

## PRAISE FOR *A RADICAL ENTERPRISE*

“*A Radical Enterprise* is a masterclass on the future of business. Parker inspires us with practical solutions for building open, decentralized organizations and shows us how to create the conditions for teams of any size to find meaning and fulfillment in their work.”

—**Aaron Pava**, Chief Experience Officer (CXO),  
CivicActions

“This book will challenge you! Matt K. Parker explores the often surprising frontiers of how organizations can run. He looks at thirteen businesses that have chosen to adopt organizational philosophies that may seem alien and strange but when presented with fifty years of scholarly research are suddenly not so crazy after all.”

—**Gene Kim**, Author, Researcher, and  
Founder of IT Revolution

“Parker has had a front row seat as many organizations sought to empower their teams and become more nimble and effective. He has seen what works and what doesn’t. This book will give you the often surprising answers. It turns out that making your organization more powerful depends on senior leaders giving up their power. Parker does a brilliant job explaining why that not only works but is necessary to create more effective and more enjoyable workplaces.”

—**Paul Gaffney**, Chief Technology and  
Supply Chain Officer, Kohl’s

“Management as we know it is a century-old, outdated technology; we need to radically reinvent how we organize and collaborate to rise to the challenges of our time, and this book offers some powerful tools for that journey.”

—**Brian J. Robertson**, author of *Holacracy: The New Management System for a Rapidly Changing World*

“Matt takes years of intuition and learnings from the bleeding edge of hypergrowth software organizations and codifies them in a framework that applies to any knowledge-work business. It’s an exciting glimpse into the future of work we should all strive to achieve.”

—**Ross Hale**, CEO, Artium

“*A Radical Enterprise* is a very important work and deserves to receive a very wide readership. It is organized around what makes up the foundation of radical collaboration: team autonomy, managerial devolution, deficiency gratification, and candid vulnerability. The author gives many real-world examples of radically collaborative companies practicing these imperatives.

Even after a few years of practicing and studying the field of radical collaboration, I was surprised by some of the statistics. For example, ‘98% of employees are authentically dedicated, 97% are deeply accountable, and 97% are fully responsible for their work and actions.’

What I found most refreshing about this book is that it speaks to what is key and important to becoming a radically collaborative workplace and producing tangible results. And it’s about how our world is going to metamorphosize from a system of domination to one of collaboration. Kudos to Matt Parker!”

—**Matt Perez**, cofounder of Nearsoft and  
coauthor of *RADICAL Companies*

A  
**RADICAL**  
Enterprise



Pioneering the Future of  
High-Performing Organizations

A  
**RADICAL**  
Enterprise

MATT K. PARKER

IT Revolution  
Portland, Oregon



# IT REVOLUTION

25 NW 23rd Pl, Suite 6314  
Portland, OR 97210

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A RADICAL ENTERPRISE

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To Charlie, Ruby, and River,  
and to the radically collaborative future you may inherit.

## PREFACE

Every book begins as an idea, and every idea is born in a time and place. So I guess you could say that this book was born in a basement in the year 2001. At that time, I had just started my first programming internship within the IT department of a major hospital system in Dallas, Texas. On my first day, my manager met me in the lobby and led me to an elevator, which, to my surprise, took us not *up* to where I imagined I would be working but *down* to the basement, where we wound our way through a subterranean maze of flickering fluorescent lights and cinder block corridors until we arrived at an unmarked door that my manager opened while saying, “Welcome to IT.”

Behind that unmarked door stood a cramped and dim cubicle farm populated by programmers and IT professionals and lit by the pale glow of terminals. The carpet was gray, as were the chairs and cubes. There were no windows, no plants, no decorations, and, most unsettling of all, no noise save the tap-tap-tapping of fingers on keys and the whirring of a tape archive system emanating from an even deeper chamber within this veritable dungeon.

To say that this environment was oppressive would be an understatement. This was the stereotype we all joke about, the impersonal corporate hierarchy, but here it was made real as it literally and figuratively bore down on the knowledge workers toiling away underground, creating and maintaining the software and systems that the hospitals ran on.

This was where intense and unyielding managers drove impossible deadlines with unrealistic scopes. Where IT professionals suffered long hours in quiet desperation. Where passion, innovation, and creativity were slowly yet unrelentingly drained from the workforce and replaced by disengagement, mistrust, and apathy.

I was young and inexperienced at the time. I knew nothing about the theoretical underpinnings of this way of working or the empirical evidence against its financial efficacy. Nonetheless, I was convinced of three things:

1. This way of working is bad for people.
2. This way of working is bad for business.
3. This way of working is a choice.

That's not to say that I thought this way of working was due to the choice of any one individual. Rather, I intuited that nothing about this way of structuring and organizing knowledge work was necessary.

It is not individual choice but the collective sum of present and past choices that has resulted in this self-replicating system of work that dehumanizes people, sabotages organizational performance, and diminishes creativity and innovation. We have collectively taken a world so filled with the potential for joy, fulfillment, and meaning and replaced it with an encumbrance of stress and strife. What I guessed then but now *know* is that we can make any sort of world we want, if only we disentangle ourselves from the historical morass that we have all inherited and find a new path forward for human sociality.

Of course, back in 2001 I had no idea what that new path might look like, so I spent the next ten long years working in a series of dehumanizing environments until a small but reputable consulting company, Pivotal Labs, invited me to interview with them. I had used their opinionated product management software, Pivotal Tracker, for years, but I knew next to nothing about how Pivotal Labs actually worked. Since I was employed by a large hierarchical enterprise at the time, in which the daily experience of work was akin to swimming upstream through a river of mud, I jumped at the opportunity to interview somewhere else.

I'll never forget my first impressions of Pivotal Labs. Back then, their New York office was a single open floor—a tumbling sea of sitting and standing desks. Each desk had one computer but two developers programming together by passing control of the keyboard and mouse back and forth. I had heard of “pair programming” before, but I had never seen it and had certainly never imagined it at this scale. The sight of so many pairs was staggering—and so was the *sound*.

It was loud. All the pairs were talking. They were discussing, debating, and debugging their code all at once and in the most animated tones, resulting in a dazzling mixture of passion, humility, fascination, and frustration swirling about the room.

But there was something more about this situation that impressed upon me. Something unexpected. At first I couldn't quite place what it was,

but then it hit me: they were *smiling*. There were literally *so many smiles* in the room. I had spent so long working within a demoralizing environment of domination and coercion that the experience of seeing joy at work was uncanny.

Needless to say, I took the job. I spent the next decade working for Pivotal Labs. I learned the ins and outs of Extreme Programming, Lean product development, and human-centered design. I played a variety of roles, including consultant, manager, director, and global head of engineering.

On teams, I experienced a sense of partnership and equality that I had never known in previous jobs. Instead of disengagement and mistrust, I found passion and belongingness. Instead of politics and control, I found candor and vulnerability. Joy, meaning, purpose, fulfillment—all of these qualities became possible, if not always attainable, while I was there.

Unfortunately, this state of affairs didn't last. Thanks to a series of acquisitions, Pivotal Labs struggled to maintain a culture of radical collaboration over the intervening years. It increasingly adopted elements of traditional corporate hierarchies until it was eventually acquired and dissolved by a hierarchical behemoth. Nonetheless, I am still thankful for my time there and for all that it taught me. It gave me hope that a better world is possible, and it even gave me a small glimpse into what it might take to get there.

I have since been inspired to find organizations that eschew command-and-control dynamics for partnership and equality; that buck the trend toward disengagement and mistrust and replace it with joy, meaning, and fulfillment; that leverage the power of self-management and intrinsic motivation to scale their social and economic impact within the world. I have scoured the globe looking for these organizations. And I have found them. Not just a few here and there. A whole host of them, including some massive, world-shaking, industry-dominating giants.

I've discovered that what is good for people is also good for corporations. That the paradigms of partnership and equality don't just lead to individual growth and personal fulfillment—they also lead to organizational performance and economic superiority.

Here in this book, I have detailed the experiences and practices of radically collaborative organizations and distilled their essence into four imperatives for you to learn: *team autonomy*, *managerial devolution*, *deficiency gratification*, and *candid vulnerability*.

I'm not claiming that what follows constitutes an exact blueprint for changing your organization. I'm not even claiming that I've invented anything here. My work stands on the shoulders of giants, both in industry and in academia. But by synthesizing the concrete experiences of radically collaborative organizations together with the multidisciplinary theories that help explain their success, I believe this book will give readers a tremendous leg up in any radically collaborative transformation. That's because the structures, practices, concepts, and ideas found within these pages can be applied at multiple levels and junctures.

Radical collaboration can transform the way we structure global socioeconomic systems, but it can also transform the way we relate to each other, one on one. We can use it to restructure organizations through partnership and equality—and we can also use it to restructure conversations through candor and vulnerability. Autonomy, self-management, performance, innovation—these are all concepts and outcomes within the domain of radical collaboration that we can immediately run with, whether we are a CEO or an individual contributor.

And run with them we must. Although the path to radical collaboration may not always be easy or straight, I believe that the journey is an existential imperative. As the following pages of this book will make plain, the traditional world of work is in crisis. Performance and productivity have been stagnating for decades. Workers are experiencing unprecedented levels of disengagement, mistrust, and meaninglessness, with devastating economic consequences.

And now here, in the midst of the COVID-19 pandemic, they're quitting their jobs in droves. We have reached an inflection point, and we have a choice to make. Either we continue to choose the old organizational and cultural paradigms that have resulted in so much of our socioeconomic hardships and privations or we choose the paradigms of partnership and equality that lead to superior organizational performance and individual joy, meaning, fulfillment, and actualization.

I have made my choice. And if you're reading this book, then I'll wager you've made your choice too. So let us, you and I, turn the page and take our first steps toward a better world. Together. Collaboratively. *Radically.*

## INTRODUCTION

It's summer 2021. COVID-19 vaccinations have already reached a majority of American adults. Summer camps have reopened; schools are preparing for full, in-person enrollment in the fall; and businesses and governments are heralding a “return to normal.” Yet a quick glance at the articles of any major American news outlet paints a troubling picture.

A study by the Harvard Business School found that over 80% of workers don't want to go back to the office full time,<sup>1</sup> while a similar study from the global data intelligence company Morning Consult found that 40% of workers would rather quit than go back to the office full time.<sup>2</sup>

Researchers at the global jobs site Monster.com found that “a whopping 95% of workers are considering changing jobs, and 92% are even willing to switch industries to find the right position”—a shift driven, at least in part, by “burnout and lack of growth opportunities.”<sup>3</sup>

In April 2021, nearly four million Americans voluntarily quit their jobs—“the highest monthly number ever reported by the US Bureau of Labor Statistics,” according to the *Dallas Morning News*.<sup>4</sup>

Yet, despite high unemployment, the US is experiencing critical labor shortages, with businesses from “the biggest metropolitan areas and from small towns” reporting a “catastrophic inability to hire.”<sup>5</sup>

For the first time in history, a vast cross-section of workers are leaving the workforce en masse, leading the American economy to face an unprecedented crisis of *voluntary* unemployment that economists have dubbed “The Great Resignation.”<sup>6</sup>

For some industries, like hospitality, this phenomenon was predictable. As the *New York Times* reports, unemployment insurance and pandemic relief benefits often rival the former income of many hospitality workers, like waiters and cooks.<sup>7</sup> Why go back to a job marked by low wages, long hours, and high stress—not to mention dangerous working conditions due to COVID-19—when you can make just as much money staying home, staying safe, and spending more time with your family? Or, as many of these

former hospitality workers have done, why not choose to pursue a career in construction, commercial trucking, or even retail, where education requirements are commensurate yet wages are higher?

But what is perhaps less expected is that many highly paid knowledge workers—like programmers, designers, and product managers—are also quitting their jobs rather than go back to their offices. Although the popular image of the white-collar knowledge worker includes high salaries, nine-to-five hours, and cushy benefits, the reality is that even before the pandemic, knowledge workers were plagued by long hours and “always on” expectations from managers, leading to high levels of burnout and stress, which has only worsened during the pandemic.<sup>8</sup>

According to a report from Indeed.com, “Employee burnout has only gotten worse over the last year: more than half (52%) of respondents are feeling burned out, and more than two-thirds (67%) believe the feeling has worsened over the course of the pandemic.”<sup>9</sup>

At the same time, with their offices closed and their bosses physically removed, knowledge workers have experienced greater autonomy in their jobs and greater flexibility in their lives. Many have chosen to ditch a strict nine-to-five schedule, preferring to shift their hours or spread their work tasks out throughout the day to achieve a better work/life balance (a factor that 83% of millennials rate as their number-one consideration in their jobs).<sup>10</sup> Others have taken their laptops into their backyards, to a park bench, or even to a beach, allowing them to take advantage of the significant physical and mental health benefits of being outside that scientists have recently validated and quantified.<sup>11</sup>

According to an article from *Yale Environment 360*,

In a study of 20,000 people, a team led by Mathew White of the European Centre for Environment & Human Health at the University of Exeter, found that people who spent two hours a week in green spaces—local parks or other natural environments, either all at once or spaced over several visits—were substantially more likely to report good health and psychological well-being than those who don’t. . . .

These studies have shown that time in nature—as long as people feel safe—is an antidote for stress: It can lower blood pressure and stress hormone levels, reduce nervous system arousal, enhance immune system function, increase self-esteem, reduce anxiety, and improve mood.<sup>12</sup>

Lastly, with less managerial oversight or interference, many knowledge workers have collaborated more freely with their peers—spending less time in large meetings and more time deciding among themselves what to do and how and when to do it.<sup>13</sup>

According to a recent report from *Harvard Business Review*,

Researchers studied knowledge workers in 2013 and again during the 2020 pandemic lockdown and found significant changes in how they are working. They learned that lockdown helps people focus on the tasks that really matter. They spent 12% less time drawn into large meetings and 9% more time interacting with customers and external partners. Lockdown also helped people take responsibility for our own schedules. They did 50% more activities through personal choice and half as many because someone else asked them to. Finally, during lockdown, people viewed their work as more worthwhile. The number of tasks rated as tiresome dropped from 27% to 12%, and the number we could readily offload to others dropped from 41% to 27%.<sup>14</sup>

So, as vaccinations roll out and as exasperated business owners clamor for a return to the office, knowledge workers have begun to ask themselves: “What do I stand to gain by going back—and what do I stand to lose?”

## **Dominator Hierarchies**

The answer to that question depends primarily on the nature of the organization that they work for. Unfortunately, the majority of them work within an organizational structure that precipitated “The Great Resignation”—a structure that business leaders often hint at through euphemisms like “command and control,” “bureaucracy,” and “Taylorism” but that sociologists baldly refer to as “dominator hierarchies.”

Dr. Riane Eisler—the world-renowned social scientist who introduced the concept of dominator hierarchies in her bestselling book *The Chalice and the Blade*—writes that the dominator model

. . . organize[s] relationships at all levels according to a hierarchy of control, status, and privilege. [It extends] rights and freedoms to those on top and denies them to those on the bottom. Such rankings lead to thinking limited to two dimensions: superior or inferior;

dominating or dominated. . . . Both parties live in fear. Those on top fear loss of power and control while those on the bottom perpetually seek to gain it.<sup>15</sup>

A significant corollary of a dominator hierarchy is coercion. As Dr. Eisler writes, “behaviors, attitudes, and perceptions that do not conform to dominator norms are systematically discouraged . . . directly, through personal coercion, and indirectly, through intermittent social shows of force.”<sup>16</sup>

Today, most businesses are characterized by a dominator hierarchy—by a rank ordering of people, with power and resources distributed unequally and concentrated at the top. The judgments of the dominators—the bosses, managers, “leaders,” etc.—are structurally privileged over and above the judgments of the dominated. This power of judgement is conferred upon dominators through subjective and ultimately arbitrary promotion processes. And it is wielded by coercion—by explicit and implicit threats.

Explicit threats include “Do this or you’re fired,” while implicit threats include modern management techniques like performance evaluations, annual goal-setting exercises, pay-for-performance schemes, and performance improvement plans. Thanks to these techniques, your boss can “ask” you to do things with a smile, leaving unstated and implicit the consequences for not doing as you were “asked” to do.

As a method of corporate organization, dominator hierarchies can be traced back to the Industrial Revolution, where attempts to rapidly increase the production of manufactured products led to a system of domination and coercion euphemistically referred to as *scientific management*, in which workers were reduced to replaceable cogs, or living machines, and made to be ordered about and controlled under strict specifications.

Although this paradigm is unjustifiable from the standpoint of any humanistic value system, and although it is unnecessary and even disadvantageous with respect to the demands of mass production (as we will see later in this book when we encounter radically collaborative manufacturing methods that enhance both individual well-being and organizational performance), it is at least easy to see why factory owners were so quick to embrace dominator hierarchies.

Manufacturers were in the business of producing specific quantities of fixed products with precise specifications via purpose-made machinery. With all variables known and relatively unchanging, the coordination of

many roles could be fully planned and specified up front and then controlled and optimized like some vast biological machine. Although the results were dehumanizing, the rationale is at least explainable.

However, this same scheme of sociality loses all semblance of rationality when applied to knowledge work. Unlike manufacturing, knowledge work explicitly and squarely falls within the domain of the unknown. Knowledge workers, like programmers, are solving problems and creating knowledge products for a user base that is fundamentally dynamic; whose needs, wants, and desires are forever shifting in unpredictable ways, and who exist in a rapidly evolving technology landscape that is radically reshaping the way human beings interrelate to each other on a broad social scale.

To take a paradigm of social organization that attempts to optimize output based on static quantities and controlled variables and apply it to a domain that is inherently creative and unpredictable is a recipe for disaster. And yet that is exactly what we have done.

## The Great Resignation

“The Great Resignation” is not the transient effect of a new dynamic but the end result of a great malaise that has been gaining momentum over the past century. As the vast majority of knowledge workers have been irrationally corralled into a paradigm of domination and coercion, we have barreled head-first into a striking socioeconomic crisis with dire consequences for individuals and corporations alike, including:

**Disengagement:** Engagement at work is defined as a state of mind characterized by “vigor, dedication, and absorption”<sup>17</sup>—clearly something all organizations should strive for. Yet a 2018 global study found that only 16% of workers feel engaged at work. The other 84% feel disengaged—unenthusiastic about the company’s mission, unsupported by their team and their leaders, and unrecognized for their unique talents.<sup>18</sup> Even more disconcerting, among those that feel disengaged, 18% are *actively* disengaged. According to the research and management consulting organization Gallup, “Actively disengaged employees aren’t just unhappy at work—they are resentful that their needs aren’t being met and are acting out their unhappiness. Every day, these workers potentially undermine what their engaged coworkers accomplish.”<sup>19</sup>

Gallup estimates the global costs of disengagement at a staggering \$7 trillion per year in lost productivity.<sup>20</sup>

**Mistrust:** Mistrust is rampant in the world. According to the 2021 Edelman Trust Barometer, people mistrust institutions at unprecedented levels.<sup>21</sup> Years of misinformation, a global pandemic, and extreme economic instability have led to a crisis of trust in governments, NGOs, the media, and yes, businesses too. Employee trust in business leaders is at an all-time low. In France, for instance, only 22% of people trust their CEO, while in Japan that number drops to just 18%. And globally, 56% of people feel that “business leaders are *purposefully* trying to mislead people by saying things they know are false or gross exaggerations.”<sup>22</sup> A lack of trust in the workplace has significant economic consequences, as researchers have found that high-trust workplace environments lead to eleven times more innovation and six times more organizational performance.<sup>23</sup>

**Meaninglessness:** Most people just don’t find work within a dominator hierarchy meaningful. In fact, the 2018 study “Meaning and Purpose at Work” found that nine out of ten people find their work *so* meaningless that they would be willing to exchange a whopping 23% of their entire future lifetime earnings for more meaningful work.<sup>24</sup> Since that amount is more than the average worker spends on housing in their lifetime, the authors of the study suggest that it might be time to update the list of human essentials for the twenty-first century to “food, clothing, shelter—and meaningful work.”<sup>25</sup>

Disengagement, mistrust, and meaninglessness are just three of the disaffecting traits of dominator hierarchies, with their attendant economic consequences. But the list goes on. For example, dominator hierarchies lead to high levels of job insecurity among workers—which researchers have found to reduce productivity<sup>26</sup> and to significantly increase the risk of mental and physical health disorders.<sup>27</sup> Dominator hierarchies also diminish critical thinking; researchers have found that our ability to ask why and to question the judgments of others is inversely proportional to the amount of domination and authority that we are subjected to.<sup>28</sup> And lastly, dominator hierarchies are marked by high levels of employee turnover<sup>29</sup>—a troubling

fact given that replacing a worker who quits can, by one conservative estimate, cost twice that worker's annual salary.<sup>30</sup>

In light of all of this, it's easy to see why so many knowledge workers have resisted returning to their offices or have quit their jobs altogether now that they've glimpsed a new way of working based on trust and autonomy and have gained some measure of control over the what, where, when, and how of their work. Instead of taking a step back to "normal," they want to take two steps forward toward a radically new way of doing business that gives them the autonomy, trust, and esteem that they need and deserve—and they're willing to quit their jobs to get there.

### Our Dominator Hierarchy Inheritance

I'll pause here to highlight that the business architectures and dynamics that knowledge workers work in today are, for the most part, inherited. Most business leaders set out to build companies, not dominator hierarchies. They are focused on explicit ideas for products and services, not tacit paradigms like domination and coercion. When they wind up structuring their organization as a dominator hierarchy, few of them do so by conscious choice; rather, they're just "going with the flow."

Dominator hierarchies naturally form, and naturally replicate, because for most of us, that's all we've ever known. We have been organizing work this way since at least the Industrial Revolution. It's the implicit structure taught in almost every business school as the best (and really only) way to organize and manage a business. And yet it has led businesses all over the world to fail to meet the needs of the socioeconomic environments that they inhabit. The disaffecting ills that we now find ourselves immersed in have been coming for a long time—the COVID-19 pandemic simply brought them to a head faster.

It's also important to note that a great many business leaders are not only aware of the ills that plague their corporations, they're actively attempting to mitigate them by creating better cultures and governance within their organizations. They are creating programs for diversity, equity, and inclusion; conducting training in psychological safety; and inventing practices like blameless postmortems and OKRs (objectives and key results).

These leaders are doing the very hard and very necessary work to overcome some of the most damaging effects and inequalities that we have all

inherited from centuries of domination and coercion. The intent of this book is not to criticize any of these leaders or their efforts. Rather, the intention is to support them by asking all of us, collectively, to take this process one step further.

So long as we are attempting to mitigate individual disaffection and organizational inefficacy while doing nothing to change the underlying organizational paradigm that these ills stem from, we are addressing symptoms, not causes. It's like a community trying to clean up a dirty river while doing nothing about the factory upstream pumping waste into it. We can sift debris out of the river all day long, but at some point we're all going to have to wade upstream and figure out how to solve the problem at its source.

## **Radical Collaboration: Pioneering a New Organizational Future**

Thankfully, knowledge workers and business leaders don't have to start from scratch. Over the past few decades, a small but growing percentage of corporations have pioneered a new way of working founded on partnership and equality instead of domination and coercion. A way of working that is, as Dr. Eisler puts it, "based on the principle of linking rather than ranking"<sup>31</sup>—where static dominator hierarchies, managers, and bureaucracies are jettisoned in favor of dynamic, self-managing, *self-linking* networks of teams. As we'll see shortly, these organizations feature a radical approach to collaboration, grounded in the intrinsic motivation of the participants and formed through the freely given commitments of peers. For that reason, we'll refer to these organizations as *radically collaborative*.

The body of this book illustrates, through stories and research, the four imperatives of radically collaborative organizations: team autonomy, managerial devolution, deficiency gratification, and candid vulnerability.

These are the modern business dynamics that will allow companies of all sizes and across all industries to outperform, out-innovate, and out-engage the competition in the marketplace.

If you're reading this book, chances are you have already decided that something needs to change in the worker/business relationship. You're already aware that if nothing changes, the consequences could very well be catastrophic. For knowledge workers, this seems to be an obvious conclusion. Yet most businesses are balking. Their biggest concern is often not how to change but why change at all. Dominator hierarchies, for the most

part, seem to be working out well for shareholders (even if not for all the stakeholders). So why risk rocking the fiscal boat?

I'll tell you why. *Because the boat is already rocking.* Radically collaborative organizations aren't just sitting around playing nice. They're coming for you. In fact, they're already here, comprising 8% of the world's corporations<sup>32</sup>—and that number is rapidly growing. They are disrupting industries and captivating customers by outperforming traditional enterprises on practically every economic dimension. Three of the largest and most successful radically collaborative organizations changing the world today are Haier, Morning Star, and Buurtzorg.

## Haier: Radical Collaboration through Microenterprises

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### AT A GLANCE

Haier: Number one appliance manufacturer in the world. Eighty-thousand people. Founded in 1920. Notable for the radically collaborative structure of self-managing microenterprises..

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Haier is an appliance manufacturer and pioneer of the Internet of Things based in China, with annual revenues in excess of \$38 billion. It's the global leader in appliances, ranking number one in retail sales value for eleven consecutive years.<sup>33</sup> It's a pioneer in smart-home technology and services, and it has also successfully branched out into dozens of other industries as diverse as video gaming, cattle ranching, and health care.<sup>34</sup> Its new ventures total over \$2 billion in market valuation, while its core appliance business has seen 22% year-over-year growth in gross profit over the last decade.<sup>35</sup>

Haier has achieved all of this through a self-organizing company structure composed of thousands of tiny "microenterprises." These microenterprises are autonomous, entrepreneurial mini-companies typically consisting of ten to fifteen people. Each has its own purpose, product or service, and profit-and-loss statement. At Haier, there are no middle managers, no labyrinth of procedures, and no soul-crushing red tape. Instead, microenterprises set their own goals and targets, make their own plans, and freely relate to each other as they please.

The Xinchu microenterprise, for example, creates a smart-home refrigerator that seamlessly connects users to third-party grocery delivery services.<sup>36</sup> To develop and deliver this product, Xinchu purchases services

from other Haier microenterprises that provide services like manufacturing and marketing. But Xinchu has also contracted with organizations outside the company for goods and services—sometimes because there was no equivalent internal microenterprise and sometimes because they believed that an outside organization could provide better value than an internal microenterprise.<sup>37</sup>

Each microenterprise may choose who to purchase services from without approval or oversight because, as Haier’s CEO Zhang Ruimin believes, “trade-offs are best made by those closest to the customer—by microenterprises that are free to choose when to collaborate and when to go it alone.”<sup>38</sup> By pushing decision-making power out of dominator hierarchies and into a decentralized swarm of radically collaborative microenterprises, Haier can experiment, evolve, and innovate like few others in the world.

Ruimin is inspired by the ancient Chinese text *I Ching*, which likens the highest stage of human development to a “host of dragons without a leader”—an image he says is an apt metaphor for Haier itself:

In Chinese culture, the dragon is the mightiest animal. Today, each and every microenterprise is a kind of dragon, very capable and competent. But they don’t have a leader. They start their own businesses on the market without the guidance of a leader. That is the highest level of human governance.<sup>39</sup>

By focusing on the basic dignity and unrealized potential of every person within the organization, Haier has created a powerful force in the world both for individual fulfillment and for corporate success.

## Morning Star: Radical Collaboration with Zero Bosses

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### AT A GLANCE

Morning Star: Largest tomato processor in the world. One hundred percent self-managing structure re-designed annually through CLOUs (colleague letters of understanding).

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Radical collaboration has also found success within the food processing industry. Morning Star, the largest tomato processor in the world, is a radically collaborative organization in which there are zero managers or bosses. Instead of organizing work through a dominator hierarchy, the

more than four thousand colleagues start every year by meeting as equals, without any formal roles or titles, and crafting colleague letters of understanding, or CLOUs.<sup>40</sup>

At a microlevel, these CLOUs encapsulate the freely given commitments that colleagues will make to each other that year—i.e., how they will collaborate to take that year’s tomato crops and turn them into a processed result, like diced tomatoes or puree. But at a macrolevel, the CLOUs spell out how all of the colleagues will collectively self-manage every aspect of the company that year, from day-to-day food processing to equipment purchasing and payroll.

Before creating Morning Star, Chris Rufer ran his own single-rig trucking company, delivering goods—like tomatoes—to factories. As his colleague Doug Kirkpatrick writes in *The No-Limits Enterprise*, Rufer noticed that “despite the ever-present layers of management, the factories where he delivered his loads were mostly inefficient and poorly run. He was convinced that pointless bureaucracy was behind much of the ineffectiveness and disengagement that he saw.”<sup>41</sup>

His solution? “Rufer decided that Morning Star should have no levels of management. Just as they did in the outside world, the company’s colleagues (who formerly would have been called ‘employees’) would manage *themselves* as they moved through negotiated commitments to their colleagues and to the enterprise as a whole.”<sup>42</sup>

Although many called him crazy at the time, it’s hard to argue with the results. Since founding the company in 1990, Morning Star has become the largest tomato processor in the world by volume<sup>43</sup> and is responsible for a full 40% of America’s tomato paste and diced tomato products alone.<sup>44</sup> And they’ve done all of this without bosses, managers, or any of the hierarchical trappings that we’ve come to expect from corporations today.

## Buurtzorg: Radical Collaboration through Self-Organizing Teams

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### AT A GLANCE

Buurtzorg: Number one home health-care provider in the Netherlands. Fifteen-thousand colleagues. Broken into thousands of small, self-managing teams.

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Radical collaboration is taking the field of health care by storm too. Consider the Dutch not-for-profit company Buurtzorg (a Dutch word

for “neighborhood care”) that provides in-home care to the sick and the elderly. The organization currently consists of eleven thousand nurses and four thousand domestic helpers.<sup>45</sup>

Like Haier, the fifteen thousand professionals are divided into thousands of small, self-managing teams consisting of ten to twelve nurses each, and each team covers a specific geographic area.<sup>46</sup> Without managers, hierarchies, or bureaucracies, each team is responsible for finding clients, renting facilities, recruiting new hires, scheduling work, and managing budgets.<sup>47</sup> Every member of the team is a client-facing nurse but, in addition to their nursing work, they each take turns playing various roles, like treasurer, planner, and mentor<sup>48</sup>—in effect, turning management into a shared and dynamic responsibility instead of the purview of a static hierarchy.

In the short time since Buurtzorg was founded in 2006, they’ve already taken over the home health-care industry in the Netherlands, employing “60% of community nurses” there (many of whom fled their hierarchical competitors to join them).<sup>49</sup> They’ve also expanded into twenty-five other countries, including Sweden, Japan, and the United States.

Their rapid growth is at least partially explained by their results: Buurtzorg patients are on average 30% more satisfied with their care as compared to the care provided by Buurtzorg’s for-profit competitors.<sup>50</sup> And they are 33% less likely to be admitted to a hospital<sup>51</sup>—a testament to the consistency and quality of care that Buurtzorg’s nurses provide.

## **Data Supporting Radically Collaborative Organizations**

Haier, Morning Star, and Buurtzorg are the vanguard for a small but growing contingent of radically collaborative organizations disrupting businesses around the world.

The 2016 *HOW Report* from the Legal Research Network, with support from the University of Southern California and the Boston Research Group, studied the sentiments of sixteen thousand workers across seventeen countries and found that three classifications of organizations emerged, with one class clearly outperforming the rest.<sup>52</sup>

The first category of organization is referred to as “blind obedience.” Businesses that fall into this category exhibit the most obvious and ruthless forms of dominator hierarchies. Within these organizations, what the boss says goes—or else.

The second class is called “informed acquiescence.” These businesses are also structured as dominator hierarchies but have softened their overall perception through the adoption of twentieth-century “good management” practices like performance evaluations and annual goal exercises.

The last, smallest, yet highest-performing class of organization is referred to as “self-governing” (what will be called “radically collaborative” throughout this book). According to the *HOW Report*, businesses within this category are “purpose-inspired and values based.”<sup>53</sup> They provide their members with freedom from “control, hierarchy, and micromanagement” while providing them with the freedom to “disrupt, speak out, and pursue one’s aspirations.”<sup>54</sup>

The results of radically collaborative organizations are remarkable. According to the *HOW Report*, a jaw-dropping 97% of radically collaborative organizations are high-performing, compared with 80% and 36% respectively for their “informed acquiescence” and “blind obedience” peers.<sup>55</sup> They out-compete their traditional hierarchical competitors on every financial dimension, including year-over-year growth in revenue, market share, and customer satisfaction.<sup>56</sup>

As a group, they consistently out-innovate the competition<sup>57</sup> and out-engage their workforce.<sup>58</sup> They are unburdened by the bureaucratic overhead of their management-bloated peers.<sup>59</sup> And their employees are more loyal, more willing to exert effort, and more willing to recommend their organization to others.<sup>60</sup> Radically collaborative organizations are the fastest-growing organizational archetype in the world, more than doubling in number between the 2012 and 2016 *HOW Reports* and currently comprising around 8% of the world’s businesses.<sup>61</sup>

These results are a clarion call for dominator hierarchies. Radically collaborative organizations aren’t just competitive—they’re disruptive. Customers like their products and services better. And employees like their workplaces better. It’s not a question of *if* radically collaborative organizations will disrupt your hierarchical enterprise, capturing your customers and siphoning away your employees, but when.

This book, in addition to surveying large organizations, dives into the histories, structures, and practices of several radically collaborative software organizations. From a self-managing consultancy in Mexico to a radically democratic product company in Switzerland; from an open-source-for-government consultancy in the US to a prosperity-for-all cryptocurrency spread around the globe.

In short, this book examines the practices and patterns of software organizations that utilize the power of radical collaboration to unleash individual growth and financial performance. But note: this is not a how-to book. Instead, this book is meant as an introduction to the concepts around radical collaboration.

We'll begin Chapter 1 with an introduction to the four imperatives of radical collaboration: team autonomy, managerial devolution, deficiency gratification, and candid vulnerability.

## THE FOUR IMPERATIVES OF RADICAL COLLABORATION

As we saw in the introduction to this book, the world of work is haunted by disengagement, mistrust, and meaninglessness, and it is plagued with the attendant economic consequences of low productivity, performance, and innovation. The source of this plague is widely known yet rarely addressed. Its image is softened and compartmentalized through a number of modern-day corporate euphemisms, including “bureaucracy,” “Taylorism,” “scientific management,” and “command and control.” But lurking behind all of these names is the thing itself: the dominator hierarchy, a term first introduced by world-renowned social scientist Dr. Riane Eisler in her landmark work *The Chalice and the Blade*.

Within a dominator hierarchy, people are ranked and ordered, while power and resources are distributed unequally and concentrated at the top. Through a system of domination and coercion, dominator hierarchies structurally elevate the judgements of the dominators—e.g., the bosses, managers, directors, “leaders,” etc.—while structurally depriving the dominated of security, autonomy, fairness, esteem, trust, and belongingness. It is this structure that is tightly correlated to the poor social and economic outcomes endemic throughout most of the world. And it is this structure that is on the verge of being globally disrupted by an altogether new form of business known as *radical collaboration*.

As a way of working, radical collaboration leverages the passions, interests, and intrinsic motivations of the participants while grounding collaboration in the freely made commitments between peers. It has been pioneered over the past few decades by a rapidly expanding global cohort of corporations—some of which, like the appliance manufacturer Haier, the tomato processor Morning Star, and the home health-care nonprofit Buurtzorg, have come to rapidly dominate their industries.

By structuring themselves around the principle of linking rather than ranking, radically collaborative organizations favor networks of dynamic

and self-managing teams. And by grounding themselves in partnership and equality, they feature a fluid approach to leadership dependent on context and granted by trust. Taken together, these facets of radical collaboration paint a striking alternative to the traditional corporate model—one that is as compelling for the individuals fortunate enough to belong to them as it is problematic for the traditional corporations unfortunate enough to compete with them.

That's because radically collaborative organizations are high performing, almost without exception, as illustrated by global research studies like the *HOW Report* and as detailed in the introduction. As a class, radically collaborative organizations achieve higher year-over-year revenue growth, capture increasingly larger swaths of market share, and enjoy higher levels of customer satisfaction than their hierarchical peers. By unburdening themselves of inertial bureaucracies and by supercharging innovation through high levels of trust and autonomy, they are rapidly disrupting practically every industry around the globe.

Traditional, hierarchical organizations can no longer rest on top-down planning or command-and-control directives. In order to survive, they must begin to understand, emulate, and adapt the business theory and practices that radically collaborative organizations are utilizing to not only meet the moment but to leapfrog ahead of it.

Of course, knowing what needs to be done is only half the challenge. A traditional organization that sets its sights on radical collaboration is still left with the question: How does a company become radically collaborative?

The answer lies in four conceptual imperatives: team autonomy, managerial devolution, deficiency gratification, and candid vulnerability. I call them imperatives because they are vital, preeminent, and essential for any business to seize on the opportunity for sustainable and substantial change offered by the disruption we are living in now. In the following chapters, we'll dive into the theory of each of these imperatives in turn, along with the illustrative practices and experiences of radically collaborative organizations.

But there's a catch: although the imperatives are rich and deep, they are also interdependent and can sometimes defy attempts at a clear delineation. A rudimentary understanding of all of the imperatives will help us gain a deeper understanding of any particular imperative. In this chapter, we'll survey all four imperatives and introduce the radically collaborative organizations and practices that will appear throughout the book.

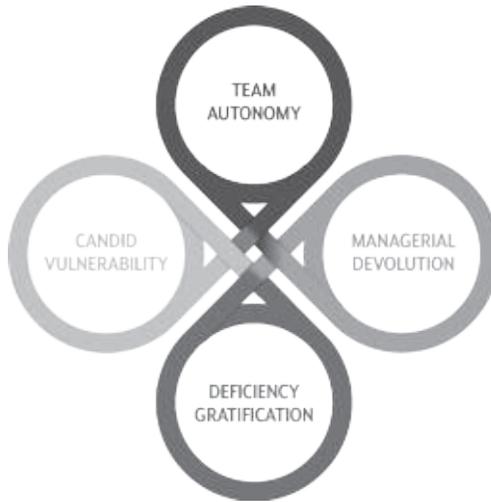


Figure 1: The Four Imperatives of Radical Collaboration

## Imperative #1: Team Autonomy

Autonomy is the human need for “control over one’s environment”—to feel like we “have choice within any given situation,” which in turn is strongly linked to individual and organizational success.<sup>1</sup> As Dr. Dan Radecki, the neuroscientist and coauthor of *Psychological Safety: The Key to Happy, High-Performing People and Teams*, states: “We know from neuroscience research that people are more likely to succeed when they buy into an idea. When people reach their own insights and conclusions, solve their own problems, or come up with their own ideas . . . they are far more likely to own and implement solutions.”<sup>2</sup>

This helps explain why radically collaborative organizations succeed where dominator hierarchies fail. Through a paradigm of domination and coercion, dominator hierarchies structurally deprive employees of autonomy, which in turn contributes to organizational woes like disengagement, mistrust, and meaninglessness.

Radically collaborative organizations, on the other hand, achieve superior levels of employee engagement and corporate innovation at least in part because they structurally gratify the need for individual and team autonomy across six core dimensions: the *how* (autonomy of practice), the *where* and *when* (autonomy of schedule), the *what* and *who* (autonomy of allocation), and the *role* (autonomy of role).

- Through **autonomy of practice**, radical collaborators control the *how* of their work. They decide how to work together as teams and what practices to collectively and individually deploy.
- Through **autonomy of schedule**, radical collaborators control the *where* and the *when* of their work. They decide whether they're collocated or distributed. Whether they sit in an office, on a couch at home, or on the beach. They decide whether to synchronize schedules to enable real-time collaboration practices like pair programming (in which two engineers program together on the same computer, at the same time) or whether to maximize individual autonomy by making asynchronous communication patterns the primary method of coordination and collaboration.
- Through **autonomy of allocation**, radical collaborators control the *what* and the *who*. Instead of being allocated to teams by a managerial hierarchy, radical collaborators self-manage allocations by freely joining teams aligned to their own interests and intrinsic motivations.
- Through **autonomy of role**, radical collaborators self-manage their own *role* within the organization. They decide what type of work they're interested in, what kind of career they want to have, and what they need from the organization in order to develop any and all necessary skills.

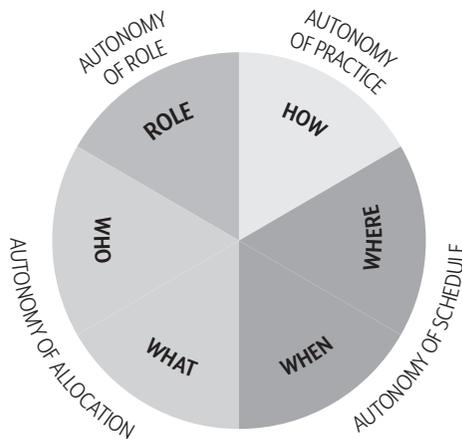


Figure 2: The Six Core Dimensions of Team Autonomy

Within this startling degree of autonomy, two clear practices have emerged among radically collaborative technology organizations. The first practice is the *outcome team paradigm*. Outcome teams are radically decoupled from specific codebases and instead focus on achieving an outcome by delivering specific units of end-user value, called *features*. In order to deliver that value, they are allowed to commit to any and all codebases they deem necessary. (See Chapter 2 for a discussion on how outcomes teams differ from feature teams).

The second practice is *human-centered design*. Radically collaborative teams don't just create products *for* users but *with* users, by getting out of the office and into the world to understand the lives and lived experiences of their users and by engaging users directly in the software making process. (We'll go further into depth on both these practices in Chapter 2.)

## Imperative #2: Managerial Devolution

Radically collaborative organizations are formed and maintained through the devolution of management—i.e., through the decentralization of power out of a static dominator hierarchy and into a dynamic heterarchy of self-managing teams.

Heterarchy refers to a system of organization that is ordered yet nonhierarchical. The term first emerged in the 1970s in sociological and anthropological literature in an attempt to address social structures that are not based on a hierarchical ranking and yet clearly possess order. As the anthropologist Dr. Carole Crumley explains,

Many structures, both biological and social, are not organized hierarchically. There is nothing intrinsically hierarchical about an oak tree or a symphony, yet each has undeniable structure and constitutes an orderly representation of the relations among elements. Nonetheless, few terms identify other kinds of order. Hierarchy—inasmuch as it is often a reductionist metaphor for order—has disproportionately influenced theory building in both social and natural scientific contexts. . . . Heterarchy may be defined as the relation of elements to one another when they are unranked, or when they possess the potential for being ranked in a number of ways.<sup>3</sup>

Thus, self-managing teams are based on the concepts of partnership and equality, and they are united in the belief that leadership is contex-

tual—that it is granted by the trust of peers and limited to the situation at hand.

In fully devolved organizations, these networks of teams collectively self-manage the organization. For example, radical collaborators dynamically take on decision-making authority through devolutionary management practices like the *advice process*, *ad hoc leadership teams*, and *Holacracy*®-powered governance. (These practices are discussed in depth in Chapter 3.)

Radical collaborators also self-manage traditional managerial responsibilities like hiring, firing, and onboarding. They even self-manage the compensation process by rejecting coercive practices like performance evaluations and replacing them with devolved compensation methods like the *fractal organizational model*, the *Deming pay system*, and *self-managed pay* (discussed in depth in Chapter 3).

### Imperative #3: Deficiency Gratification

As noted in Imperative #1: Team Autonomy, dominator hierarchies systematically deprive us of autonomy, but they also deprive us of a number of other psychological needs, like security, fairness, esteem, trust, and belongingness. The field of positive psychology refers to environments like this as “growth-inhibiting” structures because they structurally inhibit our personal growth and actualization by inducing a state of need-deficiency within us.<sup>4</sup>

Radically collaborative organizations, by contrast, are referred to as *deficiency gratifying* environments because they repeatedly and systematically gratify our higher-level human needs.<sup>5</sup> The radically collaborative organizations featured in this book accomplish this by combining an overall sociocultural paradigm of partnership and equality with interpersonal, deficiency-gratifying practices like *balance scores*, *Holacracy-powered check-ins*, *peer pods*, and *coin ceremonies* (all discussed in depth in Chapter 4). Thanks to this arrangement, the radical collaborators within these environments can repeatedly satisfy each other’s deficiency needs for security, autonomy, fairness, esteem, trust, and belongingness.

It’s important to note that this wellspring of deficiency gratification isn’t just a boon for individual well-being and fulfillment; it also feeds into a foundation of collective trust, with powerful downstream consequences for organizational efficacy. For example, according to the *HOW Report*, high levels of trust lead radically collaborative organizations to exhibit thirty-

two times the risk-taking, eleven times the innovation, and six times the business performance over their traditional hierarchical competitors.<sup>6</sup>

A number of twentieth-century psychologists, including the positive psychologist Abraham Maslow and the humanist psychologist Carl Rogers, hypothesized that the dichotomy between individual well-being and corporate profit was false.<sup>7</sup>

For example, in their paper “Active Listening,” Carl Rogers and Richard Farson state,

The things that are best for the individual are best for the company. This is a conviction of ours, based on our experience in psychology and education . . . We find that putting the group first, at the expense of the individual, besides being an uncomfortable individual experience, does not unify the group. In fact, it tends to make the group less a group. The members become anxious and suspicious.<sup>8</sup>

Also, in *The Farther Reaches of Human Nature*, Abraham Maslow says,

Eupsychian conditions of work are often good not only for personal fulfillment, but also for the health and prosperity of the organization, as well as for the quantity and quality of the products or services turned out by the organization. The problem of management (in any organization or society) can then be approached in a new way: how to set up social conditions in any organization so that the goals of the individual merge with the goals of the organization.<sup>9</sup>

Thanks to empirical studies like the *HOW Report*, we now know that these researchers were right. We don’t have to choose between the well-being of individuals and the success of corporations. The former is, in fact, a multiplier of the latter.

#### **Imperative #4: Candid Vulnerability**

While dominator hierarchies are ensnared in a quagmire of defensive reasoning—in which people hide and defend their underlying assumptions and beliefs from others in an attempt to maintain unilateral control—radically collaborative organizations sparkle with openness and transparency. That’s because radically collaborative organizations are sustained by a cul-

ture of *candid vulnerability*, or as it is more formally known in sociology, Model II: Productive Reasoning.

Radical collaborators candidly share their underlying thoughts, feelings, beliefs, and assumptions, thereby making their thought processes vulnerable to collective examination, critique, and even invalidation. This, in turn, feeds into an overall organizational culture of learning and collaborative innovation. By helping people separate their ideas from their egos, candid vulnerability enables the collective evolution of ideas.

The radically collaborative pioneers featured in this book have created or adopted a bevy of techniques in order to help their members cocreate a culture of candid vulnerability. From “*thinking versus saying*” two-column exercises that uncover defensive reasoning to practices like balance scores and *Holacracy-powered check-ins* for increasing psychological success (all discussed further in Chapter 5), our pioneers have created the conditions for the spontaneous emergence of candid vulnerability within their organizations at large.

## **The Pioneers: Exploring the Radical Collaborators of Today**

The four imperatives of radical collaboration were derived from the practices and experiences of a number of radically collaborative organizations. Some of these organizations you’ve already met, like the industry giants Haier, Morning Star, and Buurtzorg. Others you’ll meet in the pages to come. Some had the privilege of starting with radically collaborative principles and structures. Others have gone through a process of managerial devolution and radically collaborative transformation.

Regardless of where they started, or how far they’ve come, their experiences cross-cut a significant range of industries and organizational sizes, forming a rich tableau for us to explore and dissect. These companies come from different industries, range in size significantly, and began their radically collaborative transformations at different points in time in their development. For your convenience, Table 1 features a list of all the organizations featured in this book, along with some key demographics and differentiating features.

These organizations have pioneered a bevy of radically collaborative practices that we’ll explore throughout this book and that we’ll preview in the next section.

**Table I: Radically Collaborative Pioneers**

<b>Name</b>	<b>Description</b>	<b>Demographics</b>	<b>Started with Radical Collaboration (RC) or Transformed?</b>	<b>Notable for . . .</b>
Buurtzorg	Number one home health-care provider in the Netherlands.	15,000 people. Founded in 2006. Started in Netherlands, now in 25 countries.	Started with RC.	Broken up into thousands of small, self-managing teams of nurses who self-manage everything from nursing, to hiring, to customer acquisition and facilities.
CivicActions	Open-source government consultancy.	100 people. Founded in 2004.	Started with RC.	One of the first fully distributed technology companies. Notable for decentralized, grassroots-organizing culture.
cLabs/Celo	Cryptocurrency company focused on creating the conditions for prosperity in developing communities around the world.	150 people. Founded in 2018. Based in Berlin, Buenos Aires, and San Francisco.	Started with RC.	Notable for use of Holacracy.
GrantTree	Helps organizations acquire government R&D grants.	65 people. Founded in 2010. Based in London.	Transforming toward RC.	Notable for pioneering self-managed pay.
Haier	Number one appliance manufacturer in the world.	80,000 people. Founded in 1920.	Transformed to RC.	Notable for radically collaborative structure of self-managing microenterprises.
Haufe-umantis	Collaboration and talent-management software company.	200 people. Founded in 2002. Based in Switzerland.	Transforming toward RC.	Notable for transitioning from dominator hierarchy, to workplace democracy, to self-management/ radical collaboration.
Matt Black Systems	Manufacturer of airplane instruments.	30 people. Founded in 1973.	Transformed to RC.	Notable for fractal organizational model.

Morning Star	Largest tomato processor in the world.	4,000 people. Founded in 1990.	Started with RC.	No managers, no set roles or responsibilities. 100% self-managing structure redesigned annually through CLOUs (colleague letters of understanding)
Nearsoft (now Encora)	"Nearshore" software consultancy.	450 people. Founded in 2006. Based in Mexico. Acquired by Encora in 2020. Currently the Mexican division of Encora.	Started with RC.	"No" rules: No bosses. No "employees." No titles. No secrets. Motto: "Freedom in the Workplace."
Pod Group	Enterprise network operator (ENO) for Internet of Things	25 people. Based in San Francisco. Founded in 1999.	Transformed to RC.	Notable for self-managing culture and self-managed pay.
TIM Group	Fintech org focused on trade advice and investment recommendations.	London-based. Acquired in 2018. 50-person self-managing group at time of acquisition.	Transformed to RC.	Notable for gradual, employee-led transformation toward radical collaboration via a management reading group.
Viisi	Fintech org focused on mortgage advice.	40 people. Based in the Netherlands. Founded in 2010.	Started with RC.	Notable for implementing the Deming pay system.
W. L. Gore	Innovation organization focused on industrial and chemical innovation	Over 11,000 employees. Founded in 1958. Based in Delaware. Revenues in excess of \$3 billion.	Started with RC.	One of the first radically collaborative companies in the world. Open allocation process for teams and new innovation projects.

## Radically Collaborative Practices

A radically collaborative practice is any practice that helps an organization achieve a state of radical collaboration—in which teams are autonomous, relationships are deficiency gratifying (in which people mutually satisfy each other's higher-level human needs), collective learning is enabled through candid vulnerability, and management is no longer the purview of a static dominator hierarchy but rather the shared responsibility of a dynamic heterarchy.

We are still in the early days of radical collaboration. Pioneering organizations are constantly innovating and inventing new practices and structures. Neither the list below nor the practices themselves are definitive. Therefore, think of these practices not as a blueprint but as a starter kit for radically collaborative transformation and experimentation.

### Radically Collaborative Software Practices

- **Outcome team paradigm:** Outcome teams are cross-functional and aligned to the delivery of user value while being radically decoupled from codebases. In order to deliver user value, an outcome team may directly modify and deploy any and all codebases within the organization, regardless of who created them or normally maintains them.
- **Bubbles:** A process for organically generating, or “bubbling up,” short-lived outcome teams centered around a particular initiative. These “bubbles” automatically dissolve, or “pop,” once the initiative is complete.
- **Human-centered design:** A radically collaborative approach to designing and testing software solutions that brings users directly into the software-making process.
- **Pair programming:** A practice in which two engineers radically collaborate on programming by sharing the exact same computer at the same time and developing the software together, passing the keyboard back and forth.

### Devolved Management Practices:

- **Advice process:** Anyone in the organization is allowed to make any decision, so long as the decision maker makes their thought process vulnerable to examination, critique, and invalidation by anyone who could be affected by the decision.
- **Ad hoc leadership teams:** In which anyone in the organization can announce an initiative to change something about the organization and anyone interested can join. The ad hoc team has full authority to make any change, so long as they are transparent about the process they go through.
- **Holacracy-powered governance:** A rigorously efficient process for the collective evolution of an organization’s structure and roles. It enables anyone in the organization, at any time,

to raise up an organizational tension and have it immediately processed and resolved.

- **Peer pods:** Self-managed groups of peers providing ad hoc coaching, mentoring, and support for each other in their careers.
- **Onboarding buddies/“sponsors”:** In which a radical collaborator sponsors an incoming colleague, pairing with them for a number of days or weeks in order to help the new colleague orient themselves within a nonhierarchical environment and to find their place within it.
- **Job fairs:** In which new and potential projects are laid out to the organization for radical collaborators to consider freely joining.

### Devolved Compensation Practices

- **Deming Pay System:** In which everyone in the organization receives a predetermined, transparent salary that is then automatically incremented every year through predetermined, transparent annual raises. Profit sharing is also distributed equally among all members.
- **Fractal organizational model:** In which everyone in the organization is a virtual company of one, complete with a balance sheet and a profit-and-loss statement. Salaries are a result of the negotiated commitments people make to each other along the value stream and the individual surpluses that results.
- **Self-managed pay:** In which individuals transparently set their own salaries and determine their own raises at any time.

### Deficiency-Gratifying/Candid Vulnerability Practices

- **Balance scores:** Radical collaborators start each day by sharing with each other a score between one and ten that represents how balanced they feel between work life, home life, and spiritual life. It's a tool for increasing transparency, vulnerability, and empathy while also helping participants calibrate with each other at the beginning of a collaboration.
- **Check-ins:** Radical collaborators create a sacred space at the beginning of meetings for each other to vulnerably name what is distracting them or keeping them from being fully present in the moment.

- **Two-column “thinking versus saying” exercises:** After a challenging conversation, sit down with a piece of paper and draw a line down the middle, dividing it into two columns. On the right-hand column, transcribe the conversation from memory. On the left-hand column, write down the thoughts you were having but failing to vocalize. The delta between the two typically reveals a good deal of defensive reasoning within yourself, as opposed to candid vulnerability.
- **Biggest fail of the week:** Team members take turns sharing accidents, mistakes, and outright professional or personal failures with each other. The process creates an environment of collective support and encourages personal growth by normalizing imperfection.
- **Coin ceremony:** A ceremony in which radical collaborators freely recognize each other not for their day-to-day work but for their “being”—for who they are and what they contribute to those around them and to the world.

## Conclusion

Taken together, the four imperatives of radical collaboration leverage the passions, interests, and intrinsic motivations of an organization and its people, while grounding collaboration in the freely-made commitments between peers. Although it may be tempting to cherry-pick the imperatives for your organization, it’s important to remember that for an organization to enjoy long-term success with radical collaboration, it must embrace all four imperatives.

For example, team autonomy would likely end in chaos or frustration without simultaneously embracing managerial devolution. Similarly, candid vulnerability will never take root in an organization that does not first establish a community of trust and safety through a paradigm of interpersonal deficiency gratification. Engagement, growth, innovation, and performance are not the result of any particular imperative but rather the complex interplay between all of the imperatives. Thus, in the following chapters, we’ll dive into each conceptual imperative in turn to elucidate both the theory and practice behind it, and we’ll also deepen our understanding of their interdependencies along the way.

Before moving on, take a moment to pause and reflect on the overall idea of radical collaboration with the following questions:

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### *Questions for Reflection*

- » If you had to summarize radical collaboration to someone else based on this chapter alone, what would you say?
- » What about radical collaboration excites you the most?
- » What about radical collaboration scares you the most?
- » Based on what you've seen in this chapter, what are some of the challenges you foresee in introducing radical collaboration into your workplace?