

Converging Perspectives: Self-Managed Companies & The Human Element®

Will Schutz Dreamt of It, Self-Managed Companies make it a reality!

When I first read about Self-Managed Companies in Isaac Getz's book – Freedom Inc¹ – I was struck by how close this type of organizations was to Will Schutz's Human Element® approach – and my work as a consultant in these Self-Managed Companies only confirmed this observation.

This series, "Converging Perspectives: Self-Managed Companies & The Human Element®," aims to illustrate the various similarities between these two concepts. This first article will describe to what extent the Self-Managed Company is the embodiment of the efficient organization theorized by Will Schutz.

It is useful to first go back to the origins of The Human Element® approach.

An organisation where individuals feel significant, competent and likeable.

Will Schutz explains in his reference book – The Human Element² – that he developed his theory reflecting on what makes an efficient team through the dimensions of Inclusion, Control and Openness. He then took his work to the next systemic level and laid the foundations of the Efficient Organization and the work atmosphere it should promote to allow teams and individuals to be efficient and innovative.

Therefore, according to Will Schutz, the organization has to create conditions in which individuals feel significant, competent and likeable. Such an atmosphere will enable people to try and do their best and have a good self-esteem.

Making sure individuals feel significant, competent and likeable implies relying on the belief that they are capable beings. This goes along the same lines as McGregor's Theory Y which was summarized by J.F. Zobrist's³ phrase: "Men are good."

The goal of any organization is to create a work atmosphere that will stimulate employees' self-esteem.

Based on the same postulate, Will Schutz defined the requirements an organization has to fulfil:



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“The goal of any organization is to create a work atmosphere that will stimulate employees’ self-esteem, especially through:

Participation

The organization enables its employees’ full participation. I, the employee, do not want (nor am I asked) to take part in all the company’s activities. I am however given the opportunity and invited to do so. I keep informed of the company’s actions and am included in those in which I wish to participate.

Empowerment

They trust me to determine which way to do my job is the best. The company grants me some authority / power and everything I do I do so willingly. I take part in the ultimate decision making process regarding all the issues I am familiar with or which affect me the most.

Openness

In the organization, I am fully open. I do not keep any secrets (apart from justified industrial and security related ones). I answer all the questions frankly and thoroughly.

Recognition

The organization knows me and recognises the value of my work. It comes to understand each employee’s skills.

Reward

A spirit of reward flows in the company and specific processes are set up.

Humanity

The organization likes me, it knows me as a person and encourages social interactions⁴.”

Self-Managed Companies, the embodiment of Will Schutz’s efficient organization

Now let’s take each one of the organization’s work atmosphere criteria and study them in the light of the Self-Managed Company concept.

Participation

The organization enables the employees’ full participation. The Self-Managed Company is fundamentally based on a participatory process. Everyone is informed of what is going on in the company, for instance with the Company’s Social Network which turns out to be a real inclusion tool. For instance, at ChronoFlex, employees choose to greet and offer guided tours to outside visitors coming on a “learning expedition”.

Empowerment

They trust me to determine which way to do my job is the best. The company grants me some authority/power and everything I do I do so willingly. I take part in the ultimate decision making process regarding all the issues I am familiar with or which affect me the most.

One of the great principles of the Self-Managed Company is “whoever does, knows”. The decision-making power is granted to those that are concerned by any issue. Thus, when a problem arises those, and only those, impacted by it are supposed to solve it. They are free to go and ask for advice and for enlightening opinions in their entourage. For this to happen, it is essential to share information and the decision-making power with operatives. At FAVI, operatives were reorganised in “mini-factories” dedicated to each customer. They can be run separately and work independently to better answer their customers’ needs. This freedom is also visible in the leeway given by

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the company to promote individual initiatives. The possibility to take initiatives is at the very heart of the Self-Managed Company's definition, Isaac Getz described it as "a company in which most of the employees are completely free and responsible to undertake any action which they themselves – not their bosses nor the procedures – deemed best for the company's vision".

David Marquet⁵ – who liberated the US Navy atomic submarine – described this kind of empowerment as the way to "push authority to information and not information to authority."

Openness

Within the organization, I am fully open. I do not keep any secrets (apart from justified industrial and security related ones). The company shares information with its employees.

At Chrono Flex, having access to company figures and to their own individual operating accounts, field teams decide what their investments, purchases or hiring policies will be.

Recognition

The organization knows me and recognises the value of my work. It comes to understand each employee's skills.

The company knows my skills and competences. It knows me and acknowledges my worth. Instead of dooming its employees to only use the skills required for their positions, the Self-Managed Company encourages them to develop new ones based on their talents and passions.

This is what can be observed at IMAtch where, in order to launch new consulting or training services, the company relies on operatives who work in production every day ("the doers") and have teaching

skills. The company offers them the possibility to attend a diploma training course which on the one hand helps the company's development project and, on the other hand, gives the employee the possibility to develop a new skill he'll be able to use outside the company.

Reward

A spirit of reward flows in the company and specific processes are set up.

In all Self-Managed Companies, profits are shared much wider with employees than in traditional companies and salaries and rewards are decided collectively. At ChronoFlex, a Committee composed by employees from all the organization has been reviewing salary and bonus policies since the transformation of the company. Also at ChronoFlex, gift vouchers are provided by the company so that any employee can use them to thank a colleague who has been of particular help.

Humanity

The organization likes me, it knows me as a person and encourages social interactions

In most Self-Managed Companies, the use of the internet and of the company's social network has become a tool enabling contact and recognition. It helps sharing and highlighting individual and collective initiatives or achievements as well as promoting them. It is this appraisal of others, based on who they are, that enticed Lippi (a fence manufacturer) to train its employees to the use of web technologies with no other specific purpose⁶. Indeed, Lippi actually bet on the fact that, once trained, employees would find ways to use these technologies for the good of the company. The initiatives that stemmed from all this generated, amongst other things, a very collaborative approach with the use of Twitter

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accounts and the creation of their own encyclopaedia – Wiki-Lippi – which became a reference in the fence business!

I purposely decided to illustrate the various elements of organizational climate with examples taken from several Self-Managed Company but it would have also been possible to show that each and every one of them is a role model when it comes to the implementation of these elements. This is, as far as I am concerned, one possible explanation for their success and efficiency!

The Self-Managed Company indeed creates the sort of atmosphere which cultivates good self-esteem, trust and respectful relationships. It allows people to grow, achieve their potential and give the best of themselves for the company.

It is interesting to see how suited to interventions in companies the approach developed by Will Schutz is – and this is true whether you use Element O® which measures organizational atmosphere, or undertake actions with groups and individuals to help integrate elements from the FIRO⁷ theory and create open and efficient relationships.

We will see in an upcoming “Converging perspectives” how the FIRO theory dimensions developed by Will Schutz (Inclusion, Control and Openness) are expressed in the Self-Managed Company. 

Endnotes

- 1 Getz Isaac, *Freedom Inc*
- 2 Schutz Will, *The Human Element*, InterEditions, 2006
- 3 Zobrist Jean-François, *La Belle Histoire de FAVI, l'entreprise qui croit que l'homme est bon*, Humanisme et Organisations. 2014
- 4 Schutz Will, *The Human Element*, pp. 266-267
- 5 Marquet David, *Turn the Ship Around!*, Portfolio, 2013
- 6 www.innovationmanageriale.com/collaboration-cohesion/quand-les-salaries-sont-formes-sans-savoir-pour-quoi-faire-lippi
- 7 FIRO: “Fundamental Interpersonal Relations Orientation”