

# Discussion on Holacracy and Taylorism

Previously, the structures of organizations have been seen as something that is separate from the strategy and they were only designed in the way which can bring efficiency and synergy within organization. However, this is not the case as per current research, in which it has been suggested that there is a strong linkage among structure and strategy (Whittington, 2006). The structure of organization should complement the strategy with an aim of gaining its greater advantages. The structure cannot be seen in isolation with the strategy and it is not comprised of only a chart of hierarchy, but represents the procedures, people, culture, technology and all related factors which can support or block the success of any well designed strategy. It has been offered by Kaplan and Norton (2001), that whenever an organization formulate new strategy, it has to bring some changes into its structure for effective implementation of strategy. Given this view, both the strategy and structure are inevitable for the success of organization and there should be level of compatibility among both of them. An innovation strategy can never be implemented into hard core bureaucratic structure, which focuses mainly on maintaining the strict control within organization (Keller, Parameswaran and Jacob, 2011). It is necessary to adopt open structure with greater flexibility to change, which is characterized by high involvement of employees. On the other hand, it has also been offered by some researchers that strategy follows structure, however, there is greater agreement on the notion that both structure and strategy support each other and their alignment help to gain competitive advantage in long run.

## **Holacracy:**

The Holacracy is the new paradigm of managing control with the organization. According to the holacracy views, the organizations are decentralized by the one who is in charge of the organization and employees are offered discretion to choose their roles (Robertson, 2007). In contrast the bureaucracy is recognized as strict hierarchy and focuses mainly on creating synergies within organization. The bureaucratic structures restrict the involvement of employees in decision making and it has been considered as restricting the innovative capabilities of employees. The contemporary organizations are moving towards holacratic structures in which employees are empowered and open to perform creatively. In holacracy, the roles are defined and employees have the discretion to select from many, which may not be the case in traditional team based work.

In Zappos, the CEO has given the discretion to employees to choose their roles according to holacracy approach. They are based on the fact that none of an idea from any employee can be rejected without any valid reason of objecting the idea. They are openly creating and there are no rules for performing any given task. Employees can perform task in the way desired by them.

The innovative culture requires the flat structures within organization with less command and control and more empowerment to perform any task. Innovation requires fewer layers of management and strict control can restrict innovative capabilities of employees and organization. Flexibility should be maintained within structure of organization with an aim of enhancing creativity and developing new ideas.

### **Taylorism:**

The workers in developed countries are more concerned about their personal welfare. They want to be respected by their employers instead of being treated like the machines to improve the efficiency of organization (Bain et al., 2002). The focus on Taylorism was on equity in which employees were paid according to their efforts and they were not receiving wages in case of disobeying the orders of managers. There were no rights of employees and employee protection organizations were powerless (Maier, 1970). The employees today in Australia, Europe and America have least level of acceptance for such Taylorism. There are organizations for protection of labor and human rights and employees have awareness of their rights. The contemporary employees demand for more open environment with relaxed hierarchy and greater autonomy to work. The organizations are turning towards team work and they are making the employees self-managing. Therefore, the expectations of employees are aligned with concept of empowerment and they have no acceptance for Taylorism.

Mainly the call centers were considering it as a machine as motivated by the Taylorism and they were relying on average handling time principle which is line with time and motion offered by Taylor (Boje and Winsor, 1993). However, the current call centers have shifted from this paradigm and they are no more considering the customer service as cost. The Taylorism is getting limited in call centers and they are becoming more customer oriented. The shift from the concept of machine has become inevitable due to the fact that input for call centers is volatile and they have to deal with new problems associated with employees. The Taylorism can work well, where input is consistent and there is little variation among the processes. The call centers have now realized the importance

of embracing autonomy and they are focusing on the notion that benefiting their employees and dealing them with respect will turn out in the form of high revenues.

The ideas mentioned in this clip about Taylorism are seem obsolete in current business environment and there is little level of acceptance for such practices specifically related to labor. However, the concept of division of labor seems to be followed in digital form by some companies such as Upwork (Chapman, 2012). The company has sliced their routine work into smaller segments and they have outsourced these portions of tasks to freelancers with an aim of gaining greater efficiency. Therefore, the concept of division of labor is supported by the assistance of technology. However, in spite of following division of labor in modified form, it cannot be argued that concepts offered in the clip are exactly applicable in current business environment. Recently, the employees are becoming more concerned and it has become crucial for management to follow effective human resource management practices with an aim of gaining greater advantages of their workforce.

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