

## **A Level Business Organization Model And Its Impact On Employees Performance**

**S. Suganya**

Assistant Professor MBA, Department of Management Studies  
Bharath Institute of law,  
Bharath Institute of Higher  
Education and Research  
Selaiyur, Chennai, Tamil Nadu 600 073

### **ABSTRACT**

Traditional management models of organization and creating hierarchical levels reach its limit. In this hyper competitive world modern companies search for the efficient model of organization which would enable them to structure businesses and avoid unnecessary managerial – hierarchical levels and thus reduce costs. Horizontal Business Structure represents one of the alternative ways of organization and creating new organizational structure which would largely help companies to run their business more effectively. Over the past few years, many firms have taken a sledgehammer to the traditional corporate hierarchy. In place of bosses and managers, employees at each companies are expected to self-organize into teams and handle every one. This alternative system of management will be dealt with in this paper, as well as its development, practical application, advantages and disadvantages which such a model has got and its impact on organizational employee's performance which turns organization to gain cost effective process, efficient time management, and greater transparency for successful conduction of business in the competitive world.

**KEYWORDS:** Holacracy, Self-organizing teams, Organization Structure, Organization Performance

### **INTRODUCTION**

Numerous challenges that modern organizations are faced with, among others comprise rapid changes in the environment, and it can be said that these are at times completely disordered. Predictability of environment has become a matter of past. However, even in these conditions many companies still function according to the traditional model of so called top down hierarchy. This form of organizing cannot be said to be wicked, quite the contrary. It has become inadequate for the environment possessing characteristics of great complication. According to the words of management expert Gary Hamel “the environment is becoming extremely turbulent and surpasses the capability of organizations to adapt in due course.

The foundation of traditional organizations has not even been “made” for this kind of changes”. Here the Holacracy does not use permission but it also appears not to predominate complaints. Every suggestion must have a real example of how it will enable or prevent something from happening. The adoption of a policy is based on how the proposed action will negatively affect the team or individual roles within the team. Such negative effects and all other descriptions have to be tangible well-grounded arguments, not abstractions or hypothetical's. When there are no further objections, the policy is adopted but there is no consent round, which is inferred to be a vote.

**A ROBUST SYSTEM FOR DISTRIBUTING AUTHORITY**

Holacracy offers a new “communal technology” for governing and working an group—one that reliably distributes power, stiffness and self-organization into employee basis. Here the rules and processes through which the structure itself goes in its business.

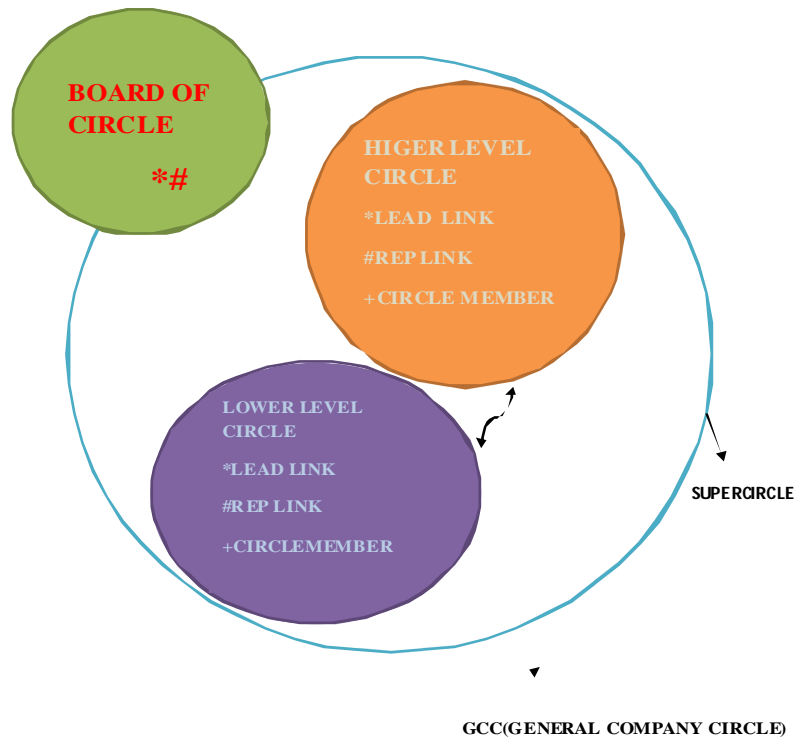
“The communal technology basis modern companies has become the first frontier to their steps forward and flexibility” Holacracy One co-founder Brian Robertson says “It enables just-in-time awareness to tensions and opportunity at every level of the organization”.

The outcome is an organization that is repeatedly growing through arrangement and processes on peer-to-peer governance. Many business leaders have suspicions about shifting to a more dispersed authority constitution, fearing that they would be fading in their fiduciary duty by allow their organizations to descend downward into leaderless chaos. Many find the plan of self-organization engaging, but self-organization doesn’t occur by itself. It requires neat, hard-working, advanced chosen who know that challenging control is not the best method for triumph. Obviously, leaders can’t pay for discard structure in total, and anyone who has tried management an organization by agreement knows that it can be manageable at best.

In Holacracy, top-down level is replaced with a strong and quick process which keeps each one fused as they finds that complicatedness in their business. Holacracy is often misjudged as being “flat” or “radical,” it is in reality an immensely planned way to allot power and facilitate self-organization, with built-in safeguard and vigilantly experienced rules and processes.

Just as companies like Uber and AirBnB are efficient because they’re built on sophisticated industrial platforms that allows the company to design itself. It distinguishes itself from numerous new-paradigm business practices that merely “fasten on” pioneering ideas while departure the primary operating system hurt.

**NEW WAY TO STRUCTURE THE ORGANIZATION AND DEFINE PEOPLE’SROLES AND ACCOUNTABILITY TO PERFORM.**



**MODEL EXPLANATION**

The above model deals with a horizontal business organization structure which defines various sub circles within the general company circle. It consists of board circle members, higher level circle and lower level circle. The sub circles are arranged in the hierarchical order. Each sub circles consist of lead link role player, rep link role player and the circle members. The lead link role player will assign each role to the circle members according to their skills. Within the subgroup, there will be two or more groups according to the different company policy framework. The rep link role player is selected by each group circle members within each sub group. The circle members will make each decision according to the expectation of the organization goal and also the decision will be with a reference under the governance framework based on the holacracy concept. Each circle members will present their own ideas in front of lead link role players. In this presentation, the circle members can raise their voice if the presenter's decision is not generally applicable to the circle members. Every after two months a governance meeting will be held, here the CEO and each group lead link role players will participate and they will discuss the status of company and about any updating to be given to the circle members.

**FIELD REVIEW**

The researchers visited five different manufacturing companies in an around Sriperumpathur to carry out research on horizontal organization model with reference to holacracy with the objective of analyzing the possibility of implementing the proposed model and its impact on organization performance. The researcher had interview with those companies higher level officials to know the feasibility of the model implementation, where the selected officials responded towards structured questionnaire as such that the delegation of authority and how it prevents work displaying in the case of manager absence and also delegation reduces the level of centralism in decision-making so that the organization can perform quite faster to complete task which is being allotted to every employees. This model will not be much easier to implement in large organization where it is possible to an extent in micro and small level companies like ZAPPOS (an online retailer company) in USA who adapted this concept and they experienced the huge outcome over it. The benefits of this flat model will help those type organizations to reduce expenditure and gain advantage over cost which turns company to earn profit in short run. In this approach employee retention is possible and we can remove all job titles, for instance, it will prevent the risk of clashes between employees and managers, which is a cause of tensions and inefficiencies into a company. Here the engagement levels of the workforce will be higher if all the employees are equally responsible and empowered. This will, in turn, lead to increased productivity and competitiveness and finally, it will lead to company sustainability in this future competitive environment.

**PROCESS**

By issuing leadership throughout the organization, Holacracy desires to be more of an open system where its employees are more in touch with the varying environment. By encouraging their roles, individuals sense opportunities, called pressures to improve the organization to align better with its purpose. Holacracy divides tensions in two classes tensions on operations the handling of the work and pressures on governance structure of the organization.

**MEETINGS**

To enable the effective execution of tensions of operations, the members of a circle have various meetings with different scope and at different intervals, from daily to yearly. Circle members also meet regularly to evolve the governance process of the circle to uncover the roles needed to reach the circle's aim. The various circles coordinate their information by applying the concept of double linking. In each circle meeting one elected member from the super circle ('lead link') and one elected member from every sub-circle ('rep link') attends the meeting to ensure the circles decisions align with the needs of the super circle and the views of the sub circles. Decisions are made based on consent instead of consensus and should lead to actions that allow quick feedback rather than a thorough cause analysis. This concept of quick decision-making based on real data to enable rapid feedback is called Active Steering in Holacracy, and will be explained more later on in this chapter. Although there is a lot more to Holacracy than we summarized here, the above description gives a basic overview of how Holacracy works.

**AGILE**

The Agile movement arisen in a response to break with the traditional up-front plan-driven software development approach called waterfall. Where the waterfall method is a highly prognostic approach, the agile methods desire to be highly adaptive and are therefore able to respond to changes in the environment. Robertson states that today's complex organizations can be compared to complex software systems and have the same need to be able to adapt to an ever changing environment. Agile software development tries to achieve control by acceptance change and adapting continually instead of relying on up-front prognostic analysis. At the organizational level this concept can be compared with the concept of active steering in Holacracy, where the decision-making process focuses on quick response from reality.

**DOES HOLACRACY WORK**

In order to be able to motivate about whether Holacracy could work for your company or not, the observe is discussed here from the perception of the investigated administration theories, software expansion methods Scrum and RUP, the experience of a Holacracy practitioner and from the viewpoint of my own modest supervision experience.

**CONCLUSION**

In this chapter we reported on Holacracy, a relatively new governance construction that could probably restore top-down hierarchies in organizational design in order to enlarge the success of organizations. Because Holacracy aspires to bring quickness to the managerial stage it is likely to balance with existing Agile approaches in software improvement, hence it is related to provide an indication of what Holacracy is and what we can learn from Holacracy in administration our own businesses. Instead of a conventional top-down ladder, a holacratic society consists of a ladder of self-organizing circles in which human resources strengthen numerous roles. Each role has a distinct idea with an open sketch of the work to be done and the required tasks and ability to accomplish the role. Hereby decision-making is scattered all over the organization and human resources are given the opening to act on tensions they sense at their level of the organization. Information flows all the way through levels of the company by on condition that a skeleton for proficient strategic tactical and governance meetings. The formation of the association emerges

obviously by stimulating tensions all the way through the business in order to satisfy the purpose of the organization. To form a judgment we have discussed Holacracy from a variety of perspectives. Open theories have been shared and sophisticated within Holacracy, ensuing in ground-breaking concepts like vibrant steering and organizational perception. Also practices from obtainable theories have been integrated to guarantee successful organizational culture and a resourceful practice. From the outlook of theories, Holacracy looks capable, but (empirical) confirmation is needed to hold in hyper competition.

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