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CREATING EXTRAORDINARY ORGANIZATIONS
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I am writing this letter for those innovators, explorers, and pioneers who want to move beyond the ordinary to the Extraordinary in creating business organizations.

THOUGHTS ON LEADERSHIP — IS IT NECESSARY? Part 2

Welcome to letter 2-8. In my last letter, I questioned whether leadership is a useful term and whether organizations need leaders or leadership. I answered no to both of these questions. I based this on two points: Communication and Organizational Effectiveness.

In this letter, I am going to talk about the requirements for having a leaderless organization and give some examples. I guess that your most important question as you read this is whether a leaderless organization is actually feasible. It is my intention that by the end you will believe that it is.

Eight Conditions for a Leaderless Organization

For an organization to be leaderless, it must meet all eight of these conditions:

1. Every member must know that s/he is part of two systems—the organization and the activities it performs. Together they comprise the enterprise or business.

If s/he does not know this, s/he cannot function effectively as a member of the organization.

2. Every member must know what product or service the business is producing and the purpose for doing so.

That is each member must know who is going to use the product or service and what benefit the user will get from using it. Common purpose is what turns a group of people into an organization. Unless each person knows the purpose, s/he cannot function as a part of the organization.

3. Every member must know what function s/he fills in the organization, the business activities for which s/he is responsible, and their required outputs.
4. Every member must have the capability to perform his/her activities and fulfill his/her function.
5. Every member must commit to contributing his/her capability to the whole and fulfill that commitment.
6. Every member must be willing and able to work effectively with others in the organization related to his/her function in any way.

This includes meeting commitments and building trust with each other. Unless people can work together as a social system they cannot work together as a producing system

7. There must be virtually instant communication among members.
8. Every member must be willing and able to take full responsibility for successfully fulfilling his/her function without a leader, supervisor, or other authority figure.

That is s/he must be willing and able to function without a “leader”.

There is nothing very different about 1-6. Any organization’s success relates directly to how well its members fulfill these criteria. Unfortunately, many people in many organizations fail to fulfill or even understand them.

The most crucial criteria are the last two. Although it sounds impossible, Criteria 7 is not out of reach. It happens as a matter of course in small groups who operate face to face. It used to be very hard to meet this in large groups. However, we now have the technology to make this a possibility.

Unfortunately, many, if not most, people cannot meet criteria 8. They have operated in an authoritarian world of command and control too long. As a result, they have lost their ability and/or desire to function responsibly on their own.

Examples

Here are three examples. The first is a self-managed team that is a well-known, but still not widely used, form of organization. The second is an organization that is completely self-managed but still has some overtones of leaders. The third is a completely leaderless organization. I believe that these show definitively that leaderless organizations are indeed feasible.

GE/Durham

This plant builds jet engines—big jet engines. It has about 170 workers and one plant manager. An article in Fast Company magazine gives an extensive look at this plant. This quote from the plant manager gives an idea of the culture there:

Ask her what the basic principles are, and she doesn't hesitate. "There are four," she says. "One, we have a layerless organization: There is just one classification of worker. Two, people are paid according to their skills. Three, everyone is an FAA power-plant mechanic -- meaning that he or she comes highly skilled. And four, this is a team environment that requires a highly involved workforce."

This is a very good example of a very advanced self-managed team plant. However, it still operates in the context of a hierarchal system. You can find the full story at

<http://www.fastcompany.com/magazine/28/ge.html>

Orpheus Chamber Orchestra

This is a world famous orchestra of twenty-six members—with no conductor. Founded in 1972, it gave its first Carnegie Hall concert in 1978. Since 1984, it has been recording for Deutsche Grammophon. A group composed of one representative from each of the sections of the orchestra makes decisions about interpretation of the music. Each section also has what they call a leader. This person is more like a lead player and has no formal authority. Everyone rotates through this position and through the positions of concertmaster and “first seat”. An article on the orchestra says:

The key to their success at first appears to be something of a paradox; individuality within a team-based environment. Members of the orchestra have managed this through three crucial factors:

1. they can work as specialists (with their respective instruments) as well as generalists (when contributing to interpretation debates and decisions);
2. they have mastered the art of making “respectful but direct criticism”; and
3. each member of the orchestra is passionately committed.

The orchestra differs from GE/Durham in that it is the whole organization; not part of a larger one.

Sudbury Valley School

This school has operated successfully since 1968. It is a truly leaderless organization. There is no principal. There are no formal teachers. Its members govern daily operations through the School Meeting, which meets once a week. Its participants set the rules on operating policies of the school. It elects clerks to do various administrative jobs. It decides each year who will be on the staff.

Every one of the 200 or so students and every one of the ten to fifteen staff members has a single vote. A School Meeting Chairman presides over the meeting using Roberts Rules of Order. This is not an authority position.

The school operates for the benefit of the students and has total freedom—there are no formal classes, no requirements, no grades, and no transcripts. This is the only truly Extraordinary Organization that I know. It lives by all five of the core beliefs and meets all eight of the criteria.

Conclusion

It is not easy to have a leaderless organization. There are difficult criteria to meet. However, it is possible. The three examples show a progression that starts with self-managed work teams, which still operate in a hierarchical context.

Next is a self-managed, non-hierarchical organization that almost operates according to all five core beliefs.

Finally, there is an Extraordinary Organization demonstrating all five. Although these are a rare breed, they do show that the idea of a leaderless organization is feasible. Indeed, it is only a few steps away from the standard type of organization—but they are important steps and tough to take.

Until Next Time

For the last six letters I have been describing the five core beliefs and thoughts on leadership. These determine how an organization approaches four key processes. Every organization has to accomplish

these successfully to be successful. I am going to devote the next set of letters to describing these processes.

Be Well, and Be Extraordinary!
Don Yates
Extraordinary Organizations

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