

Editorial

Is there a Future Beyond Flow Charts? New Organizational Structures for Optimal Innovation

*Franc Pontj, PhD.*¹ 

Flow charts and Hierarchy

Since the beginnings of time, the inhabitants of our planet have shown a clear tendency towards organizing themselves following hierarchical guidelines to a greater or lesser degree. It is not the objective of this essay to analyze the causes of or even to uncover the origins of such behavior. Thinkers like Ken Wilber¹ or Gary Hamel², in the field of business management, have analyzed this phenomenon and its implications in depth. The purpose here is that of asking ourselves whether this form of organizational structure is still valid while, at the same time, questioning its viability in the future.

Hierarchy consists in the superimposing, in differentiated layers, of dissimilar levels of power so that, by doing so, the mission of maintaining the status quo of an existing organizational structure is achieved. For example, any given business project can operate hierarchically. On the other hand, a millenary institution like the Catholic Church can do so as well. In the first instance, we are referring to an ad hoc organization that will not last throughout time; in the second, hierarchy is precisely one of the pillars on which the perdurability of this institution is sustained.

One of the ways in which a hierarchic organization gives visibility to its functional structure is the flow chart. Flow charts allow us to clearly observe the different levels of power present within any kind of organization: the supreme leader, the executive team, the intermediate job positions, and the core staff to state so simply. Evidently, we can come across simple flow charts as well as extremely complex ones made up by ramifications, sub-charts, and a series of twists and turns that are very difficult to understand.

It is very complicated to find an organization (political, religious, social, cultural, enterprising, etc.) which does not operate with a flow chart or a similar organizational structure. At times, the suspicious lack thereof is enough to make us wonder whether it is possible for an organization to be deemed as serious or competent if it doesn't have its own flow chart.

When faced with the possible lack of an organizational flow chart, fears and doubts soon start to surface. How will decisions be made without a clear line of command?.

¹ Refer to any works by Ken Wilber, especially "Breve Historia de Todas las Cosas" (1997) published by Kairós

² Refer to "El Futuro del Management" (Paidós Empresa, 2008) or, more recently, "Humanocracia" (Editorial Reverté, 2022).

¹ Innovations Professor at EADA Business School de Barcelona
E-mail address: fponti@eada.edu

Additionally, in the absence of clear leaders or bosses, we presuppose that chaos may ensue, expand very quickly and render the objectives of any given organization unachievable. Flow charts and hierarchy are so embedded in our way of thinking that their absence is the cause of all sorts of suspicions and precautions.

Structure and Organization for Complexity Management

It is very likely for one of the reasons to foster the emergence of hierarchies to be the wish of many societies to maintain a specific status quo. Among many of the theories that mention the birth of hierarchic societies, some place their origins at the beginning of the Neolithic era. Humanity left behind having to move across territories to find food and began to settle and live off regular crops and stored staples. It was at that point when the ancient tyranny powers began to be substituted by hierarchic structures of the imperial kind and when a single authority figure was replaced by different levels of command. This phenomenon has lingered into our times to a great extent and is clearly perceptible in the armed forces, religious organizations, and many public institutions.

However, sedentarism and the cyclical vision of the Neolithic world - held approximately five thousand years ago – has given way to very important changes up until our current times. By means of an example, the ages of Enlightenment and the Industrial Revolution brought about a completely different vision of reality and the relationships among individuals. Hierarchic power structures were partly replaced by meritocracy and the power of reason. The key objective was no longer that of maintaining a status quo but that of changing reality in order to make it evolve.

TEAL Organizations

In the midst of the last century, all known established order was disrupted as a result of the social revolutions that claimed for a deep change in the existing relations with power. Social phenomena such as the student revolt in May of 1968 in Europe and the Hippie Revolution in California promoted a vision of society more focused on teamwork, collaboration, and the distribution of power. It became no longer attractive to compare an organization with a machine, as had been the case at the beginning of the 20TH century without any hesitation, but to adapt such comparison to the new times embodied by the concept of a family. Far from being a mere well-oiled apparatus, organizations now were expected to work together, cooperate with each other, and be respectful towards their surroundings.

It is at the onset of this century when the TEAL (green-turquoise color in English) organizations movement emerges as a new paradigm capable of going beyond everything that came priorly. A TEAL organization, according to the description of Ken Wilber y de Frederic Laloux³, is characterized by three basic elements. Of foremost importance is the fact that its members are guided by a strong and motivating evolutionary purpose. The securing of benefits, always necessary in profit-oriented corporations, is relatively set aside. In second place, belonging to TEAL implies that interpersonal relations become more authentic, that is to say, that the members of an organization don't need to wear a mask to hide their true personality and that, consequently, they may express themselves genuinely. Finally, TEAL organizations tend to replace flow charts and hierarchies with more complex systems in relation to power distribution, autonomy, and trust.

³ Refer to the outstanding work "Reinventar las Organizaciones" (2014), published by Arpa Editorial

New Organizational Ways

Hierarchy has been, still is, and will surely continue being useful in the future. We must ask ourselves whether, in any case, it is the best way to organize ourselves during the troubled times in which we live. Many pioneering organizations are discovering that there are more complex and effective ways of structuring themselves which, by eliminating hierarchical structures as a whole or partly, promote employee trust, facilitate more authentic relationships, and enable all to deal with the tremendous complexity of a challenging environment.

- Network structures: Some organizations have chosen to eliminate verticality and structure themselves as a network. This is the case of Morning Star, a huge Californian tomato-processing company, or of Whole Foods Market supermarkets, recently acquired by Amazon. These are companies that have eliminated the classic “middle management” structure and yield a very important part of the power to employees who are in constant contact with customers.
- Holacracies: These comprise very complex structures in which the flow chart is replaced by a circle. Thus, a holacratic company is made up of several circles composed of people with specific roles who are not hierarchically dependent upon each other. Through a “constitution”, a document that sets out the rules to be followed, holacratic companies choose a way of working based on collaboration, teamwork, and autonomy. Large and famous companies such as Zappos, Apple, and Google have adopted holacratic structures. Traditional bosses have been replaced by managers, whose role is not to command or supervise but to accompany their collaborators in developing their roles in the company.
- Radical models⁴: Some organizations have adopted more radical forms of organization. This is the case of Haier, a Chinese household appliance company made up of several thousand workers, which has created autonomous entrepreneurial units that can design their strategy beyond bosses and controls. Also noteworthy is the Dutch organization Buurtzorg which provides home nursing services and organizes more than nine thousand professionals in autonomous teams without any hierarchical structure beyond that of the distant influence of the founders and various teams of coaches and internal services. Additionally, the American company Patagonia has recently proven the importance of having an evolutionary purpose (the manufacturing of climbing gear without altering the natural environment) which goes beyond the corporate goal of making a profit. Its founder, Yvon Chouinard, has given away his company’s profits to protect the environment in a decision that has gone viral around the world.

A Few Examples of Organizations with hardly any Hierarchy in the Health Industry

In addition to that of Buurtzorg, more and more examples of healthcare organizations adopting non-hierarchical models of internal organization are becoming part of the picture. One of the best-known is the German psychiatric hospital Heiligenfeld. The institution’s way of managing itself is not so much that of vertical transmission of orders, typical of the hierarchy, but instead the implementation of weekly meetings in which all problems are dealt with and decisions are made, through agile and participative methods, with the collaboration of many people involved. In addition, Heiligenfeld has developed its very own method of conflict-management which allows any problem to be confronted quickly so as to find creative solutions.

⁴ For many more cases of organizations with radical management, consult the book “Corporate Rebels” (2020) by Joost de Minnaar and Pin de Morree, published by Corporate Rebels Nederland B.V.

In Catalonia, the Sant Joan de Déu children's hospital is also outstanding as it has been able to move from the classic bureaucracy structure of this type of institution to a much more agile organization, working to improve patient experience and using methodologies such as *Design Thinking* to modify services, create new processes, or develop innovation projects on an ongoing basis. Sant Joan de Déu is known for having implemented changes in the decoration and atmosphere of its premises that break with the classic image of a hospital, thus favoring greater psychological well-being for pediatric patients and their companions.