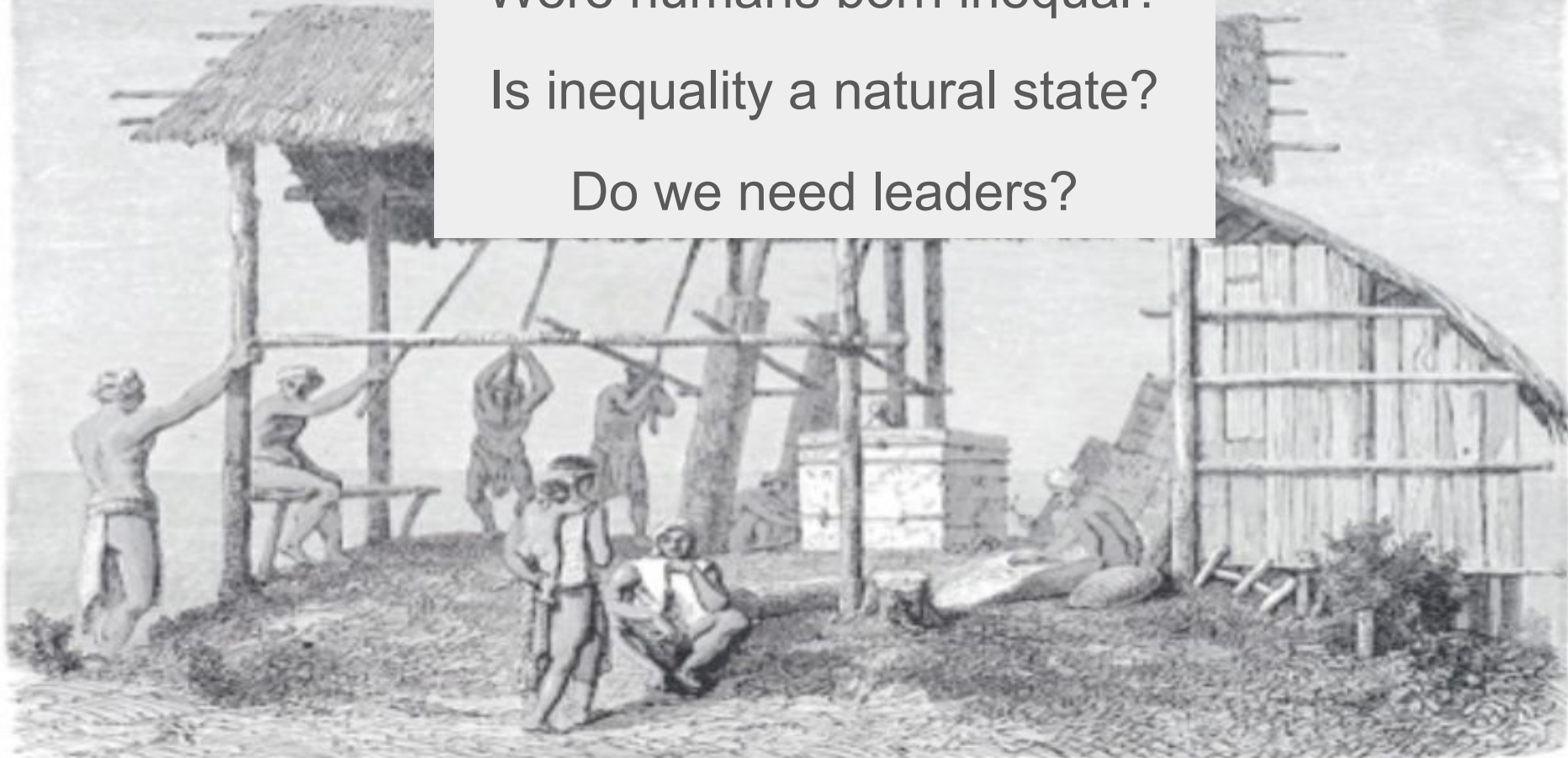


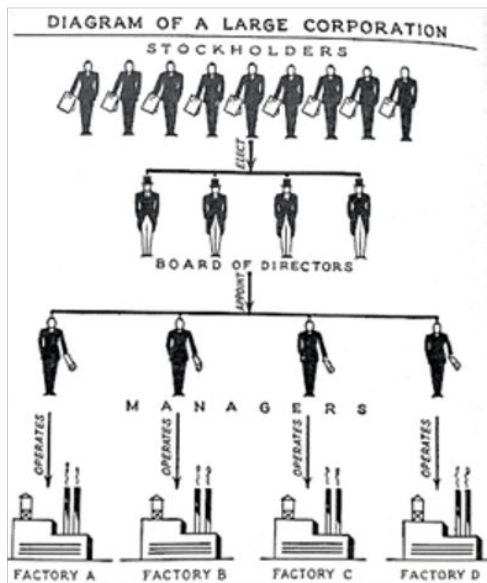
# Cultural and historical embeddedness of organization forms

Organisational design @Aalto 21.3.2023  
Perttu Salovaara, associate professor, University of Helsinki

Were humans born unequal?  
Is inequality a natural state?  
Do we need leaders?



# How does a non-hierarchical organization function?



vs.

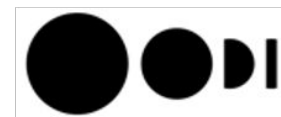
**Dottir**



**VINCIT**



**LUOTO COMPANY**



# Alternatives to hierarchies

Contents lists available at [ScienceDirect](#)

**Research in Organizational Behavior**

journal homepage: [www.elsevier.com/locate/riob](http://www.elsevier.com/locate/riob)

**ELSEVIER**

**RESEARCH IN ORGANIZATIONAL BEHAVIOR**

**Self-managing organizations: Exploring the limits of less-hierarchical organizing<sup>☆</sup>**

Michael Y. Lee<sup>\*</sup>, Amy C. Edmondson

*Harvard Business School, United States*



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**ABSTRACT**

Fascination with organizations that eschew the conventional managerial hierarchy and instead radically decentralize authority has been longstanding, albeit at the margins of scholarly and practitioner attention. Recently, however, organizational experiments in radical decentralization have gained mainstream consideration, giving rise to a need for new theory and new research. This paper reviews the literature on less-hierarchical organizing and identifies three categories of research: *post-bureaucratic organizations*, *humanistic management* and *organizational democracy*. Despite this extensive prior work, scholarly understanding of **radical decentralization** remains limited. **Using the term self-managing organizations to capture efforts that radically decentralize authority in a formal and systematic way throughout the organization, we set forth a research agenda to better understand less-hierarchical organizing at its limits.**

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## Leadership in the Plural

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ANN LANGLEY

*HEC Montréal*

VIVIANE SERGI

*HEC Montréal*

## WHAT'S "NEW" ABOUT NEW FORMS OF ORGANIZING?

PHANISH PURANAM  
INSEAD

OLIVER ALEXY  
Technische Universität München

MARKUS REITZIG  
University of Vienna

In order to assess whether new theories are necessary to explain new forms of organizing or existing theories suffice, we must first specify exactly what makes a form of organizing "new." We propose clear criteria for making such an assessment and show how they are useful in assessing if and when new theories of organizing may truly be needed. We illustrate our arguments by contrasting forms of organizing often considered novel, such as Linux, Wikipedia, and Oticon, against their traditional counterparts. We conclude that even when there may be little that existing theory cannot explain about individual elements in these new forms of organizing, opportunities for new theorizing lie in understanding the bundles of co-occurring elements that seem to underlie them and why the same bundles occur in widely disparate organizations.

## How Mercedes-Benz addresses digital transformation using Holacracy

Malte Ackermann

*Nürtingen-Geislingen University, Geislingen, Germany*

Sabrina Schell

*Institute for New Work, Bern University of Applied Sciences, Bern, Switzerland, and*

Susanne Kopp

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Digital transformation using Holacracy

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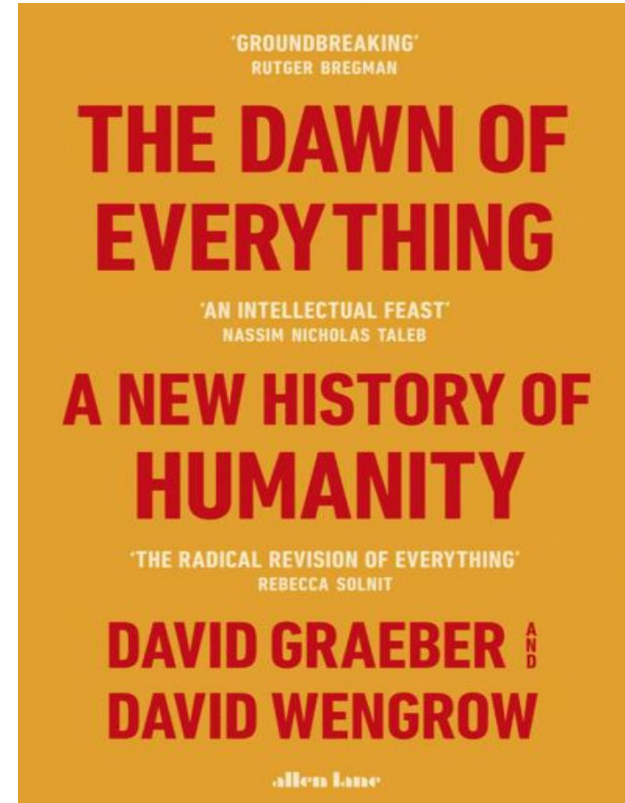




# Political and ideological narratives colliding

Large populations can't function without leaders who make the decisions, executives who carry out the decisions, and bureaucrats who administer the decisions and laws. Alas for all of you readers who are anarchists and dream of living without any state government, those are the reasons why your dream is unrealistic: you'll have to find some tiny band or tribe willing to accept you, where no one is a stranger, and where kings, presidents, and bureaucrats are unnecessary.<sup>5</sup>

A dismal conclusion, not just for anarchists but for anybody who ever wondered if there might be a viable alternative to the current status quo. Still, the truly remarkable thing is that, despite the self-assured tone, such pronouncements are not actually based on any kind of scientific evidence. As we will soon be discovering, there is simply no reason to believe that small-scale groups are especially likely to be egalitarian – or, conversely, that large ones must necessarily have kings, presidents or even bureaucracies. Statements like these are just so many prejudices dressed up as facts, or even as laws of history.<sup>6</sup>



# Thinking about organizing

- Homo homini lupus (Hobbes 1642)
  - Impact of human image on organizing & leadership?
- Taylorism: 'scientific' evidence for division of labor
  - Task division & task allocation
  - Information & Reward
- Mary Parker Follett: power-with/-over
- Hawthorne studies/effect



THE  
INTERNATIONAL  
BESTSELLER

'Made me see humanity  
from a fresh perspective'  
Yuval Noah Harari

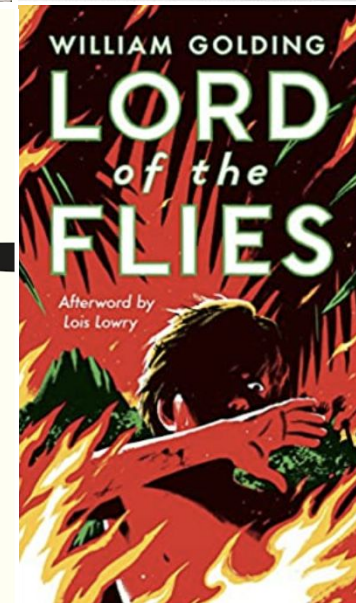
'Hugely, highly,  
happily recommended'  
Stephen Fry



# Human kind

A Hopeful History

Rutger Bregman



# Is human history leader-centric?

## Ferguson, *The Square and the Tower* (2019)

*'historians have paid too much attention to hierarchies (monarchies, empires, nation-states, governments, armies, corporations) and too little to the loose social networks that often end up disrupting them'*

- Towers: vertical authoritarian structures
- Networks: horizontal connections

## Graber, *Possibilities: Essays on hierarchy, rebellion and desire* (2007)

- Egalitarian relations considered 'chaotic, corporeal, animalistic, dangerous'
- Mechanism of maintaining current order: claiming the other rebellious disorder

NIALL  
FERGUSON



THE SQUARE  
*and the* TOWER

NETWORKS *and* POWER,

*from the* FREEMASONS *to* FACEBOOK





# Seasonal organization

## ‘Seasonal variations of Eskimo’

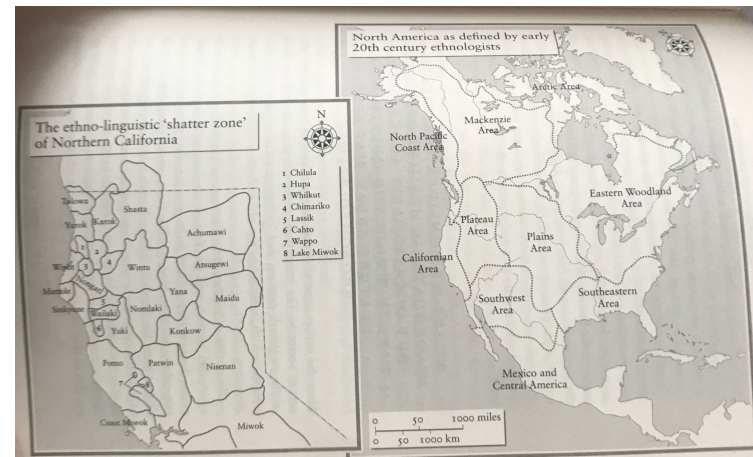
- Inuit ‘have two social structures, one in summer and one in winter, and (...) two systems of law and religion’
- Summer: bands of 20-30 people for catching fish, caribou, reindeer
  - coercive, tyrannical power by band male
- Winter: gathered together, large meeting houses of wood and stone
  - equality, altruism, collective life

## Kwakiutl, indigenous hunter-gatherers of Canada’s Northwest Coast

- Winter: plank-built palaces at river delta along the coastline, nobles & slaves, potlach, hierarchy, regulations
- Summer: smaller clan formations, less formal structure
- Different names in summer and winter

## Cheyenne & Lakota nations on Great Plains

- Late summer/early autumn: large settlements for buffalo hunt
- Authoritarian ‘police force’ issued orders & used coercive power: imprison, whip, fine anyone who endangered the proceeding
- After hunting season => society splitting into small mobile bands
- Rotating authority each year between clan or warrior clubs



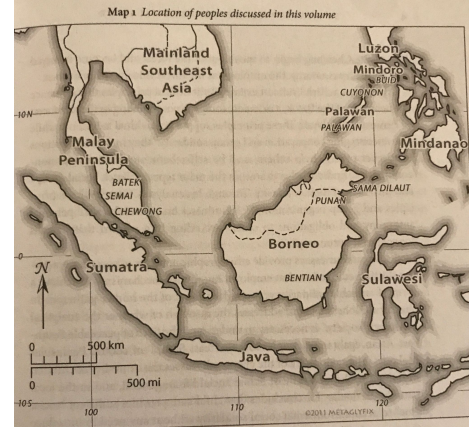
- Cultures did not maintain/prefer one particular order, but moved between alternative social arrangements
- Org design: organization matches the environment





# Anarchic solidarity in Southeast Asia

- **An-arche:** without government/ruler
- **Solidarity:** unity of feeling, strong commitment to mutual support within a group, while defending personal autonomy
- Number of societies in SEA have in common “*a mode of sociality that maximizes personal autonomy, political egalitarianism, and inclusive forms of social solidarity*”
- **Open aggregation:** the ease by whereby social relations and groups are formed and dissolved, frequent shifts in group membership, groups weakly delineated and overlapping (flexible); individuals and families can join or leave them at will
- Non-authoritarian patterns based on solidarity and cooperation
- **Autonomy, equality, community, dominance (Graeber, 2007)**



## Anarchic **SOLIDARITY** Autonomy, Equality, and Fellowship in Southeast Asia



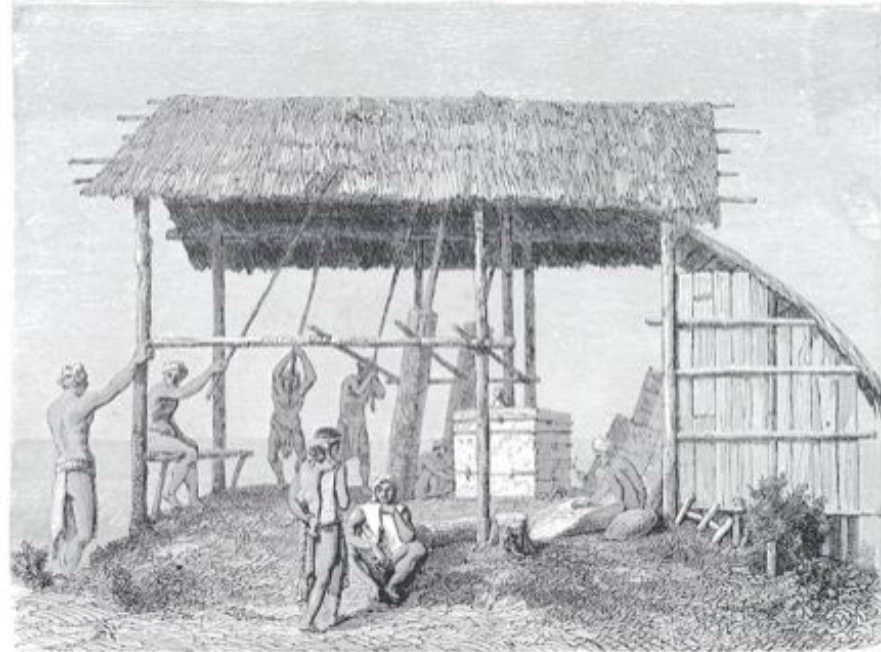
Thomas Gibson  
Kenneth Sillander  
editors



# Cooperation for common goals

## Indigenous people's social norms in SE Asia

- Mutual aid: necessary condition for individual autonomy
- Sharing food & possessions: supports the values of autonomy and non-accumulation of wealth, while exchange creates dependencies & hierarchical relations
- No conceptual space for leaders, no mechanism for coercion: 'without leaders of any kind that can tell us what to do'
- Individual agency and sense of community
- Village elders' power & decisions need to be tolerated by people - or they might leave



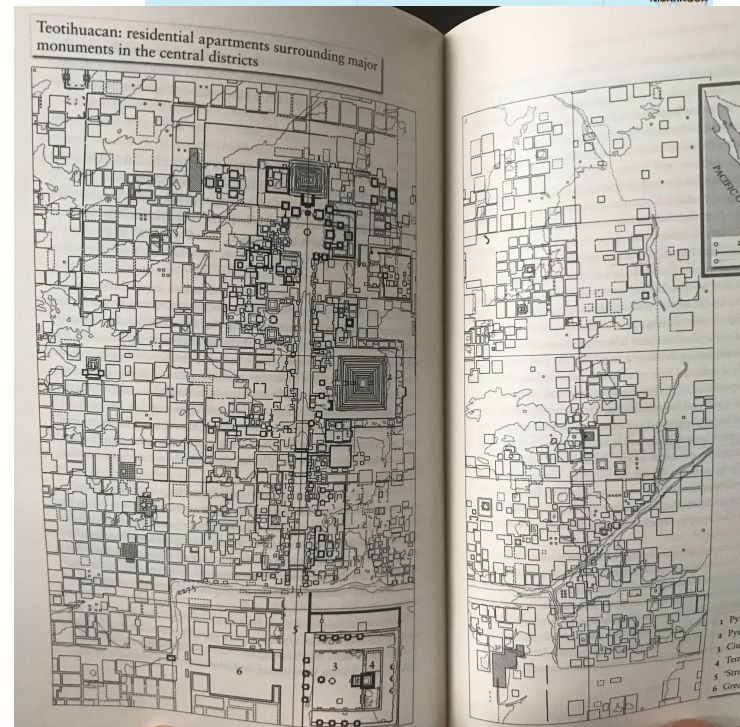


# Aztec city of Teotihuacan 100BC - 600AD

- Population around 100'000
- A way to govern without overlords
- Other Classic Maya cities: temples, ball-courts, images of war and captives, complex calendrical rituals, biographies of kings
- In Teotihuacan: no image of rulers, 'different'
- Anti-dynastic, more egalitarian distribution of resources, 'collective governance'?

## Architectural plan

- two pyramids and a fort at the centre, great effort to create a ritualistic architectural stage for calendrical rituals
- typically: palaces & elite quarters around ritual stage for rulers & their kin, privileged, monumental art to celebrate victories & status - but not in Teotihuacan
- Instead, high-quality apartments for nearly all population, form of 'social housing'
- Around 300AD: dismantling some temple constructions, no ritual killings
- Even more modest apartments showed signs of corn tortillas, eggs, turkey, rabbit meat, alcohol = high standard of living for many, almost all
- 



# Council instead of chiefs or kings

Hernan Cortés in meso-America, conquering the city of Tlaxcalteca around 1519-1526

- Long-standing resistance, but no supreme overlord => Cortés had to negotiate with representatives of a popular urban council whose every decision had to be collectively ratified
- Manuscripts of speeches by Spaniards and their Tlaxcala counterparts: 'urban parliament, which sought consensus for its decisions through reasoned argument and lengthy deliberations' (G&W 353)
- 'A republic ruled by a council of between 50 and 200 chief political officials'
- Not governed by king or rotating office holders with authority, but by council of elected officials
- Compare with democracy: principles of consensus decision-making and reasoned debate
- Was this some sort of democratic governance? These 'natives' creating various 'political' constitutions?



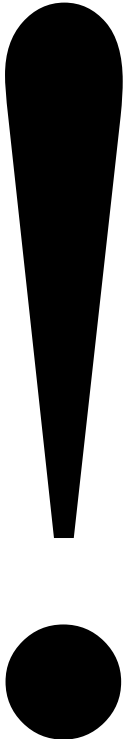


# Summary/overview

- Not true that small bands were autonomous and without hierarchy, and that bigger groups were always authoritarian and centrally administered
- Not true that humans reached equality only in small primordial groupings
- Egalitarian and authoritarian cultures, simultaneously or in a rotating order
- People were capable of imagining and practicing alternative forms of organizing: 'bold experiments in social form'?
- Embracing a wide range of social arrangements

## Dominance of hierarchy

- Is it natural or inevitable?
- Why have we allowed a system of inequality to take the upper hand?



# Iron law of oligarchy

How do  
alternative/ more  
democratic  
/less-hierarchic  
organizations  
operate?

Article

## Why Michels' 'iron law of oligarchy' is not an iron law – and how democratic organisations can stay 'oligarchy-free'

**Thomas Diefenbach**

Charles Darwin University, College of Business and Law, Australia

### Abstract

More than 100 years ago, Robert Michels laid out his theory of the 'iron law of oligarchy'. The main, and crucial, point Michels made is that oligarchy will always emerge; even in the case of genuine attempts to organise and run organisations in non-oligarchic or non-hierarchical ways, the iron law allegedly holds sway. This paper critically examines, and refutes, Michels' theory on theoretical and methodological grounds. It argues that his theory is in many ways insufficient and that his dictum of the unavailability of oligarchisation is not as compelling and cogent as stereotypical references to it might imply. Moreover, the paper shows that alternative/democratic organisations actually have a whole range of means to avoid oligarchisation.



Organization Studies

1–18

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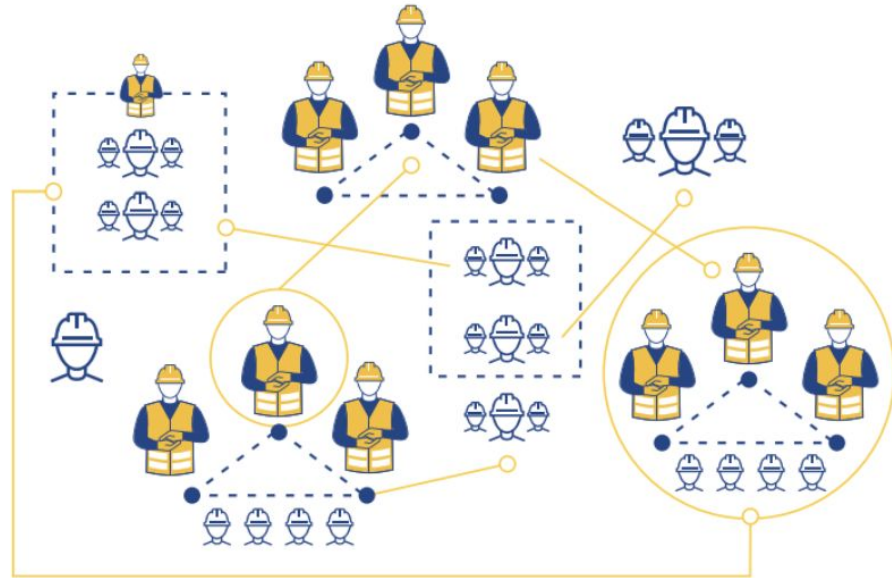
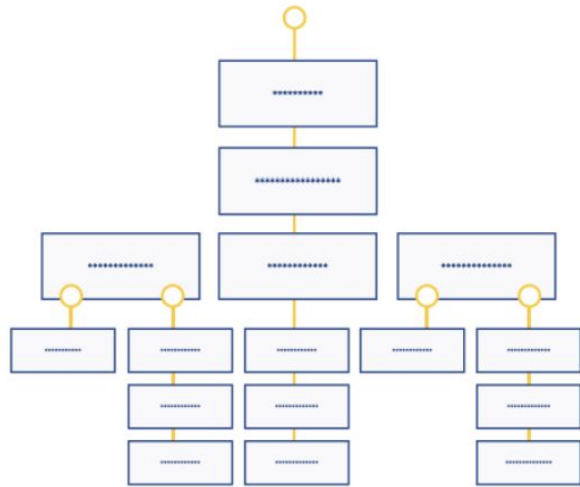
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DOI: 10.1177/0170840617751007

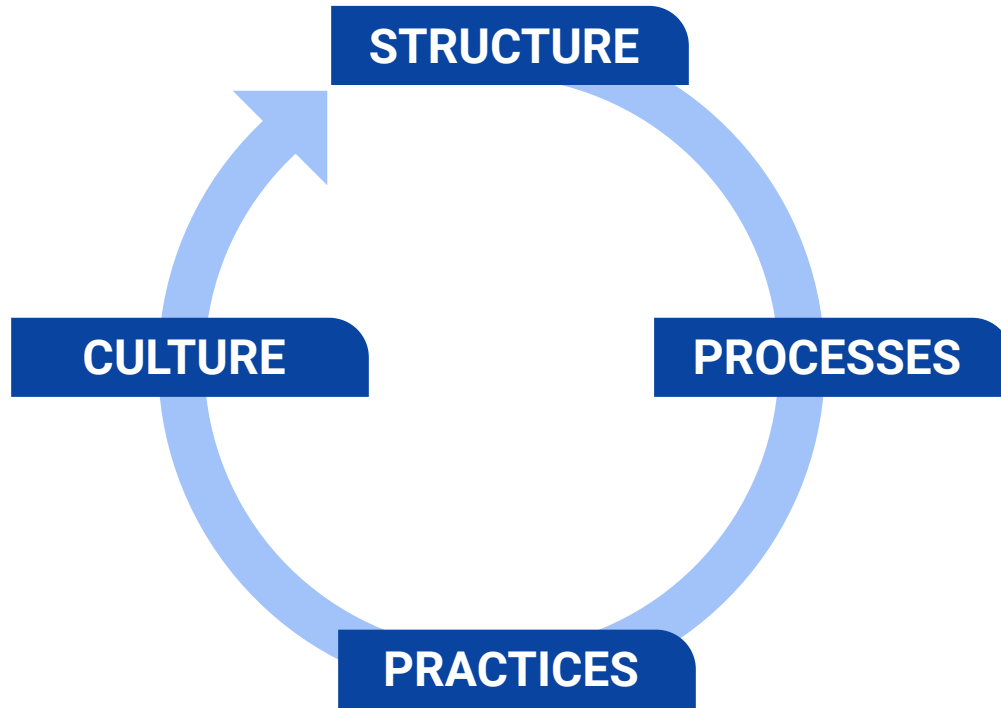
[www.egosnet.org/os](http://www.egosnet.org/os)



# The square and the tower: the informal organization



# Yhteisöohjautuvuus - sosiaalinen infrastruktuuri





Please discuss in trios  
for 5 min:  
What you think of these  
perspectives?  
Questions, comments?

For further reading in Finnish, e.g.

