuals possessing superior rhetorical, constitutional, or socio-emotional fluency[1].
7. The operational transaction costs of lateral peer negotiation and consensus-building scale quadratically with the number of interacting agents unless truncated by formal arbitration procedures.
8. A decentralized organization operating without formal hierarchy requires an ultimate, external sovereign property-owner to enforce basic rules, protect the perimeter, and resolve deadlocks[4].
9. Peer-enforced normative control creates more intense, intrusive, and psychologically oppressive behavioral surveillance than traditional bureaucratic supervision.
10. Replacing formal legal rules with unstructured "cultural fit" guarantees the systematic exclusion of non-conformist talent by incumbent peer cliques[8].
11. An autonomous operational cell will maintain high productivity only if it directly absorbs the real material and financial consequences of its performance failures[52].
12. The survivability of a self-managing organization is bounded by the lifespan or legal control of its charismatic founder unless its anti-authoritarian rituals are codified into physical law[28].

Works cited

1. Change the way of working. Ways into self‐organization with the use, https://www.researchgate.net/publication/351288432_Change_the_way_of_working_Ways_into_self-organization_with_the_use_of_Holacracy_An_empirical_investigation
2. (PDF) Book Review: Reinventing Organizations: A Guide to Creating, https://www.researchgate.net/publication/341376251_Book_Review_Reinventing_Organizations_A_Guide_to_Creating_Organizations_Inspired_by_the_Next_Stage_in_Human_Consciousness_by_Frederic_Laloux
3. An integral view on leadership and organizational transformation in,

https://www.diva-portal.org/smash/get/diva2:1698646/FULLTEXT02
4. Reinventing Organizations by Frederic Laloux - dark matter essay, http://www.darkmatteressay.org/reinventing-organizations-by-frederic-laloux.html
5. Printables - Class Autonomy, https://classautonomy.info/printables/
6. Former Valve Worker Says Weird Paranoia Caused Witch Hunt, https://www.tomshardware.com/news/Valve-Weird-Paranoia-Jeri-Ellsworth-Hardware-Steam,23426.html
7. Why Valve's company structure 'felt a lot like high school' to this ex, https://www.geekwire.com/2013/valves-company-structure-felt-lot-high-school-employee/
8. “Weird Paranoia” at Valve, Says Former Employee - Kotaku, https://kotaku.com/weird-paranoia-at-valve-says-former-employee-700121951
9. Valve's flat structure contains "hidden layer of powerful management, https://www.pcgamer.com/valves-flat-structure-contains-hidden-layer-of-powerful-management-claims-ex-employee/
10. What makes self-managing organizations novel? Comparing how, https://d-nb.info/1207763888/34
11. People-positive organizing: Proposing an alternative perspective on, https://research.chalmers.se/publication/548739/file/548739_Fulltext.pdf
12. Buurtzorg-Case-Final.pdf, https://www.buurtzorg.com/wp-content/uploads/2022/11/Buurtzorg-Case-Final.pdf
13. Buurtzorg case study: How context transformed 14,000 nurses, https://www.suebehaviouraldesign.com/en/blog/buurtzorg-case-study-behavioural-design/
14. Buurtzorg – A pioneering healthcare organisation - Interreg Europe, https://www.interregeurope.eu/good-practices/buurtzorg-a-pioneering-healthcare-organisation
15. Where Buurtzorg's savings come from - Modern Leadership Journal, https://modern-leadership-journal.com/articles/buurtzorg-self-managing-teams
16. The Buurtzorg Model: Self-Managing Teams Explained | Peerdom, https://peerdom.com/blog/buurtzorg-model-self-managing-teams-guide
17. Buurtzorg innovative healthcare model adapted for the UK, https://enliveningedge.org/field-reports/how-build-bureaucracy-free-health-services-uk-learning-buurtzorg/
18. The Buurtzorg model in the Netherlands - MedTech Europe, https://www.medtecheurope.org/wp-content/uploads/2020/04/Best-practice_Netherlands.pdf
19. The case of Buurtzorg in the Netherlands and China, https://essay.utwente.nl/fileshare/file/73139/K%C3%B6gel_BA_BMS.pdf
20. Buurtzorg's Healthcare Revolution: 14000… - Corporate Rebels, https://www.corporate-rebels.com/blog/buurtzorg
21. W. L. Gore—Culture of Innovation - National Paralegal College, https://www.nationalparalegal.edu/uploads/19WL_GORE.PDF
22. WL Gore: The Gore System of Unmanagement Coursework - IvyPanda, https://ivypanda.com/essays/wl-gore-the-gore-system-of-unmanagement/

23. W.Gore Case Study: Exploring a Bureaucracy-Free Culture of, https://www.studocu.vn/vn/document/truong-dai-hoc-kinh-te-thanh-pho-ho-chi-minh/quan-tri-chien-luoc/wgore-case-study/51524095
24. Growing through Sabotage: Energizing Hierarchical Power - EconStor, https://www.econstor.eu/bitstream/10419/162822/1/20170700_bn_growing_through_sabotage_wpcasp.pdf
25. Working Without a Boss: Lattice Organization With Direct Person-to, https://www.researchgate.net/publication/303803687_Working_Without_a_Boss_Lattice_Organization_With_Direct_Person-to-Person_Communication_at_W_L_Gore_Associates_Inc
26. Semco's Transformation Under Ricardo Semler | PDF - Scribd, https://www.scribd.com/document/566853804/B13-Semco
27. Ricardo Semler's Leadership at Semco Partners Case Study, https://ivypanda.com/essays/ricardo-semlers-leadership-at-semco-partners/
28. When Pioneering Companies Fail | Corporate Rebels, https://www.corporate-rebels.com/blog/when-pioneering-companies-fail
29. Ricardo Semler - BrainFarm, https://brainfarm.co.za/speaker/RICARDO-SEMLER
30. Ricardo Semler: Creating Organizational Change Through, https://semcostyle.com/ricardo-semler-creating-organizational-change-through-employee-empowered-leadership/
31. Ricardo Semler Won't Take Control - Strategy+business, https://www.strategy-business.com/article/05408
32. Ricardo Semler - London Speaker Bureau Asia, https://www.londonspeakerbureauasia.com/speakers/ricardo-semler/
33. Critical Management Studies von Mats Alvesson - Lehmanns.de, https://www.lehmanns.de/shop/wirtschaft/367344-9780803984554-critical-management-studies
34. Organization Theory & Design Textbook, https://studylib.net/doc/26969084/organization-theory-and-design-13nbsped-2019912368-978035...
35. A new ERP software for a new type of organization - POLITesi, https://www.politesi.polimi.it/bitstream/10589/164957/1/A%20new%20ERP%20software%20for%20a%20new%20type%20of%20organization.pdf
36. Decentralized Intelligence: Stigmergy, Simple Rules, and the Future, https://gc-bs.org/articles/decentralized-intelligence-stigmergy-simple-rules-future-organizational-coordination/
37. On the Effects of Authority on Peer Motivation: Learning from Wikipedia, https://www.researchgate.net/publication/325016248_On_the_Effects_of_Authority_on_Peer_Motivation_Learning_from_Wikipedia
38. r/valve - Jeri Ellsworth interview; why she was fired by Gabe, and her, https://www.reddit.com/r/valve/comments/1hca8o/jeri_ellsworth_interview_why_she_was_fired_by/
39. Through the looking glass: Valve - LIFE @ IMI - WordPress.com, https://lifeatimi.wordpress.com/2018/08/23/through-the-looking-glass-valve/
40. Risk culture - The Association of Corporate Treasurers,

https://www.treasurers.org/ACTmedia/IRM_riskculture_full_Oct12.pdf
41. Innovation in induction processes - AITSL, https://library.aitsl.edu.au/media-library/docs/default-source/archived-documents/default-document-library/innovative-induction-case-studies-visual.pdf
42. Valve's flat structure contains "hidden layer of powerful management, https://www.reddit.com/r/Steam/comments/1hvf1g/valves_flat_structure_contains_hidden_layer_of/
43. Valve's flat structure leads to cliques, says ex-employee, https://www.gamesindustry.biz/valves-flat-structure-leads-to-cliques-say-ex-employee
44. Compensation and incentives - Wiki di Reinventare le Organizzazioni, https://reinventingorganizationswiki.com/it/theory/compensation-and-incentives/
45. Psychology and Work: Perspectives on Industrial and Organizational, https://dokumen.pub/psychology-and-work-perspectives-on-industrial-and-organizational-psychology-1nbsped-1848725078-9781848725072.html
46. Psychology and work : perspectives on industrial and organizational, http://lib.ysu.am/disciplines_bk/556aaccf8ae943badf187c59ddf26d43.pdf
47. Lessons from Zhang Ruimin - Antoine Buteau, https://www.antoinebuteau.com/lessons-from-zhang-ruimin/
48. Haier: A Traditional Firm Transforming into a Digital Winner, https://www.researchgate.net/publication/360443139_Haier_A_Traditional_Firm_Transforming_into_a_Digital_Winner
49. RenDanHeYi: Haier's Organizational Model Explained | Peerdom, https://peerdom.com/blog/rendanheyi-model-guide
50. Picking The Brain Of The World's Most Radical CEO: Zhang Ruimin, https://www.corporate-rebels.com/blog/interview-zhang-ruimin
51. Haier's model: “RenDanHeYi” for a new organizational humanism, https://medium.com/@stefanobesana/haiers-model-rendanheyi-for-a-new-organizational-humanism-and-for-designing-our-future-of-work-898ca2186d15
52. Shattering the status quo: A conversation with Haier's Zhang Ruimin, https://www.mckinsey.com/capabilities/people-and-organization/our-insights/shattering-the-status-quo-a-conversation-with-haiers-zhang-ruimin
53. Haier RenDanHeYi - Sergio Caredda, https://sergiocaredda.eu/organisation/organisation-model/haier-rendanheyi/
54. Bureaucracy in Business - Finding The Balance | BCG, https://www.bcg.com/publications/2020/changing-business-environment-pushing-end-to-bureaucracy
55. Zappos's Evolution: From Holacracy To Market-Based Dynamics, https://www.corporate-rebels.com/blog/zappos-market-dynamics
56. Revisiting Tony Hsieh's Kingdom of Happiness: A decade later, his, https://medium.com/@aimeegroth/revisiting-tony-hsiehs-kingdom-of-happiness-a-decade-later-his-radical-ideas-about-8c0d9b1ef062
57. Reinventing Organizations - Sergio Caredda, https://sergiocaredda.eu/writing/book-reviews/reinventing-organizations/
58. Time for revival: re-conceptualising organisational culture through,

https://www.tandfonline.com/doi/full/10.1080/14767430.2026.2617820
59. Frederic Laloux Reinventing Organizations revisited, https://newmanagement.haufe.de/en/strategie/frederic-laloux-reinventiog-organizations-revisited
60. 3D Management, an Integral Theory for Organisations in the, https://dokumen.pub/3d-management-an-integral-theory-for-organisations-in-the-vanguard-of-evolution-1nbsped-1527554260-9781527554269.html
61. Future of work - Reinventing Organizations, https://www.reinventingorganizations.com/uploads/2/1/9/8/21988088/future_of_work-_self-mgt.pdf
62. Reinventing Organizations - sascha-kasper.com, https://sascha-kasper.com/Reinventing%20Organizations%20HTML/chap3-3.html
63. Distributed Leadership - DiVA Portal, https://www.diva-portal.org/smash/get/diva2:820024/FULLTEXT01.pdf
64. Management [12 ed.] 2014943044, 9781285861982 - dokumen.pub, https://dokumen.pub/management-12nbsped-2014943044-9781285861982.html
65. Reinventing Organizations. Living Library | ToGather, https://togatherproject.eu/library/reinventing-organizations-laloux
66. Freedom, Inc. - dirzon, https://email3.dirzon.com/Zon/Dld?target=telegram%3AFreedom,_Inc_*_Free_Your_Employees.pdf
67. Handbook of Personal and Organizational Transformation, https://dokumen.pub/handbook-of-personal-and-organizational-transformation-9783319295879.html
68. Former Valve hardware boss criticises company's 'hidden, https://mcvuk.com/business-news/pc/former-valve-hardware-boss-criticises-companys-hidden-management-clique/
69. Å avideologisere ledelse. Hvorfor mindre kan være mere, https://www.scup.com/doi/abs/10.18261/pof.41.3.2
70. Understanding Teams in Order to Understand Organizational Change, https://www.tandfonline.com/doi/full/10.1080/14697017.2018.1433742