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The bossless office: motivational experience or invitation to anarchy?

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Bosses get a bad rap. From *The Devil Wears Prada* to *The Firm* and *The Office*, the boss in popular culture is at best incompetent and at worst, evil.

Perhaps it's no wonder then that the concept of the bossless office has been popping up. A recent Wall Street Journal piece profiled Valve Corp., a video game company out of Bellevue, Wash., that has had no managers or assigned projects since 1996. Other examples are U.S.-based collaboration-software company GitHub Inc., material manufacturer Gore-Tex, and international design and innovation consultancy IDEO. In these sorts of organizations, everyone gets a say, projects are self-directed and how much you are paid is largely determined by peer review.

But could a thriving small business operate without a fearless leader?

In recent years businesses in general have been reducing the layers of middle management and allowing employees more autonomy, said Cissy Pau, principal consultant at Clear HR Consulting Inc. in Vancouver.

She can understand the appeal of an office without a head honcho.

“I suspect the bossless office concept is to level out the playing field a bit,” Ms. Pau said. “It can be a very motivating environment for the right people. No one looking over your shoulders, no one monitoring your work, you decide what’s best to be done.

“If people have a vested interest in the success of a company, they’ll do what’s best for the company and so you don’t need someone telling you, ‘That project is due,’ or ‘You made a mistake here.’”

The bossless office could make sense for companies in technology, design or architecture – organizations without much of a hierarchy and where employees work as a team, Ms. Pau said. But for most organizations, “I would say that some of the cons outweigh the pros.”

In order for a boss-free concept to work, Ms. Pau said, the work force has to be extremely self-motivated. “They need to know what to do, how to do it, when to do it,” she said. “The organization would need to be extremely values-driven, so that everyone would know, without a doubt, this is the direction that we’re heading.”

“Without that, I think you could have some anarchy.”

Christian Codrington, senior manager of operations at the B.C. Human Resources Management Association, worked two decades ago at a company with one self-managed team.

“They couldn’t find someone [to supervise] and said, ‘Why don’t we try it ourselves?’ And there was a great deal of respect and friendship in the team, and it was certainly evident when I saw them working together,” Mr. Codrington said.

But serious issues must be addressed before embarking on a bossless system, Mr. Codrington said. At the top of the list is pay.

“How do you maintain a consistent and fair pay system?” he said. “If there’s no boss and no one saying at end of year, ‘Here’s your raise,’ how do you make sure that’s done fairly and doesn’t bankrupt the company?”

Another issue is recognition, Mr. Codrington said. “Studies have shown recognition by senior leadership is proven to be a strong motivator for people. Peer recognition doesn’t have the same impact, it doesn’t give people that same sense of intrinsic motivation, as a senior leader’s ‘thank you’ does.”

Such a team must also deal with ineffective performers.

“When you leave something like that to committee, you have a whole lot of avoidance, or a gang mentality,” Mr. Codrington said. If someone has a complaint about an employee, who do they go to?

On the flip side is handling “superstar” performers, Mr. Codrington said. “How do you distinguish the good? How do you say, ‘We need you to move up in to a new role?’” The opportunity to raise your profile within the company can be a big motivator, he said, and a horizontal organizational structure could take away that motivation.

Ms. Pau also wondered whether a bossless scenario might slow things down – a lot. “When you’re at 20, 30, 40 people, how do you get them in line to come up with an agreed-upon solution?” she asked.

A horizontal structure, though, could be better for creative processes and innovation, said Geoffrey Leonardelli, associate professor at the University of Toronto’s Rotman School of Management and department of psychology.

“It might be because that environment allows information to diffuse throughout, people get more exposed to more ideas and are able to capitalize on it. There are less layers to get through.”

Prof. Leonardelli thinks a bossless scenario could be achievable. “You could have teams focused on a common goal, without that leadership in a single person, if the entire team takes the responsibility to be leader. It’s almost team-level leadership.”

Toronto small business consultant Karen Fischer of RK Fischer & Associates thinks the concept could work, but “once the project is completed, that’s where I fear it falling down, because you’re now on the hook for revenue, you’re now on the hook for marketing it, and making sure the finances are in order.”

“It’s great to collaborate, but at the end of the day somebody has to make a decision because, who’s actually making money off of this? Where does the money flow? I think that’s the important part.”

Ms. Pau wondered whether small business owners would be able to relinquish control.

“For this to work, there needs to be no ego,” she said. “That founder needs to say, ‘I don’t want control, we want everybody to be involved in having authority,’ and I suspect for a lot of small business owners, that would be a hard transition to make.”

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